

THE 90 DAY REPORT

A Review of the
2025 Legislative Session



Department of Legislative Services
Maryland General Assembly

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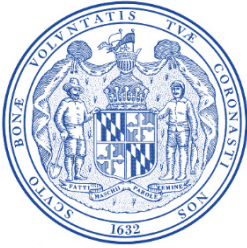
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 11, 2025

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

President Ferguson, Speaker Jones, and Members:

We are pleased to present you with *The 90 Day Report – A Review of the 2025 Legislative Session*.

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

We trust that this report will be a useful source of information for all of you as well as for members of the public. The department's report on the fiscal effects of legislation from the 2025 session will be issued after the Governor has taken final action on all bills.

Sincerely,

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Contents

Major Issues List – 2025 Session	ix
Part A – Budget and State Aid.....	A-1
Operating Budget.....	A-1
Selected Budgetary Initiatives and Enhancements	A-32
By the Numbers	A-37
Capital Budget	A-46
State Aid to Local Governments.....	A-91
Part B – Taxes	B-1
Property Tax.....	B-1
Income Tax	B-5
Sales Tax.....	B-8
Miscellaneous Taxes	B-10
Miscellaneous Local Taxes.....	B-10
Part C – State Government.....	C-1
State Agencies, Offices, and Officials/Regulations.....	C-1
Military and Veterans	C-6
Loans, Grants, and Funds.....	C-8
Elections.....	C-11
Ethics.....	C-16
Procurement	C-17
Personnel.....	C-20
Pensions and Retirement.....	C-22
General Assembly	C-24
Information Technology/Cybersecurity	C-27

Part D – Local Government	D-1
Local Government - Generally	D-1
Bi-county Agencies.....	D-3
Part E – Crimes, Corrections, and Public Safety	E-1
Criminal Law	E-1
Criminal Procedure	E-4
Juvenile Law	E-9
Public Safety and Corrections.....	E-10
Part F – Courts and Civil Proceedings	F-1
Judges and Court Administration.....	F-1
Civil Actions and Procedures.....	F-3
Family Law	F-6
Human Relations.....	F-10
Real Property	F-11
Estates and Trusts	F-19
Part G – Transportation and Motor Vehicles	G-1
Transportation.....	G-1
Motor Vehicles.....	G-4
Part H – Business and Economic Issues	H-1
Business Occupations and Regulation	H-1
Public Service Companies	H-6
Insurance (other than Health Insurance).....	H-13
Horse Racing and Gaming.....	H-15
Economic Development.....	H-17
Housing and Community Development.....	H-23
Workers’ Compensation	H-25
Unemployment Insurance	H-26
Labor and Industry	H-27
Alcoholic Beverages (Statewide).....	H-31
Local Alcoholic Beverages	H-32
Cannabis Regulation	H-39
Part I – Financial Institutions, Commercial Law, and Corporations	I-1
Financial Institutions.....	I-1
Commercial Law.....	I-2
Corporations and Associations	I-6

Part J – Health and Human Services	J-1
Public Health – Generally	J-1
Health Occupations	J-13
Health Care Facilities and Regulation	J-19
Health Insurance	J-23
Social Services	J-31
Part K – Natural Resources, Environment, and Agriculture	K-1
Natural Resources	K-1
Hunting and Fishing.....	K-6
Environment and Energy	K-9
Agriculture	K-19
Part L – Education.....	L-1
Education – Primary and Secondary	L-1
Higher Education	L-8
Education – Local Bills.....	L-15
Early Childhood/Libraries/Miscellaneous	L-16
School Construction.....	L-20

Major Issues – 2025 Session

	<u>Part</u>
Child Sexual Abuse.....	F
Energy Resource Adequacy and Planning Act	K
Excellence in Public Schools Act	L
Expungement Reform Act	E
Family and Medical Leave Insurance Program Revisions	H
Income Tax Modifications	A, B
Landlord and Tenant – Procedures to Pay Rent.....	F
Maryland Values Act	E
Next Generation Energy Act.....	H
Operating Budget/Budget Reconciliation and Financing Act	A
Packaging and Paper Products – Producer Responsibility Plans.....	K
Prescription Drug Affordability Board	J
Procurement Reform Act	C
Protect Our Federal Workers Act	C
Public Health Abortion Grant Program	J
Renewable Energy Certainty Act.....	K
Sales Tax on Data/Information Technology Services	A, B
Second Look Act.....	E
State Personnel – Paid Family and Medical Leave.....	C
Transportation Trust Fund Revenues	A, G
U Nonimmigrant Status Petitions	E

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 2025 session began. In December 2024, projected cash shortfalls totaled \$396 million for fiscal 2025 and \$2.95 billion for fiscal 2026, with structural shortfalls of \$1.07 billion and \$2.47 billion, respectively. The structural shortfall was projected to grow to \$6 billion by fiscal 2030. Sluggish economic growth, higher than expected entitlement costs, and a long-term commitment to enhancing K-12 education funding contributed to the fiscal challenges.

The immediate challenge occurred despite revenue increases in the September and December 2024 estimates from the Board of Revenue Estimates (BRE) as expenses far exceeded expectations. Significant fiscal 2024 costs were rolled into fiscal 2025, Developmental Disabilities Administration (DDA) and child care scholarship expenses in fiscal 2025 surpassed the appropriation by a wide margin and were projected to grow steadily from the higher level, and the number of Medicaid enrollees and their medical needs surpassed expectations. Rapid growth in these entitlement programs exacerbated the out-year challenge associated with funding ongoing K-12 education enhancements. Growing concerns about the impact of federal government layoffs led BRE to reduce general fund revenue expectations in March 2025 for both fiscal 2025 and 2026. Worries about the potential impact of federal spending retrenchment on the Maryland economy intensified toward the end of session due to pauses in certain federal payments, cancellations of expected funding, and discussions of changes to federal support for various programs, most notably Medicaid. The Transportation Trust Fund (TTF) also faced financial challenges during the session due to a mismatch between available revenues and desired spending on capital priorities.

Governor Wes Moore introduced a fiscal 2026 budget that reduced general fund spending by \$274.1 million (1.0%), including \$1.03 billion 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 (\$268 million), lower costs for debt service (\$215 million), and one-time pay-as-you-go (PAYGO) spending and other capital spending shifted to general obligation (GO) bonds (\$116 million). 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 appropriation to the fund (\$419.5 million). The fiscal 2026 budget also included a number of enhancements that primarily reflected the Governor's economic development agenda.

Actions taken by the General Assembly in the budget bill and through final action on *House Bill 352 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2025, reduced \$1.6 billion of general fund spending, including reductions taken in Supplemental Budget No. 2 at the direction of the General Assembly. The legislature increased general fund revenue in fiscal 2025 and 2026 by a combined \$1.48 billion, including \$1.2 billion from new taxes and fees, and provided approximately \$500 million of additional revenue to the TTF. The General Assembly added \$338 million in total funds to the budget to support legislative priorities across fiscal 2025 and 2026, including \$181.5 million to restore cost containment reductions in DDA (\$34.2 million in fiscal 2025 and \$147.2 million in fiscal 2026). Legislative action on the budget also restored \$15.0 million from the Cigarette Restitution Fund (CRF) for cancer research at Statewide Academic Health Centers proposed to be eliminated in the fiscal 2026 budget as introduced. Approximately \$17.1 million in general funds were added to increase the maximum amount of the uncapped disparity grant local jurisdictions can receive in fiscal 2026 from 75% to 90%, benefiting five jurisdictions. The General Assembly also restored, through rejecting proposed reductions, \$10.8 million for victims of crime assistance, \$7.2 million for enterprise zone tax credits, and \$3.6 million for Baltimore City Community College (BCCC), among other programs.

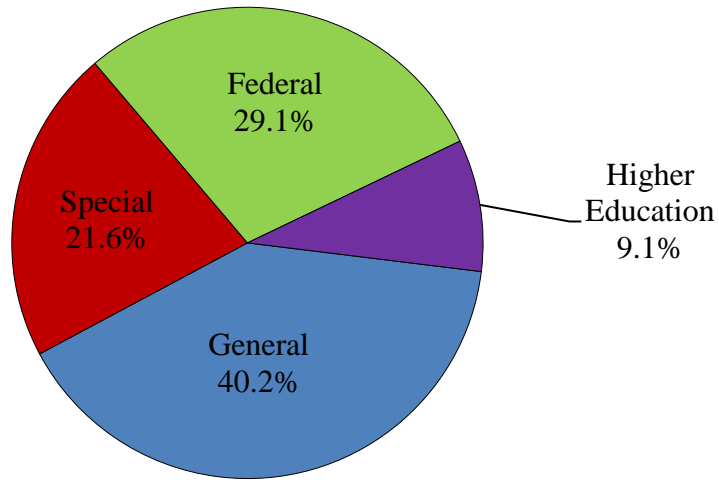
Final legislative action on the budget leaves an estimated general fund cash balance of \$315 million at the end of fiscal 2026, in addition to \$2.1 billion in the Rainy Day Fund. The legislature once again met all the recommendations of the Spending Affordability Committee (SAC). The General Assembly's actions significantly improve the long-term structural budget outlook by reducing the projected shortfall for fiscal 2027 from \$2.9 billion to \$155 million and cutting the shortfall forecast for fiscal 2030 by 50% from \$6 billion to \$3 billion.

Budget in Brief

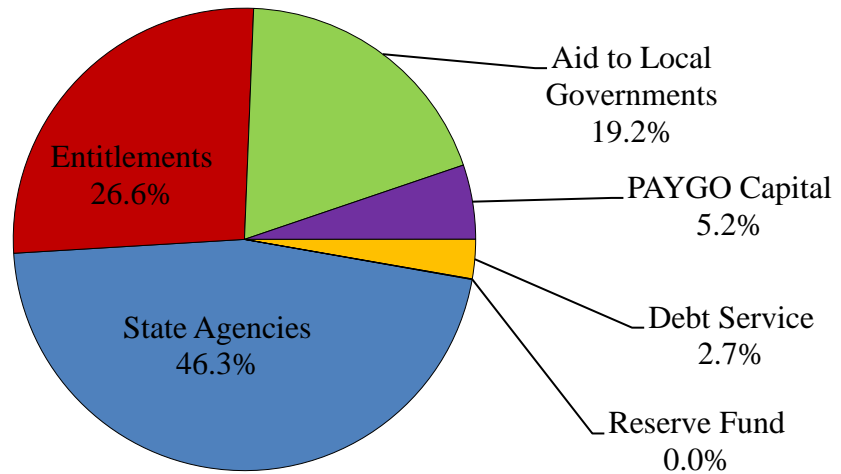
House Bill 350 (passed) provides approximately \$66.9 billion in appropriations for fiscal 2026 – an increase of \$82.6 million (0.1%) compared to fiscal 2025. **Exhibit A-1.1** illustrates fiscal 2026 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 40.2%, or \$26.9 billion, of the total fiscal 2026 legislative appropriation. Federal funds continue to account for approximately 29% of all spending (\$19.5 billion). Increased use of funds from the Blueprint for Maryland's Future Fund to support K-12 education enhancements and higher transportation spending contribute significantly to the special fund growth of \$1.3 billion, or 9.9%. With this increase, special fund appropriations total 21.6% of the fiscal 2026 appropriation (\$14.5 billion). Higher education revenues provide the remaining 9.0% of the budget. State agency operations constitute the largest area of spending, accounting for 46.3% of the total budget, followed by entitlements (26.6%) and aid to local governments (19.2%). Remaining appropriations fund PAYGO capital spending, debt service on State GO bonds, and appropriations to the Reserve Fund. The share of spending on the Reserve Fund continues to decline due to the reduced use of the Dedicated Purpose Account and no appropriation to the Rainy Day Fund.

Exhibit A-1.1
Maryland’s \$66.9 Billion Fiscal 2026 Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

Note: Does not account for assumed general fund reversions of \$75 million or a planned reversion of \$5.7 million in the fiscal 2026 budget.

Source: Department of Legislative Services

General fund appropriations decrease by \$403.8 million, or 1.5%, when compared to the fiscal 2025 adjusted working appropriation. Much of the decrease is due to the fiscal 2025 budget including \$268 million of one-time spending related to fiscal 2024 costs that exceeded available resources. Spending also declines as the State's budget challenges lead to less use of cash for capital projects (\$96 million) and to mitigate demands on the TTF (\$197 million). General fund spending on debt service declines by \$242 million due to lower overall expenses and the availability of bond premium and other special fund revenues. General funds for the University System of Maryland (USM) drop by \$141 million in fiscal 2026 due to cost containment actions. These decreases are partially offset by growth of \$227 million in entitlement spending due to higher Medicaid and foster care costs and \$158 million for salary increases for State employees. Other spending increases include \$71 million in local aid for community colleges, K-12 education, and libraries.

Special fund spending increases by approximately \$1.3 billion, or 9.9%, compared to the fiscal 2025 working appropriation. Blueprint for Maryland's Future Fund spending increases by nearly \$650 million to support growth in K-12 education spending. Another substantial driver of the increase is funding for transportation, which rises \$209 million combined between the operating and capital programs. Growth for transportation reflects increased spending made possible by revenue increases adopted in the BRFA of 2025. Debt service spending supported by property tax collections and bond premium revenue increases by \$125 million. Spending from the Strategic Energy Investment Fund (SEIF) for allowable purposes rises by more than \$120 million due to a recent surge in revenues. Special funds for Medicaid increase by \$50 million due to the BRFA of 2025, including a provision raising the hospital deficit assessment. A payment from Prince George's County for its share of fiscal 2026 costs for the public-private partnership under the Built to Learn school construction initiative increases special fund spending by \$42 million.

Federal fund spending in the budget decreases by a net \$981.2 million, or 4.8%, with reductions to federal support of entitlement programs accounting for much of the decrease. The dip in entitlement spending reflects fiscal 2024 Medicaid bills paid in fiscal 2025 and declines in expected spending on the Supplemental Nutrition Assistance Program (SNAP) of almost \$200 million. Federal support also falls as the State has spent most of the available federal funds for broadband enhancements, one-time capital spending on a new State veterans home ends, and funds for food programs for students are projected to decline by more than \$100 million in fiscal 2026.

Excluding State general and special funds, current unrestricted and current restricted funding for State public four-year institutions, and BCCC increases by \$165 million to \$6.06 billion in fiscal 2026. Tuition and fee revenue increases due to enrollment growth and expected increases in charges, while auxiliary revenues increase due to anticipated enrollment growth. Revenue from federal grants and contracts is also expected to rise in fiscal 2026, reflecting the development of the budget prior to announcements of federal spending reductions.

With respect to State personnel, the size of the regular workforce increases to 86,698 in fiscal 2026, 933 more positions than the fiscal 2025 legislative appropriation. The budget provides

State employees a 1% general salary increase effective July 1, 2025, and increments to State employees that are part of bargaining units.

Framing the Session: 2024 Interim Activity

Fiscal 2024 closed with a balance that was \$362 million higher than was anticipated at the end of the 2024 session, as shown in **Exhibit A-1.2**. The higher closing balance was the result of reversions exceeding estimates by approximately \$164 million and revenue adjustments totaling \$217 million. Higher than expected interest earnings and a one-time spike in abandoned property revenue contributed to the stronger than expected revenue performance. The substantially higher than expected reversions included a significant level of reversions in error, the largest of which was approximately \$64 million from the Department of Human Services from the public benefits program. These reversions in error led to \$82 million in general fund deficiency appropriations in fiscal 2025 to cover costs and so only temporarily boosted the balance of the General Fund.

Exhibit A-1.2
Fiscal 2024 Closeout
(\$ in Millions)

	<u>2024</u>
Estimated Closing Balance	\$698
Revenue and Transfers	
Adjustment to Revenues	\$217
Transfers	-19
Spending	
Reversions Above Estimate	164
Closing Balance – September 2024	\$1,060

Source: Comptroller of Maryland

SAC Recommendations

As described below, SAC’s December 2024 report to the Governor made recommendations concerning the fiscal 2026 spending limit, use of fund balances, State employment, and the TTF.

Spending Limit and Sustainability: During the 2024 interim, significant cash and structural shortfalls were projected for fiscal 2026, with a projected cash shortfall of nearly \$3 billion. These shortfalls were projected to grow, accelerating particularly beginning in fiscal 2028, reaching more than \$6 billion in fiscal 2030. As a result, the committee recommended that the fiscal 2026 budget erase the projected structural gap of nearly \$2.5 billion. In addition, the

committee recommended that the fiscal 2026 budget improve the outlook for fiscal 2028 so that ongoing revenues will support at least 94% of projected ongoing spending.

Fund Balances and Use of Surplus: The committee recognized that reducing the Rainy Day Fund balance below 10% would assist the State in resolving the projected cash shortfalls in the short term but would not fully resolve the fiscal 2026 deficit. In addition, the committee recognized that it was prudent to retain a healthy fund balance in the event of a recession or federal actions that harm the Maryland economy. The committee recommended exploring opportunities to better align ongoing spending with ongoing revenues and achieving one-time budgetary savings before drawing down the Rainy Day Fund balance. The committee specifically recommended maintaining a Rainy Day Fund balance of at least 7.5% and a minimum ending general fund balance of at least \$100 million in fiscal 2026.

Personnel: As of October 2024, excluding higher education, the Executive Branch had a vacancy rate of 10.4% (5,347 positions). At that time, there were approximately 2,300 more filled positions than at the same time in 2023. The committee recommended that the State fill existing positions within the limitations of the State's fiscal condition, prioritizing its most critical vacancies, such as those that provide health, public safety, and other essential services. In addition, the committee recommended new activities requiring additional personnel, including the operation of new facilities and the implementation of new programs and agencies, be prioritized in the same manner.

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 \$11.2 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2026 closing balance of at least \$400 million and that system preservation funding total at least \$1.14 billion.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$66.5 billion in total spending, including \$27.3 billion in general funds, which left an estimated closing general fund balance of \$187 million in fiscal 2025. This spending included \$2.9 billion in deficiency appropriations net of planned reversions, including \$1.5 billion in general funds and \$1.2 billion in federal funds – the largest components of which were in entitlement programs (\$1.1 billion in total funds and \$618.3 million in general funds). Deficiency appropriations, net of planned reversions, totaled \$717.1 million, including \$350.2 million of general funds to support prior year costs, including funds reverted in error at fiscal 2024 closeout or fiscal 2024 expenses for which agencies had insufficient appropriation, the largest component of which was related to Medicaid (\$509.9 million in total funds).

The fiscal 2026 budget plan proposed \$67.3 billion in total spending, an increase of approximately \$817 million compared to the fiscal 2025 spending plan. General fund spending

declined by approximately \$274 million, including one-time expenses related to fiscal 2024 costs paid in fiscal 2025 (\$268 million), debt service (\$215 million), and PAYGO capital spending (\$116 million). These reductions were partially offset by increases primarily in entitlements (\$182 million) due to Medicaid and availability of federal funds for the foster care maintenance payments, and local aid (\$70.4 million) driven by teacher and community college retirement. With the Rainy Day Fund balance at 8% of general fund revenues in fiscal 2026, *House Bill 352 (passed)*, the BRFA of 2025, as introduced, included a provision to eliminate the required fiscal 2026 appropriation to the fund. The Governor’s budget plan also reduced an additional \$513.5 million of general funds contingent on the BRFA. The largest contingent reductions related to shifting half of the fiscal 2026 increase in teacher and community college retirement to local jurisdictions (\$97.7 million), an increase in the Medicaid Deficit Assessment (\$92.5 million), and authorizing the use of GO bonds for a PAYGO mandate (\$50 million). The Governor’s legislative package also proposed approximately \$239 million of contingent special fund reductions, including \$124 million related to delaying the education collaborative time per-pupil amount.

The Administration’s legislative package contained \$4.8 million in contingent general fund spending primarily related to the Cyber Maryland program (\$3.1 million) and \$478 million of contingent special fund spending primarily due to fund swaps and increased fees to cover costs within certain agencies. The BRFA, as introduced, included additional general fund revenue of \$1.3 billion across fiscal 2025 and 2026, primarily due to personal income tax reform and establishment of a surcharge on capital gains income for high earners as well as other proposed tax changes including increasing the tax rate on table games and sports wagering. Additional tax changes were proposed for the out-years. In addition, the BRFA proposed increases in revenue to the TTF totaling \$470 million across fiscal 2025 and 2026, including establishing a retail delivery fee (\$225 million) and eliminating the trade-in allowance for vehicle purchases of more than \$15,000.

The budget, as introduced, met the SAC goals for the fiscal 2026 general fund balance and Rainy Day Fund balance but failed to meet the SAC goal of eliminating the fiscal 2026 structural shortfall. The Governor’s budget plan left a \$186 million structural shortfall for fiscal 2026. **Exhibit A-1.3** details the Governor’s original general fund spending plan for fiscal 2025 and 2026.

Exhibit A-1.3
Governor's Original Budget Plan – General Funds
Fiscal 2025-2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>
Opening Balance	\$1,060	\$187
BRE Revenues*	\$25,252	\$25,625
Changes to Revenue from Tax Changes, contingent on the BRFA	10	956
Other Changes to Revenue, contingent on the BRFA	33	33
Transfer from the Rainy Day Fund**	346	219
Transfers, contingent on the BRFA	624	10
Additional Revenues and Transfers	172	111
Subtotal	\$26,436	\$26,954
Appropriations/Deficiencies	\$27,643	\$28,049
Contingent Reductions	-99	-933
Reversions	-235	-81
Subtotal	\$27,309	\$27,035
Adjusted Closing Balance	\$187	\$106

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* Includes \$272 million of revenue from a reduction in the revenue volatility adjustment contingent on the BRFA in fiscal 2026.

**In fiscal 2025, includes transfer above 10% of general fund revenues, \$150 million to support the Washington Metropolitan Area Transit Authority, and \$100 million to support Medicaid. In fiscal 2026, includes a transfer of amount above 8% of general fund revenue.

Source: Governor's Budget Books, Budget Highlights, Fiscal 2026

Legislative Consideration of the Budget

Exhibit A-1.4 summarizes final legislative action on the fiscal 2025 and 2026 budgets, which included submission of two supplemental budgets from the Administration, a revenue write-down, and consideration of budget reconciliation and other legislation. The General Assembly's final actions on the budget leave an estimated closing general fund balance of approximately \$132 million in fiscal 2025 and \$315 million in fiscal 2026.

Exhibit A-1.4
Final Legislative Budget Action – General Funds
Fiscal 2025-2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>
Opening Balance	\$1,060	\$132
BRE Revenues (Adjusted for March 2025 Revision)*	\$25,145	\$25,384
Changes to Revenue from Tax Changes, Contingent on the BRFA	0	1,157
Other Changes to Revenue, Contingent on the BRFA	33	84.7
Transfer from the Rainy Day Fund**	346	219
Transfers, Contingent on the BRFA	698	115
Revenue Impacts of Other Legislation		-\$2
Additional Revenues and Transfers	172	155
Subtotal	\$26,393	\$27,113
Appropriations/Deficiencies	\$27,650	\$28,049
Supplemental Budgets	100	58
Legislative Additions	36	224
Legislative Reductions	-227	-1,319
Reversions	-238	-81
Subtotal	\$27,322	\$26,930
Adjusted Closing Balance	\$132	\$315

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

*Includes \$205 million of revenue from a reduction in the revenue volatility adjustment contingent on the BRFA in fiscal 2026.

**In fiscal 2025, includes transfer above 10% of general fund revenues, \$150 million to support the Washington Metropolitan Area Transit Authority, and \$100 million to support Medicaid. In fiscal 2026, includes a transfer of amount above 8% of general fund revenue.

Source: Department of Legislative Services

Following submission of the budget in January 2025, the Governor submitted two supplemental budgets, summarized in **Exhibit A-1.5**, which as submitted added a net of just over \$426.0 million across the current and budgeted fiscal years, including a net \$127.4 million in general fund spending.

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

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Reimbursable Funds</u>	<u>Total</u>
No. 1					
Fiscal 2025	\$99.6	\$58.3	\$224.8	\$6.1	\$388.8
Fiscal 2026	125.1	-67.6	110.3	-0.9	166.9
No. 2					
Fiscal 2026	-97.3	9.0	-42.1	0.7	-129.7
Original Spending Impacts	\$127.4	-\$0.2	\$293.0	\$5.9	\$426.0
Reductions	-\$6.6	-\$0.2	\$0.0		-\$6.8
Total Spending Impacts	\$120.8	-\$0.4	\$293.0	\$5.9	\$419.2
Reversions	\$2.6				
Net Impact on General Fund Balance	-\$118.2				

Note: Includes \$12.2 million of special fund spending that double counts general funds, but excludes \$0.4 million of current unrestricted funds that double count general funds. In addition, this chart includes appropriations provided that were contingent on the Budget Reconciliation and Financing Act of 2025. The supplemental budget alters spending by striking deficiency appropriations that would have reduced spending contained in the budget as introduced as well as changing contingent reductions in the budget as introduced, which is counted as additional spending.

Source: Department of Legislative Services

Supplemental Budget No. 1 had a net impact of \$555.7 million of total spending (\$222.1 million of general funds). The primary drivers of increased spending in Supplemental Budget No. 1 were projected shortfalls in both fiscal 2025 and 2026 in the DDA Community Services program. The combined shortfalls totaled \$560 million, of which \$297 million were general funds. An increase of \$33.7 million in contingent general fund spending and \$66.8 million of contingent special fund reductions included in Supplemental Budget No. 1 reflected a planned 18 month delay in the implementation of the Family and Medical Leave Insurance (FAMLI) program, announced by the Maryland Department of Labor (MD Labor) in February 2025 and approved by the General Assembly in *House Bill 102 (passed)*. As the Division of Paid Leave in MD Labor that administers the program was funded entirely with anticipated contributions under the program, the delay in beginning contributions required an alteration to the fiscal 2026 funding, both to reduce the total amount needed as some costs would not be incurred absent implementation and to replace the special funds that would not be received without

contributions. Supplemental Budget No. 2 reduced spending by a net of \$129.7 million, including \$97.3 million in general funds of which \$13.1 million was contingent on enactment of the BRFA altering mandates and allowable uses of certain special funds. Supplemental Budget No. 2 was submitted in response to language included in the fiscal 2026 budget as passed by the House and Senate to reduce \$97 million across the board, as a placeholder for this action. The largest reduction contained in Supplemental Budget No. 2 was \$44.4 million to USM, to be allocated by USM. A reduction of \$69.4 million in total funds (\$33.8 million in general funds) was the result of deleting funds for a 1% provider rate increase for developmental disabilities, behavioral health, and certain Medicaid providers.

After accounting for planned reversions included in Supplemental Budget No. 1 and General Assembly actions to reduce a total of \$6.8 million (\$6.6 million in general funds) from Supplemental Budget No. 1, the net impact of the supplemental budgets was to reduce the general fund balance by \$118 million.

In March 2025, BRE revised its fiscal 2025 and 2026 general fund revenue estimates downward by a combined \$347 million across the two fiscal years, or \$280 million net of a resulting adjustment in the revenue volatility cap. Overall, legislative actions, including reductions to Supplemental Budget No. 1 and reductions contingent on legislation, resulted in \$219.1 million in reductions to the fiscal 2025 appropriation, including \$214.4 million in general fund reductions, and nearly \$2.0 billion in total fund reductions to the fiscal 2026 budget, of which \$1.3 billion was general funds.

Legislative Priorities

As shown in **Exhibit A-1.6**, the legislature reallocated approximately \$338.0 million to directly fund legislative priorities across the State in fiscal 2025 and 2026. This included approximately \$181 million in general and special funds to restore funds reduced in fiscal 2025 and 2026 for planned cost containment actions related to DDA. The legislature also added \$32 million of special funds from the SEIF to replace GO bond funding for certain USM capital projects. An addition of \$17.1 million in general funds supports an increase in the maximum amount of the uncapped grant a jurisdiction can receive through the disparity grant from 75% to 90%, benefiting five jurisdictions. The General Assembly restored funds for cancer research at the Statewide Academic Health Centers by adding \$2 million in special funds from the CRF which, when combined with striking a provision in the BRFA that would have eliminated the mandate for the program, funded the program at the same level as in fiscal 2025 (\$15 million). A general fund addition of \$15 million allowed for the backfilling of a reduction to the CRF in Medicaid since more CRF was needed to support the cancer research grants. Four additions, which total \$12.8 million, were contingent on the enactment of legislation. An addition of \$10 million was contingent on the enactment of a provision in the BRFA authorizing an expanded use of the Expedited Service Fund in the State Department of Assessments and Taxation (SDAT) for administrative expenses. General funds of \$2.2 million and 9.0 regular positions were added contingent on [*House Bill 1253 \(passed\)*](#) creating a new department of social and economic mobility. An addition of \$500,000 in special funds from the SEIF funds a study related to the cost of greenhouse gas emissions, contingent on [*Senate Bill 149/House Bill 128 \(both passed\)*](#). Special

funds of \$100,000 were added to the Workers' Compensation Commission (WCC) for the purpose of a special monitor of the Uninsured Employers' Fund, contingent on *Senate Bill 219/House Bill 193 (both passed)*.

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

Fiscal 2025 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Restore funds for DDA Community Services	\$34.2
Grant to Maryland Association of Boards of Education to establish direct primary health care systems in any areas of State	2.0
Total Fiscal 2025 Additions	\$36.2

Fiscal 2026 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Restore funds for DDA Community Services	\$132.2
Disparity Grant – Increase the maximum amount of the uncapped grant a jurisdiction can receive from 75% to 90% (benefits Caroline, Dorchester, Prince George's, Somerset, and Wicomico counties)	17.1
Medicaid Provider reimbursements to backfill for oversubscribed CRFs	15.0
Grant to Baltimore County for Randallstown Branch Library (PAYGO)	12.0
Grant to University of Maryland Enterprise Corporation for Quantum	10.0
Dredge material replacement cost for Tradepoint Atlantic Project	6.0
Add administrative funds for Sun Bucks to correct program in DHS (technical)	4.7
Grant for Access to Counsel	3.6
Address pediatric overstay beds	3.0
Establish Department of Social and Economic Mobility (HB 1253)	2.2
Grant to support Sail Baltimore's Sail 250	1.5
Grant to Schaefer Center for Public Policy	1.5
Comptroller for staffing, including 11 new positions	1.3
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	1.0
Grant for dredging in Baltimore Harbor	1.0
Grant to Maryland Center for History and Culture	1.0
Grant to Boys and Girls Clubs of Maryland	1.0

<u>Purpose</u>	<u>Total</u>
Other priorities under \$1.0 million	9.9
Total General Fund Additions	\$224.0

Special Funds

<u>Purpose</u>	<u>Total</u>
Fund Strategic Energy Investment Fund-eligible capital costs with cash	\$32.0
Restore DDA reductions with funds from Community Services Trust Fund	15.0
Fund SDAT operating costs with local funds, not general funds*	10.0
Transportation grants to municipalities to improve access to the Purple Line	6.6
Fund School Resource Officers with available fund balance	5.0
Statewide Academic Health Centers to level fund with fiscal 2025 (BRFA restores \$13 million)	2.0
Dredge material replacement cost for Tradepoint Atlantic Project	
Grant to Baltimore City for Clifton Park project	1.1
Grant to Associated Jewish Federation of Baltimore for a pilot for bussing students	0.3
Grant to Workers' Compensation Commission to employ UEF monitor	0.1
Fund study by Comptroller required by SB 149	0.5
Grant for Northwest Park (POS)	0.1
Grant for Wilbur Waters Park (POS)	0.1
Grant for Druid Hill Tennis Court resurfacing (POS)	0.3
Grant for Patterson Park Master Plan Implementation (POS)	0.02
Total Special Fund Additions	\$73.1

Federal Funds

<u>Purpose</u>	<u>Total</u>
Add administrative funds for Sun Bucks to correct program in DHS (technical)	\$4.7
Total Fiscal 2026 Additions	\$301.8

BRFA: Budget Reconciliation and Financing Act
 CRF: Cigarette Restitution Fund
 DDA: Developmental Disabilities Administration
 DHS: Department of Human Services

PAYGO: pay-as-you-go
 POS: Program Open Space
 SDAT: State Department of Assessments and Taxation
 UEF: Uninsured Employers' Fund

Source: Department of Legislative Services

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2026 general fund budget erase the projected \$2.5 billion structural shortfall and improve the outlook for fiscal 2028 so that ongoing revenues will support at least 94% of projected ongoing spending. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$5 million and ongoing revenues being 94% of ongoing spending in fiscal 2028. **The structural budget goal for fiscal 2026 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2026 cash balance of at least \$100 million and a minimum of 7.5% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated general fund closing fund balance of \$315 million and (2) an estimated Rainy Day Fund balance of \$2.1 billion, or 8%, of estimated general fund revenues compared to the December 2024 revenue estimate. **The cash and Rainy Day Fund balance goals for fiscal 2026 were met.**

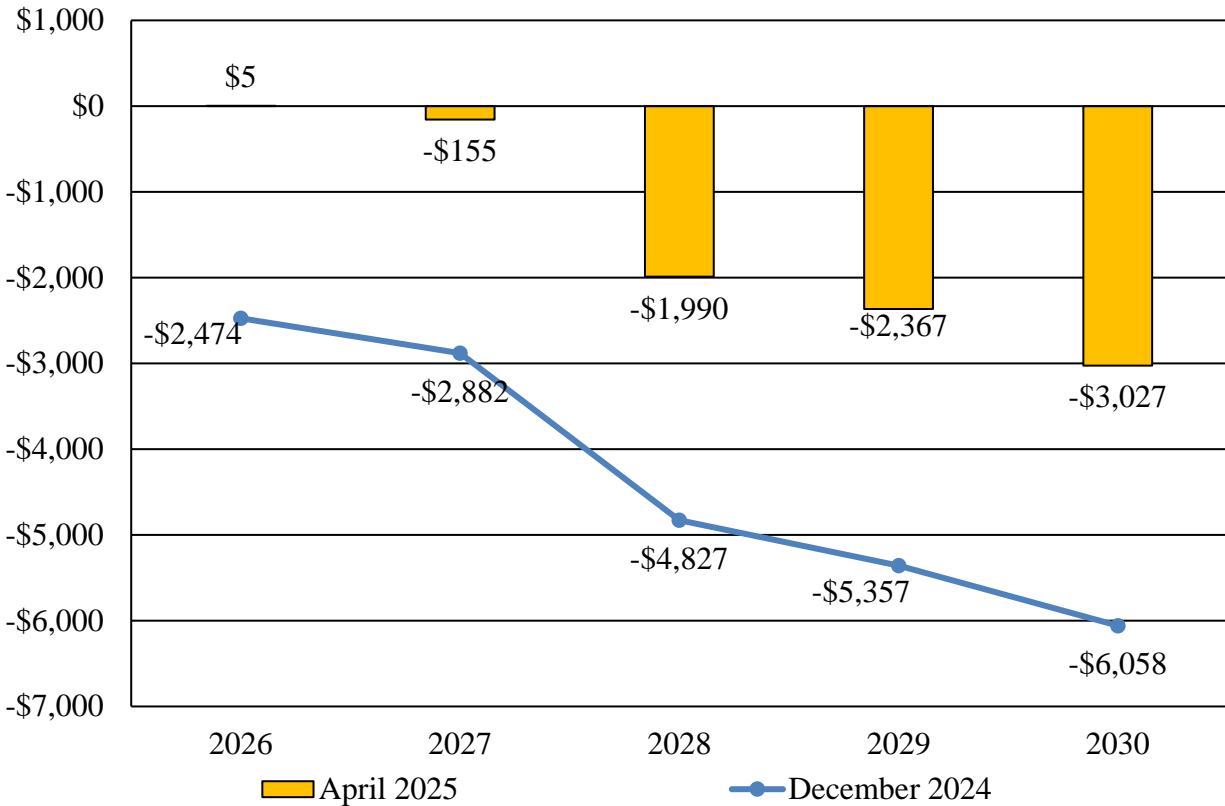
State Employment: SAC recommended the filling of existing positions occur within the limitations of the State's fiscal condition, prioritizing its most critical vacancies such as those that provide health, public safety, and other essential services and that new activities requiring additional personnel be prioritized in the same manner. The General Assembly reduced funds in the fiscal 2026 budget to reflect vacancy savings, for a turnover rate of 9.5%, allowing for some filling of positions, but at a reduced rate compared to the budget as introduced. In addition, the General Assembly reduced the number of new positions created within the budget to focus on hiring of essential positions. **The personnel goals for fiscal 2026 were met.**

Transportation: The fiscal 2026 budget as enacted includes \$1.3 billion for system preservation and a target closing balance of \$400 million for the TTF compared to the SAC goals of at least \$1.14 billion for system preservation and a \$400 million closing balance. **The transportation goals for fiscal 2026 were met.**

Outlook for Future Budgets

As shown in **Exhibit A-1.7**, fiscal 2026 is projected to end with a structural surplus of \$5 million. In fiscal 2027, there is an estimated structural deficit of \$155 million that increases to \$3.0 billion by fiscal 2030. This forecast shows significant improvement compared to the December 2024 projection of a structural deficit at nearly \$2.5 billion in fiscal 2026, which would have grown to \$6.0 billion by fiscal 2030. The General Assembly took multiple actions to strengthen the State's fiscal outlook, including adopting \$1.6 billion in general fund reductions (\$543 million of which were through the BRFA of 2025) and generating an estimated \$1.2 billion of ongoing general fund revenues in fiscal 2026 from tax and fee provisions.

Exhibit A-1.7
General Assembly’s Actions to Improve Structural Outlook
Fiscal 2026-2030
(\$ in Millions)



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 2026 is projected to end with a general fund balance of \$315 million. Between fiscal 2026 and 2030, ongoing spending is projected to grow at an average annual rate of 5.8%, outpacing ongoing revenues, which are estimated to grow at an average annual rate of 3.3%. The structural gap grows substantially beginning in fiscal 2028 as the Blueprint for Maryland’s Future costs exceed the available Blueprint revenues and \$1.9 billion of general funds are required to close the overall structural gap.

Exhibit A-1.8
General Fund Budget Outlook
Fiscal 2026-2030
(\$ in Millions)

	Leg. Approp.					Avg. Annual Change
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2026-30</u>
Revenues						
Opening Fund Balance	\$52	\$315	\$0	\$0	\$0	
Transfers	414	0	0	0	0	
One-time Revenues	13	0	0	0	0	
One-time Revenues – Legislation	0	0	-14	0	0	
Subtotal One-time Revenue	\$479	\$315	-\$14	\$0	\$0	
Ongoing Revenues	\$25,331	\$26,280	\$27,314	\$28,216	\$29,210	
Revenue Adjustments – Legislation	1,436	1,330	1,298	1,302	1,310	
Subtotal Ongoing Revenue	\$26,766	\$27,610	\$28,612	\$29,518	\$30,520	3.3%
Total Revenues and Fund Balance	\$27,245	\$27,924	\$28,598	\$29,518	\$30,520	2.9%
Ongoing Spending						
Operating Spending	\$27,307	\$28,498	\$31,320	\$32,594	\$34,262	
Ongoing Reductions/Additions	-545	-748	-719	-716	-724	
Ongoing Spending – Legislation	0	14	2	7	8	
Subtotal Ongoing Spending	\$26,761	\$27,765	\$30,603	\$31,884	\$33,547	5.8%
One-time Spending	\$169	\$168	\$168	\$168	\$168	
Total Spending	\$26,930	\$27,933	\$30,770	\$32,052	\$33,715	5.8%
Ending Balance	\$315	-\$9	-\$2,172	-\$2,534	-\$3,194	
Rainy Day Fund Balance	\$2,050	\$2,095	\$2,141	\$2,186	\$2,232	
Balance over 5% of General Fund Revenues	769	799	797	798	794	
As % of General Fund Revenues	8.0%	8.1%	8.0%	7.9%	7.8%	
Structural Balance	\$5	-\$155	-\$1,990	-\$2,367	-\$3,027	

Source: Department of Legislative Services

Budget Reconciliation and Financing Act

Exhibit A-1.9 summarizes the impact of the BRFA of 2025 on the fiscal 2026 budget plan. General fund revenue and transfer actions total \$2.29 billion across fiscal 2025 and 2026. General fund expenditures decrease by \$543 million combined in fiscal 2025 and 2026, including withdrawn fiscal 2024 appropriations. Special fund revenues increase by a net of \$709.6 million, including \$500 million for the TTF. Special fund reductions total \$38.9 million, while federal fund reductions total \$16.4 million. Special fund and federal fund appropriations totaling \$750.8 million are contingent on the BRFA, of which \$311.8 million is related to transportation revenue increases.

Exhibit A-1.9
Summary of Actions in the Budget Reconciliation and Financing Act
Fiscal 2025-2026
(\$ in Millions)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
Revenue Actions	\$1,479.3	\$709.6	
Transfers	812.9	9.0	
Reductions	543.0	38.9	\$16.4
Appropriations		645.2	105.7
Additions		10.0	

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 2026 reductions were taken directly by the legislature:

- the required appropriation in fiscal 2026 of general fund surplus from fiscal 2024 was eliminated, for one-year savings of \$419.5 million;
- a reduction in the mandate for the Maryland Community College Promise Scholarship program from \$15 million to \$13.5 million;
- GO bonds were authorized as a source of a \$50 million mandate for the Continuing the CORE Partnership Fund in the Department of Housing and Community Development;

- the required appropriations to the pension system and other postemployment benefit trust fund of \$25 million each from the general fund surplus in the most recently completed year was permanently eliminated beginning in fiscal 2026; and
- the required set-aside of 20% of the Information Technology Investment Fund appropriation for expedited projects was permanently eliminated. In fiscal 2026, the set-aside totaled \$28 million, though only \$13.8 million was to be contingently reduced due to this provision. The legislature reduced the entire funding for this purpose.

General Fund Revenue and Transfers to the General Fund

As summarized in **Exhibit A-1.10**, the BRFA includes provisions that result in an additional \$1.16 billion in general fund revenue due to ongoing tax changes. The largest revenue increase (\$482 million) results from applying a 3.0% sales tax on data/information technology services, which is directed to the General Fund. The BRFA includes several exemptions from the tax and also protects affiliates from double taxation under the tax. A net increase of \$344.4 million results from changes to the personal income tax, including establishing two new brackets for high income earners, a phase-out of itemized deductions beginning with federal adjusted gross income above \$200,000, repealing the phase-in of the standard deduction, increasing the standard deduction by 20%, and allowing the child tax credit to phase out rather than having a cliff at \$15,000 of income. An increase of \$229.4 million in general fund revenue results from adding a surcharge of 2% on capital gains income for filers with federal adjusted gross income in excess of \$350,000, of which 1.25% goes to the General Fund. The remaining revenue of \$138 million (0.75%) is distributed to the TTF.

Exhibit A-1.10
General Fund Revenue from Ongoing Tax Changes
Fiscal 2025 and 2026
(\$ in Millions)

Apply a sales tax on data/IT services with a tax rate of 3.0% with the funds directed to the General Fund	\$482.0
Personal income tax modifications – increasing the standard deduction, eliminating the standard deduction phase-in, establishing a phase-out of itemized deductions, and altering tax brackets to add new brackets for high-income earners	351.4
Personal income tax on capital gains – impose a 2% surcharge on capital gains income with 1.25% distributed to the General Fund	229.4
Increase the tax rate on cannabis from 9% to 12%	39.1
Increase the tax rate on sports wagering from 15% to 20%	31.8
Repeal the sales tax exemption for sales of photographic and artistic material used in advertising	18.7
Apply a 6% sales tax to vending machine sales of snack food	9.1
Repeal sales tax exemption for sales of precious metal coins or bullion over \$1,000 with an exemption for sales at Baltimore City Convention Center	2.5
Changing the Child Tax Credit to phase out rather than having a cliff at \$15,000	-7.0
Total General Fund Revenue from Ongoing Tax Changes	\$1,157.0

IT: Information Technology

Source: Department of Legislative Services

Other tax changes impacting the sales tax include:

- increasing the tax rate on cannabis from 9% to 12% and altering the share of funds dedicated to the General Fund, providing \$39.1 million in general fund revenue; and
- repealing sales tax exemptions for vending machine sales of snacks, photographic and artistic material used in advertising, and the sales of precious metal coins or bullion over \$1,000 (though leaving an exemption for sales at the Baltimore City Convention Center). These changes increase general fund revenue by \$30.3 million and Blueprint for Maryland’s Future Fund revenue by \$3.1 million.

The tax rate on sports wagering increases from 15% to 20%, with the increase directed to the General Fund beginning in fiscal 2026 (\$30.3 million). In fiscal 2025, the Blueprint for Maryland’s Future Fund receives \$2.5 million of revenue from this change.

Three additional provisions alter taxes on an ongoing basis but do not directly impact revenue, including:

- altering the trigger to reduce a tax credit for certain seniors if the revenue estimates decrease between the March and September BRE estimates from 7.5% to 3.75%;
- authorizing an increase in the maximum allowable local income tax rate from 3.2% to 3.3%; and
- allowing a pass-through entity that elects to pay income taxes on behalf of its members to pay the tax for resident members based on the pass-through entity's income attributable to both in-state and out-of-state income beginning in tax year 2026.

Exhibit A-1.11 summarizes the remaining general fund revenues and transfers to the General Fund resulting from the BRFA. Three additional substantial general fund revenue actions with ongoing impacts include:

- setting the revenue volatility cap at \$0 through fiscal 2029, before returning to the current law requirement (up to 2% of general fund revenue);
- diverting \$25 million per year from fiscal 2026 through 2029 of revenue from the transfer tax that would otherwise be distributed to Program Open Space Land Acquisition, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Program. This action also reduces the same amount of special fund revenue and expenditures in each of those years; and
- directing interest on the SEIF to the general fund beginning in fiscal 2025. This action is expected to produce \$65 million of revenue over fiscal 2025 and 2026.

Exhibit A-1.11
Other General Fund Revenue and Transfers
Fiscal 2025 and 2026
(\$ in Millions)

Other General Fund Revenue Actions

Set the Revenue Volatility Cap to \$0 through fiscal 2029	\$205.1
SEIF interest directed to the General Fund	65.0
Divert \$25 million of transfer tax revenue annually from fiscal 2026 through 2029 proportionately from Program Open Space Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program	25.0
Lottery revenues from a reduction to the required distribution to Bus Rapid Transit	10.0
One-time reduction in Student Loan Debt Relief Tax Credit	9.0
Accelerate the reduction in the Film Production Activity Tax Credit by one year	8.0
Reduce the mandate for the Maryland E-Innovation Initiative Program	2.5
Payments from local jurisdictions for 50% of new settlements for erroneously confined individuals	1.5
Increase the Securities Act Registration Fee by \$15 of which \$5 goes to the General Fund	1.2
MCA – Social Equity Partnership Grants	-5.0
Total	\$322.3

Transfers to the General Fund

Local Income Tax Reserve Fund	\$307.9
MEA – SEIF Alternative Compliance Payments	230.0
DPA – PAYGO funds	113.9
DPA – Cybersecurity funds	63.5
DPA – State Center Move funding	20.0
Judiciary – Land Records Improvement Fund	20.0
Unemployment Reserve Fund for State Employees	20.0
MDH – Maternal and Child Health Population Improvement Fund	13.1
DPSCS – Police Training and Standards Commission Fund	5.0
OAG – Mortgage Servicing Practices Settlement Fund	5.0
GOCPP – Violence and Intervention Prevention Program Fund	4.9
Commerce – More Jobs for Marylanders Tax Credit Reserve Fund	4.3
Interest earnings from the Racing and Community Development Financing Fund	3.0
Commerce – Innovation Investment Tax Credit	1.4
Maryland Used Tire Cleanup and Recycling Fund	1.0
Total	\$812.9

Commerce: Department of Commerce
DPA: Dedicated Purpose Account
DPSCS: Department of Public Safety and Correctional Services
GOCPP: Governor's Office of Crime Prevention and Policy
MCA: Maryland Cannabis Administration
MDH: Maryland Department of Health
MEA: Maryland Energy Administration
OAG: Office of Attorney General
PAYGO: pay-as-you-go
SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Transfers to the General Fund total approximately \$813 million in fiscal 2025 and 2026 in the BRFA. The largest transfer totals \$307.9 million from the Local Income Tax Reserve Fund, with a portion (\$37.3 million) to be repaid within two years of MD Labor beginning collections under the FAMLI program. The remaining transfer from this source is to be repaid \$27.1 million per year from fiscal 2029 to 2038.

Transportation Trust Fund Revenue and Other Transportation Actions

A series of actions in the BRFA increase revenue to the TTF by an estimated \$500 million in fiscal 2026, as summarized in **Exhibit A-1.12**. The revenue amounts decrease to \$450 million in fiscal 2027 due to a one-time revenue action to accelerate the phase-in of the vehicle registration increases in fiscal 2026 (\$52 million). The largest of these actions relates to the new capital gains surcharge. Other provisions:

- double the certificate of title fee, which for new/used vehicles increases from \$100 to \$200;
- increase the vehicle excise tax from 6.0% to 6.5% beginning in fiscal 2026 and establish an excise tax at 3.5% for rental vehicles, with language related to these increases ensuring the higher excise taxes are not distributed to highway user revenues;
- increase the fee for the Vehicle Emissions Inspection Program from \$14 to \$30, and assumes that late fees also increase;
- require that the Motor Vehicle Administration set miscellaneous fees at a level to collect at least 100% (instead of 95%) of projected costs, and requiring the fees to be lowered if the projected revenue exceeds projected costs at a level of 105%, and altering the share of certificate of title fees included in the calculation of miscellaneous fees;
- alter the definition of historic vehicles for registration purposes to the 1999 model year or older;

- remove the discounted vehicle registration rate for rental vehicles, so that the registration for these vehicles is based on the class to which the car belongs; and
- establish a new tire fee of \$5 for the first sale of a new tire, which will begin with sales on January 1, 2026.

Exhibit A-1.12
Transportation Trust Fund Revenue
Fiscal 2026-2030

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Capital Gains Surcharge	\$138	\$102	\$102	\$102	\$102
Certificate of Title Fee Increase	104	104	104	104	104
Vehicle Excise Tax Increase to 6.5%	92	94	96	98	100
Registration Fee Acceleration	52				
VEIP – Increased Fee (including late fee)	30	30	30	30	30
Increase Cap on MVA Cost Recovery	20	42	38	56	63
Historic Tags	4	4	4	4	4
Tire Fee of \$5 – January 2026 start date	12	24	24	24	24
Rental Vehicle Excise Tax of 3.5%	46	47	48	49	50
Rental Car Registration Fee – No preferential rate	3	3	3	3	3
Total	\$500	\$450	\$449	\$470	\$480

MVA: Motor Vehicle Administration

VEIP: Vehicle Emissions Inspection Program

Source: Department of Legislative Services

A series of other provisions also impact transportation by:

- reducing the annual distribution of lottery revenues for the Bus Rapid Transit Fund from \$27 million to \$17 million and requiring the TTF to provide the \$10 million to make the funding for the program whole, as well as increasing the share of the Bus Rapid Transit Fund that Montgomery County receives if there are two eligible grantees from \$20 million to \$25 million, and strengthening the bondability of these funds;
- increasing the debt outstanding limit on consolidated transportation bonds from \$4.5 billion to \$5 billion;

- delaying from 2027 to 2032 the requirement for the Maryland Transit Administration to purchase only zero emission buses;
- expanding the types of projects that MDOT may fund using proceeds backed by future federal aid to include certain light rail related activities; and
- eliminating the requirement that operating expenses in the TTF forecast, for years beyond the budget year, be increased by the five-year average annual increase in developing departmental operating expense estimates and limiting the year-to-year variation in the rate.

Other Special Fund Revenue Actions

Exhibit A-1.13 summarizes special fund revenue actions and transfers to special funds included in the BRFA, excluding revenues to the TTF, totaling \$218 million. The largest of these revenue actions results from a phased-in increase of the Medicaid Deficit Assessment in fiscal 2025 (from \$294.8 million to \$344.8 million) and fiscal 2026 (\$394.8 million). The additional special fund revenue allows for a reduction in general fund spending totaling \$138.8 million combined between fiscal 2025 and 2026. Other notable increases include:

- \$33 million from a new administrative fee of 0.15% to support administrative costs in the Division of Unemployment Insurance in MD Labor, which is offset for the taxable employers by a reduction of the same level that would otherwise be required for unemployment insurance;
- \$21.2 million to increase the local cost share of certain SDAT costs from 50% to 90%, reducing the general fund expenditures in SDAT by the same level;
- \$16 million related to a one-time uniform broad-based assessment reflecting the Medicare Savings component for calendar 2023 to fund the Maryland Primary Care Program Fund, which is to serve as the foundation for advancing primary care in the State under the Advancing All-Payer Health Equity Approaches and Development model; and
- revenue derived from increased fees in the Maryland Department of the Environment and Maryland Department of Agriculture to cover costs of administering certain programs, a portion of which (\$425,000) reduce general fund expenditures.

Exhibit A-1.13 Other Special Fund Revenue Actions and Transfers

Other Special Fund Revenue Actions

MDH – Increase the Medicaid Hospital Deficit Assessment	\$150.0
MD Labor – Establish an administrative fee for unemployment insurance	33.0
SDAT – Alter the cost share of SDAT operations with local jurisdictions from 50/50 to 90/10	21.2
MDH – Establish a Maryland Primary Care Program Fund from an assessment on hospitals	16.0
MDE – Increase and establish various fees related to wetlands and waterways, sediment and erosion control training, voluntary cleanup, rental property lead registration fee, and mineral/oil/gas	4.8
Blueprint Revenue from repeal of sales tax exemptions and sports wagering tax increase	5.6
OAG – Increase the Securities Act Registration Fee by \$15 of which \$10 goes to the Securities Act Registration Fund	2.4
MDA – Increase and establish various fines and fees related to horse establishment licenses, plant nursery permits, and weights and measures registration	1.1
Divert \$25 million of transfer tax revenue annually from fiscal 2026 through 2029 proportionately from POS Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program	-25.0
Total	\$209.2
Transfer to the Blueprint for Maryland Future’s Fund	
Resilient Maryland Revolving Loan Fund balance	\$9.0

MDA: Maryland Department of Agriculture

OAG: Office of the Attorney General

MDE: Maryland Department of the Environment

POS: Program Open Space

MDH: Maryland Department of Health

SDAT: State Department of Assessments and Taxation

MD Labor: Maryland Department of Labor

Source: Department of Legislative Services

Expenditure Impacts

As summarized in **Exhibit A-1.14**, the BRFA reduces expenditures by a combined \$598.2 million in fiscal 2025 and 2026, primarily from general funds (\$543.0 million). Of the special fund reductions totaling \$38.9 million, \$8.8 million is the special fund share of general fund reductions. Federal fund expenditure reductions totaling \$16.4 million reflect the federal fund share of two general fund reductions. Three reductions totaling \$144 million reflect cost shifts to local governments including:

- a reduction of \$97.7 million in general funds results from shifting approximately 50% of the fiscal 2026 increase in the State’s share of teacher and community college retirement costs to local governments, with this shift remaining at the same level in the out-years;
- a reduction of \$25 million for the nonpublic placement program, representing the first year of a two-year phase-in of a reduction of the State share of costs over 200% of the basic cost of education; and
- a reduction of \$21.2 million related to SDAT costs discussed earlier.

Exhibit A-1.14
Expenditure Impacts of the Budget Reconciliation and Financing Act
Fiscal 2025 and 2026
(\$ in Millions)

Contingent General Fund Reductions

*MDH – Increase the Medicaid Hospital Deficit Assessment	\$138.8
MSDE and MHEC – Alter the local share of teacher retirement and community college costs	97.7
DBM – Eliminate the mandate for Retirement Reinvestment	43.6
MDH Medicaid – Expand the allowable uses of certain Cigarette Restitution Funds in fiscal 2026 only	25.0
MSDE – Alter the mandate for the State share of the Nonpublic Placement program	25.0
*SDAT – Alter the cost share of SDAT operations with local jurisdictions from 50/50 to 90/10	21.2
DPSCS and MDH – Expand the allowable uses of Opioid Restitution Funds to allow funds to supplant, not just supplement, general fund appropriations in fiscal 2025 and 2026 only	15.4
*MDH – Remove the requirement that Waiting List Equity Funds not be used to supplant funds for emergency community placements and transitioning students, allowing for a broader use of the funds	15.0
MDH – Modify the Self-Directed Services program in DDA	14.5
Payments to Civil Divisions – Phase out Supplemental Retirement Grants to local jurisdictions over two years	13.8
*DNR – Allow up to \$10.5 million from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used for operating expenses of the department	13.1
*MDE – Allow SEIF to be used for general expenses of the Air and Radiation Administration	12.6
DGS PAYGO – Withdraw fiscal 2024 grant for Lansdowne Library to be re-appropriated in fiscal 2026 for Randallstown Library	12.0
*DSP – Expand the use of MEMSOF for general operations in the Aviation Program in fiscal 2025 and 2026 only	11.0
*SDAT – Expand allowable uses of the Expedited Service Fund to support operations	10.0

Contingent General Fund Reductions

*MCA – Allow the Cannabis Regulation and Enforcement Fund to be used to fulfill the mandate for the Social Equity Partnership Grant Program	10.0
*Commerce – Expand the uses of SMWOBA funds to include MSBDFFA and Minority Pre-seed Investment Fund	9.0
*MDH – Allow for special fund balance for various health occupation boards to be used to support behavioral health services	6.9
MHEC – Reduce the mandate for the Police Officer and Probation Officer Loan Assistance Repayment Program	6.4
MHEC – Reduce the mandate for the Police Officer and Probation Officer Scholarship Program	6.4
DSCI – Reduce the target participation in the Young Adult Service Pathway program by 250 participants in fiscal 2026 and reduce the mandate for the Maryland Service Year Pathway by \$2.0 million	6.8
MSDE – Alter the mandate for Safe Schools Grant to be a mandate to the program rather than the fund	5.0
MDA – Reduce the mandate for tree planting on agricultural land to \$500,000 beginning in fiscal 2025	4.0
Planning – Reduce the mandate for Historic Revitalization Tax Credit through fiscal 2028	3.5
*OAG – Allow funds from the Securities Registration Act Fund to be used for general agency operations	3.4
*DBM Personnel – Expand the allowable uses of the Senior Prescription Drug Assistance Program to include depositing funds into Health Reimbursement Accounts for certain retirees	3.1
MDH – Eliminate the one-time mandate for the 9-8-8 Crisis Hotline due to the availability of special funds	3.0
MDH – Eliminate the mandate for the Maryland Patient Safety Center Fund	1.0
*Office of Correctional Ombudsman – Allow the Performance Incentive Grant Fund to be used for agency operations	1.0
GOCPP – Reduce the mandate for Warrants and Absconding grants	1.0
MD Labor – Reduce the mandate for the Career Pathways for Healthcare Workers program	0.8
*MDE – Increase wetlands and waterways fees and mineral, oil, and gas fees	0.6
MDH – Eliminate the mandate for Value Based Purchasing Pilot Program	0.6
MDA – Eliminate the mandate for the Watermen's Microloan Program	0.5
*OAG – Require the Governor to meet the mandate for the Consumer Protection Division with special funds instead of general funds	0.4
BPW – Recoup unspent funds from a grant for the 2023 Artscape Festival (re-appropriated in fiscal 2026 for Artscape)	0.3
MD Labor – Reduce the mandate for the Maryland New Start program to \$50,000	0.3
DNR – Eliminate the mandate for the Maryland Forestry Education Program	0.3
MD Labor – Reduce the mandate for the Construction Education and Innovation Fund	0.1
	\$543.0

Contingent Special Fund Reductions

DNR PAYGO and MDA PAYGO – Divert transfer tax revenue from POS Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program to the General Fund	\$25.0
DSCI – Reduce the target participation in the Young Adult Service Pathway program by 250 participants in fiscal 2026 and reduce the mandate for the Maryland Service Year Pathway by \$2.0 million	5.3
MTROA – Abolish MTROA and make MSA and MEDCO the successor entities for various activities	3.5
DBM – Eliminate the mandate for Retirement Reinvestment	3.5
DNR PAYGO – Withdraw prior year funding for certain projects in Baltimore City to be reappropriated in fiscal 2026	1.6
	\$38.9

Contingent Federal Fund Reductions

MDH – Modify the Self-Directed Services program in DDA	\$14.5
DBM – Eliminate the mandate for Retirement Reinvestment	1.9
	\$16.4

BHA: Behavioral Health Administration

BPW: Board of Public Works

Commerce: Department of Commerce

DBM: Department of Budget and Management

DGS: Department of General Services

DNR: Department of Natural Resources

DPSCS: Department of Public Safety and Correctional Services

DSCI: Department of Service and Civic Innovation

DSP: Department of State Police

GOCPP: Governor's Office of Crime Prevention and Policy

MCA: Maryland Cannabis Administration

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDH: Maryland Department of Health

MD Labor: Maryland Department of Labor

MEDCO: Maryland Economic Development Corporation

MHEC: Maryland Higher Education Commission

MSA: Maryland Stadium Authority

MSBDFa: Maryland Small Business Development Financing Authority

MSDE: Maryland State Department of Education

MTROA: Maryland Thoroughbred Racetrack Operating Authority

OAG: Office of the Attorney General

PAYGO: Pay-as-you-go

SDAT: State Department of Assessments and Taxation

SMWOBA: Small, Minority and Women-Owned Business Account

SEIF: Strategic Energy Investment Fund

*Indicates an associated special fund contingent appropriation or addition.

Source: Department of Legislative Services

Additional general fund relief (totaling approximately \$296.5 million) is provided on either a temporary or ongoing basis by expanding the uses of several special funds to cover administrative expenses, costs that would otherwise not be eligible, or increasing fees or assessments that replace general fund needs. In these cases, the fiscal 2026 budget generally also contains special fund appropriations or additions contingent on these provisions, resulting in no net impact on the program funding in the budget as passed. Additional ongoing relief is provided through reducing or eliminating a number of mandates with a combined impact of approximately \$53.9 million between fiscal 2025 and 2026. Several mandate reductions begin in fiscal 2025 producing savings in both years that are captured in that number. Two additional provisions allow planned reversions to occur by (1) authorizing, rather than requiring, unexpended funds to remain with core service agencies, local addiction authorities, local behavioral health authorities, or community providers (a \$22.7 million planned reversion) and (2) eliminating the prohibition on the use of the Board of Nursing Fund for infrastructure operations (a \$1.97 million planned reversion).

A special fund reduction of \$3.4 million, including deleting 6.0 regular positions, is associated with abolishing the Maryland Thoroughbred Racetrack Operating Authority effective at the end of fiscal 2025. The provision makes the Maryland Stadium Authority the successor entity for construction activities related to a racing and community development project and the Maryland Economic Development Corporation for the operations of a racing and community development project. The provisions require the transfer of remaining funds in the Maryland Racing Operations Fund to the Racing and Community Development Facilities Fund.

Special and Federal Fund Contingent Appropriations and Additions

The BRFA effectuates special fund appropriations of \$645.2 million, a special fund addition of \$10 million, and a federal fund appropriation of \$105.7 million, as outlined in **Exhibit A-1.15**. Of these amounts, \$206 million of special fund appropriations and \$105.7 million of federal fund appropriations are associated with the transportation revenue increases.

Exhibit A-1.15
Special and Federal Fund Contingent Appropriations and Additions
Fiscal 2025-Fiscal 2026
(\$ in Millions)

Contingent Special Fund Appropriations

MDOT – Increase in Transportation Revenue	\$206.1
MDH – Increase the Medicaid Hospital Deficit Assessment	150.0
MDOT and MEA – Expand the allowable uses of Alternative Compliance Payments in fiscal 2026 only to include renewable energy projects on State land and renewable energy projects undertaken by local governments	100.0
MD Labor – Establish an administrative fee for Unemployment Insurance	33.0
SDAT – Alter the cost share of SDAT operations with local jurisdictions from 50/50 to 90/10	21.2

Contingent Special Fund Appropriations

DNR – Authorize the use of Program Open Space State fund balance to be used for the Maryland Park Service in fiscal 2026 only	16.4
MDH – Establish a Maryland Primary Care Program Fund from an assessment on hospitals	16.0
DPSCS and MDH – Expand the allowable uses of Opioid Restitution Funds to allow funds to supplant, not just supplement, general fund appropriations in fiscal 2025 and 2026 only	15.4
MDH – Remove the requirement that Waiting List Equity Funds not be used to supplant funds for emergency community placements and transitioning students, allowing for a broader use of the funds	15.0
DNR – Allow funds from the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to be used for operating expenses in the Chesapeake and Coastal Services Program	13.1
MDE – Allow the SEIF to be used for general expenses of the Air and Radiation Administration	12.6
DSP – Expands the use of the Maryland Emergency Medical System Operations Fund for the Aviation Program	11.0
MCA – Allow the Cannabis Regulation and Enforcement Fund to be used to fulfill the mandate for the Social Equity Partnership Grant Program	10.0
Commerce – Expand the uses of SMWOBA funds to include the Maryland Small Business Development Financing Authority and Minority Pre-seed Investment Fund	9.0
MDE – Increase and establish various fees related to wetlands and waterways, sediment and erosion control training, voluntary cleanup, rental property lead registration fee, and mineral/oil/gas	4.3
MDH – Allow for special fund balance for various health occupation boards to be used to support behavioral health services	4.0
OAG – Allow funds from the Securities Registration Act Fund to be used for general agency operations	3.4
DBM Personnel – Expand the allowable uses of the Senior Prescription Drug Assistance Program to include depositing funds into Health Reimbursement Accounts for certain retirees	3.1
Office of Correctional Ombudsman – Allow the Performance Incentive Grant Fund to be used for agency operations	1.0
OAG – Require the Governor to meet the mandate for the Consumer Protection Division with special funds instead of general funds	0.4
DNR – Allow an additional \$100,000 from the Waterway Improvement Fund to support marine operations of the Natural Resources Police	0.1
	\$645.2

Contingent Special Fund Addition

SDAT – Expand allowable uses of the Expedited Service Fund	\$10.0
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Contingent Federal Fund Appropriations

MDOT – Increase in transportation revenue allows State to qualify for additional federal grants	\$105.7
	\$105.7

BHA: Behavioral Health Administration	MDE: Maryland Department of the Environment
BPW: Board of Public Works	MDH: Maryland Department of Health
Commerce: Department of Commerce	MD Labor: Maryland Department of Labor
DBM: Department of Budget and Management	MDOT: Maryland Department of Transportation
DGS: Department of General Services	MDP: Maryland Department of Planning
DNR: Department of Natural Resources	MEA: Maryland Energy Administration
DPSCS: Department of Public Safety and Correctional Services	OAG: Office of the Attorney General
DSCI: Department of Service and Civic Innovation	SDAT: State Department of Assessments and Taxation
DSP: Department of State Police	SEIF: Strategic Energy Investment Fund
MCA: Maryland Cannabis Administration	SMWOBA: Small, Minority and Women-Owned Business Account

Source: Department of Legislative Services

Miscellaneous Provisions

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

- establishing a \$30 million per year cap on the restoration of cash assistance and SNAP benefits lost due to electronic benefit transfer theft;
- increasing the maximum amount that the Maryland Thoroughbred Horsemen’s Association may deduct from open purses for the use of the association;
- waiving for fiscal 2026 only the requirement that 50% of CRF spending be appropriated for Medicaid;
- waiving for fiscal 2026 only the requirement that the Governor provide certain detail on across the board reductions;
- modifying the cap that DDA is authorized to establish for the Low Intensity Support Services (LISS) program to no less than \$1,000 per fiscal year per qualifying individual, rather than \$2,000;
- removing the Judicial Branch from a list of entities not subject to review by the Office of Program Evaluation and Government Accountability;

- requiring that upon notification of a certification of a final credit that the amount of the initial credit be transferred from the More Jobs for Marylanders Tax Credit Reserve Fund to the General Fund;
- adding a requirement that if federal revenues to State government decrease by at least \$1 billion due to a policy change compared to the amount budgeted in fiscal 2026 that the Department of Budget and Management must submit a report to the Legislative Policy Committee within 90 days of certifying the reduction;
- altering the annual interest rate paid for sales and use tax refunds resulting from a final decision in a certain case;
- requiring the Prince George’s County Board of Education to procure an independent auditor to evaluate revenue and expenditures beginning with fiscal 2024, with a required report by January 1, 2026; and
- authorizing Montgomery County to request the delegation of authority to conduct certain surveys and complaint investigations if the Maryland Department of Health (MDH) failed to comply with certain requirements in fiscal 2023 and 2024 and establishing a cost-share if the delegation occurs.

Selected Budgetary Initiatives and Enhancements

Developmental Disabilities Administration

Community Services Spending and Proposed Cost Containment Actions

In recent years, actual spending for community services in the DDA surpassed budgeted spending by significant amounts due to inaccurate forecasts of the cost of the transition to the Long-Term Services and Supports (LTSS) system. Most of the growth in cost throughout the LTSS transition was estimated to be due to increased rates built into LTSS, though some growth can be attributed to higher utilization of services. Actual spending in total funds throughout the LTSS transition exceeded the legislative appropriation by \$427 million in fiscal 2023 and \$724 million in fiscal 2024.

To offset the increasing community services spending, the Governor’s fiscal 2026 budget plan included significant cost containment actions for fiscal 2025 and 2026. As introduced, the budget included reductions of \$160.1 million in total funds (\$81.6 million State funds) for fiscal 2025 and \$457.8 million in total funds (\$235.5 million State funds) for fiscal 2026. Some cost containment actions reduced services provided to participants, while others impacted the rates for providers.

Funding Restored for Cost Containment Actions

Many of the proposed reductions in the budget as introduced were revised in Supplemental Budget No. 1 to correct for lower than anticipated cost savings due to federal approval requirements from the Centers for Medicare and Medicaid Services, incorrectly budgeted effective dates, and inaccurate fund splits. The General Assembly fully or partially restored funds to undo much of the remaining proposed cost containment. **Exhibit A-1.16** shows the original and revised reductions proposed by DDA, in addition to the restorations by the General Assembly for fiscal 2025 and 2026. The General Assembly’s restorations included \$34.2 million in general funds for fiscal 2025 and \$132.2 million in general funds and \$15.0 million in special funds from the Community Services Trust Fund for fiscal 2026. The general fund restorations for services and provider reimbursements are largely assumed to receive the typical 50% federal fund match. In addition to legislative additions to restore funds, the proposed repeal of the LISS was struck from the BRFA, which preserved \$2.8 million in each of general funds and federal funds in the fiscal 2025 budget.

Exhibit A-1.16
General Fund Proposed Reductions and Restorations
Fiscal 2025-2026
(\$ in Thousands)

<u>Cost Containment Action</u>	<u>Original Proposed Reductions</u>	<u>Revised Proposed Reductions</u>	<u>General Assembly Restorations</u>
Fiscal 2025			
Reasonable and Customary Wage	-\$18.3	-\$18.3	\$18.3
Geographical Differential	-28.0	0.0	0.0
Dedicated Hours Policy	-27.1	-13.6	13.6
Wage Exception	-2.4	-2.4	2.4
State-only Funded Services	-3.1	-3.1	0.0
LISS Program**	-2.8	0.0	0.0
WLEF Swap*	0.0	0.0	0.0
Total	-\$81.6	-\$37.3	\$34.2
Fiscal 2026			
Reasonable and Customary Wage	-\$73.1	-\$36.0	\$36.0
Geographical Differential	-56.0	-56.0	37.7
Dedicated Hours Policy	-54.2	-54.2	51.9
Self-directed Services IFDGS Cap*	-14.5	-14.5	7.0
Transitioning Youth	-9.6	0.0	0.0
Wage Exception	-9.4	-23.0	12.7
State-only Funded Services	-13.1	-13.1	0.0
LISS Program**	-5.5	-5.5	2.0
Total	-\$235.5	-\$202.3	\$147.2

DDA: Developmental Disabilities Administration

IFDGS: Individual and Family Directed Goods and Services

LISS: Low intensity support services

WLEF: Waiting List Equity Fund

* These actions were contingent on the Budget Reconciliation and Financing Act (BRFA) of 2025 as introduced. Although the General Assembly partially restored funding for Self-Directed Services IFDGS, the contingent reduction was effectuated by the BRFA.

** Supplemental Budget No. 1 removed the contingent reduction for the LISS in fiscal 2026, while leaving the contingent reduction in fiscal 2025. The repeal of the LISS program was struck from the BRFA during General Assembly consideration preserving the fiscal 2025 funds.

Note: Numbers may not sum to total due to rounding. The WLEF swap reflects \$15 million in special fund balance replacing \$15 million of general funds. The General Assembly's State fund restorations in fiscal 2026 include \$15.0 million in special funds.

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

The combination of revisions to the cost containment savings through Supplemental Budget No. 1 and funding added by the General Assembly restored almost all DDA community services funding in fiscal 2025, with only the change to State-only funded services and the fund swap using Waiting List Equity Fund balance taking effect. For fiscal 2026, in addition to fully restoring funding for reasonable and customary wages for self-directed service participants to maintain them at their current level, the General Assembly partially restored funding to modify six cost containment actions. Most of the modifications include lowering the rates and funding provided for certain services instead of eliminating programs or processes, as was initially proposed. Other modifications include specifying how certain cost containment actions must be implemented. The following list summarizes the General Assembly's modifications to the proposed cost containment actions:

- ***Geographical Differential Rate:*** Lowered the geographical differential rate to 10% for services receiving a higher percentage instead of eliminating the geographical differential rate;
- ***Dedicated Hours:*** Lowered the dedicated hour rate to 86% of the fully loaded brick used for rate setting instead of requiring shared hours to be maximized prior to providing dedicated hours. Language added to the fiscal 2026 budget further specifies how DDA must implement the dedicated hour utilization policy;
- ***Individual and Family Directed Goods and Services (IFDGS) Cap:*** Passed a provision in the BRFA of 2025 that allows MDH to place a cap on IFDGS requests for self-directed services participants but removed the day-to-day administrator category from IFDGS. To effectuate this modification, \$7 million of the estimated \$14.5 million reduction is restored to cover day-to-day administrator costs;

- **Wage Exception:** Capped wage exceptions above the reasonable and customary wages to 15% for the standard maximum and 10% for the geographical differential maximum for self-directed service participants instead of eliminating the wage exception process;
- **State-only Funded Services:** Reduced State-only funded services as initially proposed but required individuals receiving services to apply for a DDA-operated Medicaid waiver and required DDA to continue providing services to ineligible individuals; and
- **LISS Program:** Reduced funding for LISS instead of eliminating the program and lowered the cap per eligible participant to \$1,000 instead of \$2,000.

Personnel

As introduced, the fiscal 2026 budget included \$12.5 billion in total personnel funds, representing approximately 18.6% of the State budget. As passed, the fiscal 2026 budget includes \$12.3 billion in total personnel funds, including \$93.3 million for a 1% general salary increase effective July 1, 2025, and \$105.0 million for increments for State employees in bargaining units.

The legislature reduced statewide personnel funding in fiscal 2026 for the following purposes:

- vacancy savings to reflect a turnover expectancy of 9.5% (\$139.5 million); and
- abolishing 150.5 miscellaneous regular positions (\$16.5 million).

Other personnel reductions occurred related to specific agencies, the largest of which occur in the Judiciary including funding for merit raises for Judiciary employees (\$10.9 million), to be consistent with reductions for other nonrepresented employees included in Supplemental Budget No.1, and overbudgeted general salary increase funding for Judiciary employees (\$2.2 million).

The fiscal 2026 budget as introduced provided pension funding above the State's actuarially required contribution. The BRFA of 2025 reduces two required supplemental payments above the actuarially required level, including permanently eliminating the \$50 million contribution that was required until the pension system reached a certain funded status and permanently eliminated the \$25 million sweeper of the general fund surplus from the most recently completed fiscal year to the pension system. In addition, the BRFA permanently eliminated the \$25 million sweeper of the general fund surplus from the most recently completed fiscal year into the other postemployment health benefits trust fund.

Workforce Changes

The State workforce increases by 939 regular positions to 86,701 regular positions between the fiscal 2025 legislative appropriation and fiscal 2026 legislative appropriation, as shown in **Exhibit A-1.17**. Supplemental Budget No. 1 added 109 positions in the Executive Branch. Legislative action on the budget reduced 351.5 positions in the Executive and Judicial Branches, including positions added through Supplemental Budget No. 1.

Exhibit A-1.17 Regular Full-time Equivalent Position Changes Fiscal 2025-2026

<u>Department/ Service Area</u>	<u>2025 Leg. Approp</u>	<u>2026 Allowance</u>	<u>Supplemental Budget</u>	<u>Leg. Changes</u>	<u>2026 Leg. Approp.</u>	<u>2025 Leg. Approp - 2026 Leg. Approp. Change</u>
Largest Six State Agencies						
Public Safety and Correctional Services	9,213	9,229	10		9,239	26
Transportation	9,179	9,403	44	-88	9,359	180
Health	7,586	7,346	-10	-12	7,324	-262
Human Services	5,979	5,979			5,979	0
State Police	2,578	2,593	-2	-15	2,576	-2
Juvenile Services	2,143	2,146			2,146	3
Subtotal	36,677	36,695	42	-115	36,622	-55
Other Executive						
Legal (Excluding Judiciary)	1,701	1,807	3	-4	1,806	105
Executive and Administrative Control	2,043	2,200	15	-24	2,191	148
Financial and Revenue Administration	2,315	2,455		11	2,466	151
Budget and Management and DoIT	558	584		9	593	35
Retirement	199	207			207	8
General Services	727	732			732	5
Service and Civic Innovation	39	77		-21	56	17
Natural Resources	1,499	1,555			1,555	56
Agriculture	426	441	12	-13	440	13

<u>Department/ Service Area</u>	<u>2025 Leg. Approp</u>	<u>2026 Allowance</u>	<u>Supplemental Budget</u>	<u>Leg. Changes</u>	<u>2026 Leg. Approp.</u>	<u>2025 Leg. Approp - 2026 Leg. Approp. Change</u>
Labor	1,785	1,969	23	-23	1,969	184
MSDE and Other						
Education	2,031	2,074	14	-15	2,073	42
Housing and Community						
Development	446	447		-1	446	0
Commerce	208	212			212	4
Environment	986	1,034			1,034	48
Subtotal	14,962	15,792	67	-81	15,778	817
Miscellaneous						
Adjustments				-151		
Executive Branch						
Subtotal	51,639	52,488	109	-347	52,250	612
Higher Education	29,145	29,463	0	0	29,463	318
Judiciary	4,165	4,178	0	-5	4,173	8
Legislature	813	814	0	0	814	1
Total	85,762	86,943	109	-352	86,701	939

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

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 2025 and 2026 by fund source. The Governor’s original request provided for \$67.6 billion in fiscal 2026 expenditures and \$3.0 billion in fiscal 2025 deficiencies.

Supplemental budgets, excluding actions contingent on the BRFA, provided a net of \$400.6 million in additional spending across fiscal 2025 and 2026, of which approximately \$155.5 million was general funds, accounting for planned reversions, \$307.9 million was federal funds, and special funds were reduced by \$61.9 million. The legislature made

approximately \$2.0 billion in reductions to the fiscal 2026 allowance (\$1.3 million in general funds), adding back approximately \$291.8 million (\$260.3 million in general funds) to fund targeted priorities. The legislature made an additional \$219 million in reductions to fiscal 2025 (including \$214.4 million in general funds), adding back approximately \$36.2 million for targeted priorities. When all actions are considered, the fiscal 2026 all fund legislative appropriation reflects an increase of \$82.6 million compared to the fiscal 2025 appropriation. **Exhibit A-1.18** through **Exhibit A-1.23** provide detail for the budget changes by major expenditure category by fund.

Exhibit A-1.18

Fiscal Note – Summary of the Fiscal 2026 Budget Bill –*House Bill 350 (passed) House Bill 352 (passed)*

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>	
Governor’s Allowance						
Fiscal 2025 Budget	\$27,415,058,482	\$13,005,134,456	\$20,229,954,794	\$5,890,819,571	\$66,540,967,303	(1)
Fiscal 2026 Budget	27,967,936,476	14,237,811,356 (2)	19,633,990,180	6,056,068,626	67,895,806,638	(3)
Supplemental Budget No. 1						
Fiscal 2025 Deficiencies	\$97,015,748	\$55,383,197 (4)	\$224,822,845	\$0	\$377,221,790	
Fiscal 2026 Budget	\$141,748,000	-117,330,239	125,236,478	0	149,654,239	(5)
Subtotal	\$238,763,748	-\$61,947,042	\$350,059,323	\$0	\$526,876,029	
Supplemental Budget No. 2						
Fiscal 2025 Deficiencies	\$0	\$0	\$0	\$0	\$0	
Fiscal 2026 Budget	-84,219,124	0	-42,118,292		-126,337,416	(6)
Subtotal	-\$84,219,124	\$0	-\$42,118,292	\$0	-\$126,337,416	
Budget Reconciliation and Financing Act of 2025						
Fiscal 2025 Contingent Reductions	-\$102,707,587	\$0	\$0	\$0	-102,707,587	
Fiscal 2025 Contingent Appropriations	0	94,307,587	0	0	94,307,587	
Fiscal 2026 Contingent Reductions	-427,954,185	-32,004,624	-16,366,457	0	-476,325,266	
Fiscal 2026 Contingent Appropriations	0	550,842,697	105,660,000	0	656,502,697	
Fiscal 2026 Contingent Addition	0	10,000,000	0	0	10,000,000	
Subtotal	-\$530,661,772	\$623,145,660	\$89,293,543	\$0	\$181,777,431	
Legislative Reductions						
Fiscal 2025 Deficiencies	-\$111,726,259	-\$4,690,096	\$0	\$0	-\$116,416,355	
Fiscal 2026 Budget	-891,479,231	-259,976,843	-337,481,579	0	-1,488,937,653	(7)
Total Reductions	-\$1,003,205,490	-\$264,666,939	-\$337,481,579	\$0	-\$1,605,354,008	
Legislative Additions						
Fiscal 2025 Deficiencies	\$36,224,704	\$0	\$0	\$0	\$36,224,704	

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>	
Fiscal 2026 Budget	\$224,037,003	\$63,068,488	\$4,700,000	\$0	\$291,805,491	(8)
Total Additions	\$260,261,707	\$63,068,488	\$4,700,000	\$0	\$328,030,195	
Appropriations						
Fiscal 2025 Budget	\$27,333,865,088	\$13,150,135,144	\$20,454,777,639	\$5,890,819,571	# \$66,829,597,442	
Fiscal 2026 Budget	26,930,068,939	14,452,410,835	19,473,620,330	6,056,068,626	0 66,912,168,730	
Change	-\$403,796,149	\$1,302,275,691	-\$981,157,309	\$165,249,055	\$82,571,288	

(1) Reflects \$3.07 billion in proposed deficiencies, including \$1.67 billion in general funds, \$191.4 million in special funds, \$1.2 million in federal funds, \$3.7 million in current restricted funds. Assumes \$75.0 million in unspecified general fund reversions and includes \$160.2 million in targeted general fund reversions and \$25.7 million in assumed federal fund cancellations. Excludes \$72.1 million in special funds that double count general fund spending.

(2) Excludes \$79.0 million of special funds that double counts general fund spending.

(3) Includes \$3.6 million in general fund and \$187.9 million in special fund appropriations that are contingent on legislation. Assumes \$75.0 million in unspecified general fund reversions and \$5.7 million of planned reversions that are contingent on legislation.

(4) Excludes \$2.95 million of special fund appropriations that double count general funds.

(5) Includes \$37.3 million of general fund appropriations that are contingent on legislation. Excludes \$250,000 of special fund appropriations that double count general funds. Includes \$8.0 million of general fund appropriations that are contingently reduced in the Budget Reconciliation and Financing Act. Excludes \$14.8 million of general fund reductions, \$66.1 million of special fund reductions contingent on legislation, \$116 million of special fund appropriations, and \$14.9 million of federal fund reductions contingent on legislation.

(6) Excludes \$13.1 million of general fund reductions and \$9.0 million of special fund appropriations that are contingent on the Budget Reconciliation and Financing Act.

(7) Includes \$14.9 million of general fund reductions, \$126.8 million of special fund reductions, and \$14.9 million of federal fund reductions that are contingent on legislation.

(8) Includes \$2.2 million in general funds and \$600,000 in special funds that are contingent on legislation.

Source: Department of Legislative Services

Exhibit A-1.19
State Expenditures – General Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u> <u>Appropriation</u>	<u>2026</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
				<u>2025 to 2026</u>	
Debt Service	\$425.1	\$397.1	\$154.7	-\$242.4	-61.0%
County/Municipal	\$453.7	\$415.6	\$396.7	-\$19.0	-4.6%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	7,214.7	7,383.8	7,429.2	45.5	0.6%
Health	135.0	111.2	115.0	3.8	3.4%
Aid to Local Governments	\$8,279.4	\$8,388.2	\$8,444.0	\$55.9	0.7%
Foster Care Payments	\$268.5	\$279.0	\$320.6	\$41.6	14.9%
Assistance Payments	58.4	136.4	145.6	9.2	6.8%
Medical Assistance	5,080.8	5,281.5	5,466.7	185.2	3.5%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
Entitlements	\$5,501.5	\$5,792.9	\$6,020.0	\$227.1	3.9%
Health	\$2,276.0	\$3,141.9	\$3,167.3	\$25.4	0.8%
Human Services	515.6	513.3	550.9	37.6	7.3%
Juvenile Services	321.4	340.9	359.6	18.7	5.5%
Public Safety/Police	1,981.3	2,122.2	2,215.9	93.7	4.4%
Higher Education	2,333.7	2,277.9	2,298.8	20.8	0.9%
Transportation	0.3	196.9	1.1	-195.8	-99.4%
Other Education	930.0	1,039.6	1,024.9	-14.7	-1.4%
Agriculture/Natural Res./Environment	236.9	210.9	208.4	-2.6	-1.2%
Other Executive Agencies	1,414.8	1,708.2	1,594.3	-114.0	-6.7%
Judiciary	670.3	689.6	714.3	24.7	3.6%
Legislative	155.2	160.8	162.1	1.4	0.9%
State Agencies	\$10,835.5	\$12,402.3	\$12,297.4	-\$104.9	-0.8%
Deficiencies (for prior years)	\$0.0	\$267.6	\$0.0	-\$267.6	-100.0%
Total Operating	\$25,041.5	\$27,248.0	\$26,916.2	-\$331.9	-1.2%
Capital	\$1,145.0	\$158.3	\$62.4	-\$95.9	-60.6%
Subtotal	\$26,186.5	\$27,406.4	\$26,978.6	-\$427.8	-1.6%
Reserve Funds	\$1,210.6	\$2.5	\$26.5	\$24.0	960.0%
Appropriations	\$27,397.1	\$27,408.9	\$27,005.1	-\$403.8	-1.5%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$27,397.1	\$27,333.9	\$26,930.1	-\$403.8	-1.5%

Note: The fiscal 2025 working appropriation reflects \$1.7 billion in deficiencies plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million.

Exhibit A-1.20
State Expenditures – Special and Higher Education Funds*
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u> <u>Appropriation</u>	<u>2026</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2025 to 2026</u>	<u>% Change</u>
Debt Service	\$1,427.6	\$1,556.9	\$1,681.6	\$124.7	8.0%
County/Municipal	\$511.6	\$595.2	\$659.5	\$64.3	10.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,498.0	1,807.0	2,429.9	622.8	34.5%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$2,009.5</i>	<i>\$2,402.3</i>	<i>\$3,089.4</i>	<i>\$687.1</i>	<i>28.6%</i>
Foster Care Payments	\$2.2	\$2.7	\$3.5	\$0.8	30.1%
Assistance Payments	8.9	6.2	6.4	0.2	3.6%
Medical Assistance	763.8	793.3	862.7	69.4	8.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$774.8</i>	<i>\$802.2</i>	<i>\$872.6</i>	<i>\$70.4</i>	<i>8.8%</i>
Health	\$697.3	\$759.7	\$796.9	\$37.1	4.9%
Human Services	172.7	164.3	219.4	55.1	33.5%
Juvenile Services	2.5	3.4	3.5	0.1	2.9%
Public Safety/Police	218.9	218.9	243.7	24.8	11.3%
Higher Education	5,687.6	6,068.1	6,224.7	156.6	2.6%
Other Education	298.2	311.0	303.6	-7.4	-2.4%
Transportation	2,386.8	2,660.5	2,909.4	248.9	9.4%
Agriculture/Natural Res./Environment	330.1	381.7	415.6	33.9	8.9%
Other Executive Agencies	1,300.0	1,589.6	1,695.6	106.0	6.7%
Judiciary	85.3	84.3	84.6	0.2	0.2%
<i>State Agencies</i>	<i>\$11,179.5</i>	<i>\$12,241.6</i>	<i>\$12,896.9</i>	<i>\$655.3</i>	<i>5.4%</i>
Deficiencies (for prior years)	\$0.0	\$5.6	\$0.0	-\$5.6	n/a
Total Operating	\$15,391.4	\$17,008.5	\$18,540.5	\$1,532.0	9.0%
Capital	\$2,150.4	\$1,942.5	\$1,968.0	\$25.5	1.3%
Transportation	1,125.2	1,492.5	1,452.5	-40.0	-2.7%
Environment	265.7	209.6	196.7	-12.9	-6.2%
Other	759.5	240.4	318.9	78.5	32.7%
<i>Subtotal</i>	<i>\$17,541.9</i>	<i>\$18,951.0</i>	<i>\$20,508.5</i>	<i>\$1,557.5</i>	<i>8.2%</i>
Reserve Funds	\$0.0	\$90.0	\$0.0	-\$90.0	n/a
Grand Total	\$17,541.9	\$19,041.0	\$20,508.5	\$1,467.5	7.7%

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

Note: The fiscal 2025 working appropriation reflects deficiencies of \$248.1 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million that double counts general fund spending.

Exhibit A-1.21
State Expenditures – Federal Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u> <u>Appropriation</u>	<u>2026</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2025 to 2026</u>	<u>% Change</u>
Debt Service	\$6.4	\$4.9	\$2.6	-\$2.3	-46.9%
County/Municipal	\$64.0	\$82.1	\$82.1	\$0.0	0.0%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,186.3	1,329.2	1,217.8	-111.4	-8.4%
Health	0.0	25.0	0.0	-25.0	-100.0%
Aid to Local Governments	\$1,250.2	\$1,436.3	\$1,300.0	-\$136.4	-9.5%
Foster Care Payments	\$73.1	\$106.7	\$71.5	-\$35.2	-33.0%
Assistance Payments	1,800.6	2,058.9	1,840.8	-218.1	-10.6%
Medical Assistance	9,488.0	9,075.8	9,006.8	-69.1	-0.8%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
Entitlements	\$11,361.6	\$11,241.4	\$10,919.1	-\$322.4	-2.9%
Health	\$2,486.0	\$2,745.2	\$2,818.3	\$73.1	2.7%
Human Services	734.7	734.8	773.8	39.0	5.3%
Juvenile Services	9.4	6.3	6.4	0.0	0.6%
Public Safety/Police	36.1	37.6	37.8	0.2	0.6%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	411.1	376.2	383.5	7.2	1.9%
Transportation	253.9	139.9	141.1	1.2	0.9%
Agriculture/Natural Res./Environment	83.6	108.4	110.4	2.0	1.9%
Other Executive Agencies	1,543.9	1,627.5	1,525.5	-102.0	-6.3%
Judiciary	0.7	2.2	1.0	-1.2	-53.2%
State Agencies	\$5,559.4	\$5,778.0	\$5,797.7	\$19.7	0.3%
Deficiencies (for prior years)	\$0.0	\$335.6	\$0.0	-\$335.6	n/a
Total Operating	\$18,177.6	\$18,796.3	\$18,019.4	-\$776.9	-4.1%
Capital	\$1,323.8	\$1,658.5	\$1,454.3	-\$204.2	-12.3%
Transportation	1,013.4	1,205.8	1,230.7	24.9	2.1%
Environment	116.8	173.2	174.6	1.4	0.8%
Other	193.6	279.4	48.9	-230.6	-82.5%
Grand Total	\$19,501.5	\$20,454.8	\$19,473.6	-\$981.2	-4.8%

Note: The fiscal 2025 working appropriation reflects deficiencies of \$1.4 billion.

Exhibit A-1.22
State Expenditures – State Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u> <u>Appropriation</u>	<u>2026</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2025 to 2026</u>	<u>% Change</u>
Debt Service	\$1,852.7	\$1,954.0	\$1,836.3	-\$117.7	-6.0%
County/Municipal	\$965.3	\$1,010.8	\$1,056.2	\$45.4	4.5%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	8,712.7	9,190.8	9,859.1	668.3	7.3%
Health	135.0	111.2	115.0	3.8	3.4%
<i>Aid to Local Governments</i>	<i>\$10,288.9</i>	<i>\$10,790.5</i>	<i>\$11,533.4</i>	<i>\$743.0</i>	<i>6.9%</i>
Foster Care Payments	\$270.7	\$281.7	\$324.1	\$42.4	15.0%
Assistance Payments	67.3	142.5	152.0	9.5	6.6%
Medical Assistance	5,844.5	6,074.8	6,329.4	254.6	4.2%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
<i>Entitlements</i>	<i>\$6,276.3</i>	<i>\$6,595.1</i>	<i>\$6,892.6</i>	<i>\$297.5</i>	<i>4.5%</i>
Health	\$2,973.3	\$3,901.6	\$3,964.2	\$62.5	1.6%
Human Services	688.3	677.6	770.3	92.7	13.7%
Juvenile Services	324.0	344.3	363.1	18.8	5.5%
Public Safety/Police	2,200.1	2,341.1	2,459.6	118.4	5.1%
Higher Education	8,021.3	8,346.1	8,523.5	177.4	2.1%
Other Education	1,228.2	1,350.6	1,328.5	-22.1	-1.6%
Transportation	2,387.1	2,857.4	2,910.5	53.1	1.9%
Agriculture/Natural Res./Environment	567.0	592.7	624.0	31.3	5.3%
Other Executive Agencies	2,714.8	3,297.8	3,289.9	-8.0	-0.2%
Judiciary	755.6	773.9	798.8	24.9	3.2%
Legislative	155.2	160.8	162.1	1.4	0.9%
<i>State Agencies</i>	<i>\$22,015.0</i>	<i>\$24,643.9</i>	<i>\$25,194.4</i>	<i>\$550.4</i>	<i>2.2%</i>
Deficiencies (for prior years)	\$0.0	\$273.2	\$0.0	-\$273.2	-100.0%
Total Operating	\$40,432.9	\$44,256.5	\$45,456.7	\$1,200.1	2.7%
Capital	\$3,295.4	\$2,100.8	\$2,030.4	-\$70.4	-3.4%
Transportation	1,292.3	1,496.6	1,452.5	-44.1	-2.9%
Environment	282.5	210.6	197.3	-13.3	-6.3%
Other	1,720.7	393.6	380.6	-13.0	-3.3%
<i>Subtotal</i>	<i>\$43,728.4</i>	<i>\$46,357.3</i>	<i>\$47,487.0</i>	<i>\$1,129.7</i>	<i>2.4%</i>
Reserve Funds	\$1,210.6	\$92.5	\$26.5	-\$66.0	-71.4%
Appropriations	\$44,939.0	\$46,449.8	\$47,513.5	\$1,063.7	2.3%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$44,939.0	\$46,374.8	\$47,438.5	\$1,063.7	2.3%

Note: The fiscal 2025 working appropriation reflects deficiencies of \$1.9 billion plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million of special funds that double counts general fund spending.

Exhibit A-1.23
State Expenditures – All Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Working</u> <u>Appropriation</u>	<u>2026</u> <u>Legislative</u> <u>Appropriation</u>	<u>\$ Change</u> <u>2025 to 2026</u>	<u>% Change</u> <u>2025 to 2026</u>
Debt Service	\$1,859.1	\$1,958.9	\$1,838.9	-\$120.0	-6.1%
County/Municipal	\$1,029.2	\$1,092.9	\$1,138.3	\$45.4	4.1%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	9,898.9	10,520.0	11,076.9	557.0	5.3%
Health	135.0	136.2	115.0	-21.2	-15.6%
Aid to Local Governments	\$11,539.2	\$12,226.8	\$12,833.4	\$606.6	5.0%
Foster Care Payments	\$343.8	\$388.4	\$395.6	\$7.2	1.9%
Assistance Payments	1,867.9	2,201.5	1,992.8	-208.7	-9.5%
Medical Assistance	15,332.5	15,150.6	15,336.1	185.5	1.2%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
Entitlements	\$17,637.9	\$17,836.5	\$17,811.7	-\$24.8	-0.1%
Health	\$5,459.3	\$6,646.8	\$6,782.4	\$135.6	2.0%
Human Services	1,423.0	1,412.4	1,544.1	131.7	9.3%
Juvenile Services	333.3	350.6	369.4	18.8	5.4%
Public Safety/Police	2,236.3	2,378.7	2,497.4	118.7	5.0%
Higher Education	8,021.3	8,346.1	8,523.5	177.4	2.1%
Other Education	1,639.3	1,726.9	1,711.9	-14.9	-0.9%
Transportation	2,641.1	2,997.3	3,051.6	54.4	1.8%
Agriculture/Natural Res./Environment	650.6	701.0	734.4	33.3	4.8%
Other Executive Agencies	4,258.7	4,925.3	4,815.4	-109.9	-2.2%
Judiciary	756.3	776.1	799.9	23.8	3.1%
Legislative	155.2	160.8	162.1	1.4	0.9%
State Agencies	\$27,574.4	\$30,422.0	\$30,992.1	\$570.1	1.9%
Deficiencies (for prior years)	\$0.0	\$608.8	\$0.0	-\$608.8	n/a
Total Operating	\$58,610.6	\$63,052.8	\$63,476.0	\$423.2	0.7%
Capital	\$4,619.3	\$3,759.3	\$3,484.7	-\$274.6	-7.3%
Transportation	2,305.7	2,702.4	2,683.2	-19.2	-0.7%
Environment	399.3	383.9	372.0	-11.9	-3.1%
Other	1,914.2	673.0	429.5	-243.5	-36.2%
Subtotal	\$63,229.8	\$66,812.1	\$66,960.7	\$148.6	0.2%
Reserve Funds	\$1,210.6	\$92.5	\$26.5	-\$66.0	-71.4%
Appropriations	\$64,440.4	\$66,904.6	\$66,987.2	\$82.6	0.1%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$64,440.4	\$66,829.6	\$66,912.2	\$82.6	0.1%

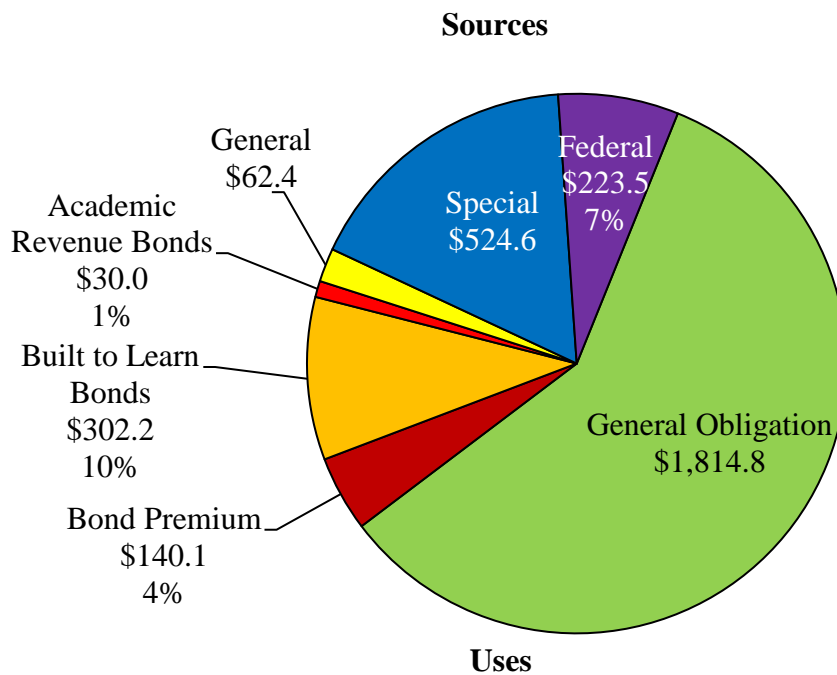
Note: The fiscal 2025 working appropriation reflects deficiencies of \$3.3 billion plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million of special funds that double counts general fund spending.

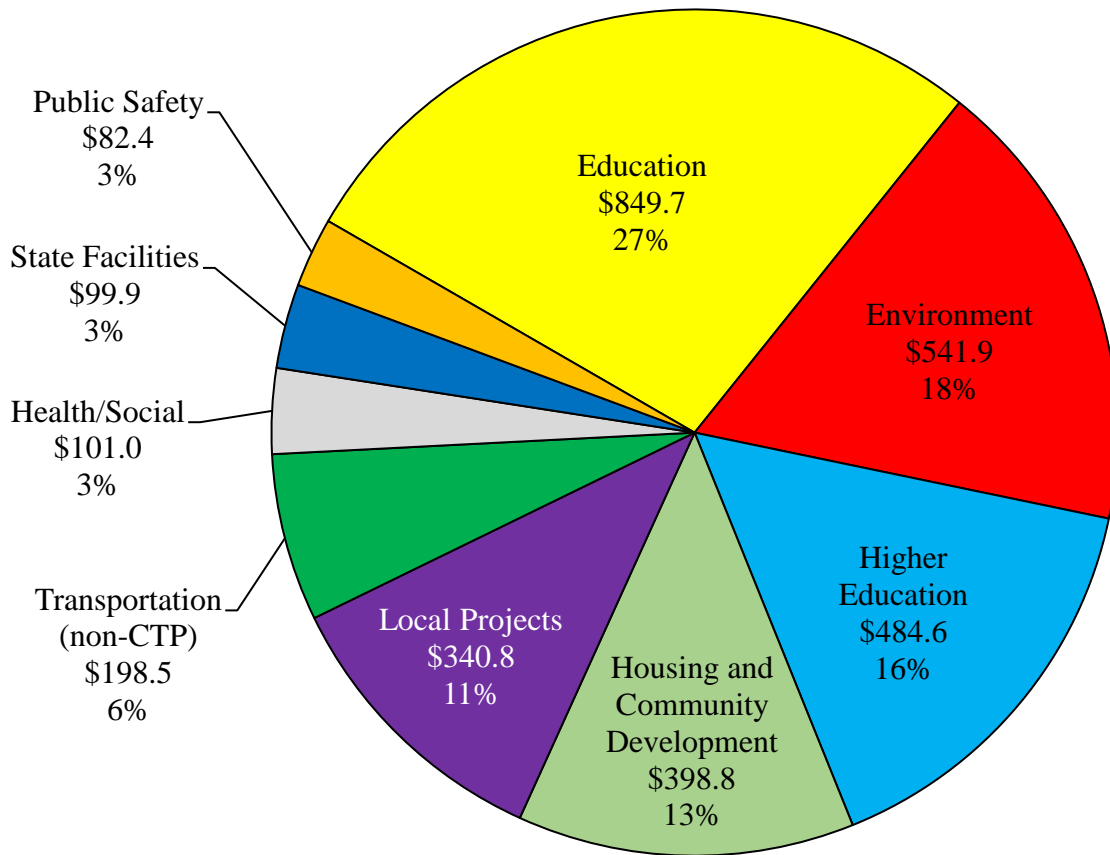
Capital Budget

The General Assembly passed a fiscal 2026 capital program totaling \$5.881 billion, including \$2.783 billion for the transportation program through the *Consolidated Transportation Program (CTP)*. Apart from the CTP, the program totals \$3.098 billion: \$1.955 billion is funded with general obligation (GO) bonds authorized in *House Bill 351 (passed)*, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2025; \$810.5 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget comprised of \$62.4 million of general funds, \$524.6 million of special funds, and \$223.5 million of federal funds; \$302.2 million for school construction projects is funded with revenue bonds through the Built to Learn (BTL) program; and \$30 million for University System of Maryland (USM) facilities is funded with Academic Revenue Bonds (ARB) authorized in *House Bill 793 (passed)*. The capital program also included \$42.4 million of fiscal 2025 deficiency appropriations, comprised of \$35.8 million of general funds, \$3.1 million of special funds, and \$3.5 million of federal funds.

Exhibit A-2.1 provides a summary of the capital program by sources and uses, **Exhibit A-2.2** provides a detailed list of capital projects and programs by function and fund source, and **Exhibit A-2.3** provides a detailed list of the House and Senate legislative bond initiatives.

Exhibit A-2.1
Fiscal 2026 Capital Program Sources and Uses
(\$ in Millions)





CTP: Consolidated Transportation Program

Source: Department of Legislative Services

Exhibit A-2.2
Capital Program for the 2025 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
State Facilities							
DA0201A	MDOD: Access Maryland	\$1,027,000	\$0	\$0	\$0	\$0	\$1,027,000
DE0201A	BPW: Facilities Renewal Fund	53,210,000	0	0	0	0	53,210,000
DE0201B	BPW: Fuel Storage Tank System Replacement Program	1,500,000	0	0	0	0	1,500,000
DE0201D	BPW: Revolutionary War Memorial for Black Soldiers	1,000,000	0	0	0	0	1,000,000
DE0211C	BPW: New Supreme Court of Maryland Building	26,117,000	0	0	0	0	26,117,000
DH0104A	DMIL: Glen Burnie Readiness Center Renovation and Expansion	176,000	0	0	0	227,000	403,000
DH0104B	DMIL: White Oak Readiness Center Renovation and Expansion	152,000	0	0	0	0	152,000
DH0104C	DMIL: New Joint Force Headquarters as Camp Fretterd	750,000	0	0	0	0	750,000
DP0002A	DVMF: Crownsville Veterans Cemetery Expansion and Improvements – Phase IV	113,000	0	0	0	0	113,000
FB04A	DoIT: MD FiRST	14,909,000	0	0	0	0	14,909,000
H0102A	DGS: Baltimore State Center Demolition	0	0	750,000	0	0	750,000
Subtotal		\$98,954,000	\$0	\$750,000	\$0	\$227,000	\$99,931,000
Health/Social							
MA01A	MDH: Community Health Facilities Grant Program	\$8,000,000	\$0	\$0	\$0	\$0	\$8,000,000
MA01B	MDH: Federally Qualified Health Centers Grant Program	3,500,000	0	0	0	0	3,500,000
MA01C	MDH: New Facility for Children and High-Intensity Residential Treatment Center	942,000	0	0	0	0	942,000
ML10A	MDH: Clifton T. Perkins Hospital Center Infrastructure Improvement	12,500,000	0	0	0	0	12,500,000
RQ00A	UMMS: Comprehensive Cancer Center	32,000,000	0	0	0	0	32,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center – Phase III	250,000	0	0	0	0	250,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
RQ00C	UMMS: University of Maryland Shore Regional Health – New Easton Regional	20,000,000	0	0	0	0	20,000,000
VE01A	DJS: Maryland Youth Residence Center Renovation and Expansion	1,150,000	0	0	0	0	1,150,000
ZA01A	MHA: Atlantic General Hospital	79,000	0	0	0	0	79,000
ZA01B	MHA: Brook Lane Health Services	2,979,000	0	0	0	0	2,979,000
ZA01C	MHA: CalvertHealth Medical Center	3,972,000	0	0	0	0	3,972,000
ZA01D	MHA: Carroll Hospital Center	887,000	0	0	0	0	887,000
ZA01E	MHA: Frederick Health Hospital	100,000	0	0	0	0	100,000
ZA01F	MHA: Greater Baltimore Medical Center	1,280,000	0	0	0	0	1,280,000
ZA01G	MHA: Howard County General Hospital	733,000	0	0	0	0	733,000
ZA01H	MHA: Kennedy Krieger Children’s Hospital	4,000,000	0	0	0	0	4,000,000
ZA01I	MHA: MedStar Southern Maryland Hospital Center	100,000	0	0	0	0	100,000
ZA01J	MHA: Mercy Medical Center	1,931,000	0	0	0	0	1,931,000
ZA01K	MHA: Montgomery General Hospital	100,000	0	0	0	0	100,000
ZA01L	MHA: Northwest Hospital Center	90,000	0	0	0	0	90,000
ZA01M	MHA: St. Agnes Healthcare	1,986,000	0	0	0	0	1,986,000
ZA01N	MHA: Sheppard Pratt Health System – Adolescent Neuropsychiatric Unit	185,000	0	0	0	0	185,000
ZA01O	MHA: Sheppard Pratt Health System – Adult Neuropsychiatric Unit	79,000	0	0	0	0	79,000
ZA01P	MHA: Sheppard Pratt Health System – Day Hospitals	97,000	0	0	0	0	97,000
ZA01Q	MHA: Sinai Hospital of Baltimore	393,000	0	0	0	0	393,000
ZA01R	MHA: The Children’s Inn at the National Institutes of Health	208,000	0	0	0	0	208,000
ZA01S	MHA: The Johns Hopkins Hospital	172,000	0	0	0	0	172,000
ZA01T	MHA: TidalHealth Peninsula Regional	2,226,000	0	0	0	0	2,226,000
ZA01U	MHA: University of Maryland Baltimore Washington Medical Center	106,000	0	0	0	0	106,000
ZA01V	MHA: University of Maryland Upper Chesapeake Medical Center	973,000	0	0	0	0	973,000
Subtotal		\$101,018,000	\$0	\$0	\$0	\$0	\$101,018,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u> ¹	<u>Revenue</u>	<u>General</u>	<u>Special</u> ²	<u>Federal</u>	
Environment							
KA05A	DNR: Community Parks and Playgrounds	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
KA05E110	DNR: Program Open Space – Local	0	0	0	25,472,393	0	25,472,393
KA05E111	DNR: Program Open Space – State	0	0	0	13,894,479	5,000,000	18,894,479
KA05E114	DNR: Greenspace Equity Program	0	0	0	7,000,000	0	7,000,000
KA05E122	DNR: Rural Legacy Program	0	0	0	4,404,210	0	4,404,210
KA05E137	DNR: Natural Resources Development Fund	0	0	0	4,790,631	0	4,790,631
KA05E14	DNR: Ocean City Beach Replacement and Hurricane Protection Program	0	0	0	2,000,000	0	2,000,000
KA05E149	DNR: Program Open Space – Public Access Program	0	0	0	5,637,571	0	5,637,571
KA1401	DNR: Waterway Improvement Fund	0	0	0	24,000,000	1,500,000	25,500,000
KA1701A	DNR: Oyster Restoration Program	4,032,000	0	0	0	0	4,032,000
LA1111	MDA: Agricultural Land Preservation Program	0	0	0	18,629,109	0	18,629,109
UA0104	MDE: Hazardous Substance Cleanup Program	0	0	625,000	0	0	625,000
UA0111	MDE: Bay Restoration Fund Wastewater Program	0	0	0	50,000,000	0	50,000,000
UA0112	MDE: Bay Restoration Fund Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Grant Program	13,867,000	0	0	0	0	13,867,000
UA01B	MDE: Maryland Drinking Water Revolving Loan Fund	11,488,000	0	0	20,998,000	97,048,000	129,534,000
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	15,029,000	0	0	110,713,000	77,597,000	203,339,000
UB00A	MES: State Water and Sewer Infrastructure Improvement Fund	2,598,000	0	0	5,585,000	0	8,183,000 ³
Subtotal		\$52,014,000	\$0	\$625,000	\$308,124,393	\$181,145,000	\$541,908,393
Public Safety							
H0102B	DPSCS: Life Skills and Re-Entry Center for Women	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
QB0101A	DPSCS: New Life Skills and Re-Entry Center for Women	2,000,000	0	0	0	0	2,000,000
QR0203A	DPSCS: RCI Perimeter Fence System Replacement	9,370,000	0	0	0	0	9,370,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
QS0201A	DPSCS: Jessup Region Electrical Infrastructure Upgrade	4,352,000	0	0	0	0	4,352,000
QS0208A	DPSCS: ECI High Temperature Distribution and Perimeter Security Improvements	5,868,000	0	0	0	0	5,868,000
QT04A	DPSCS: Baltimore Therapeutic Treatment Center	45,857,000	0	0	0	0	45,857,000
WA01A	DSP: Barrack A – Waterloo: New Barrack, Garage, and Historic Barrack Renovation	523,000	0	0	0	0	523,000
WA01B	DSP: Barrack J – Annapolis: Communications Room and New Garage	5,042,000	0	0	0	0	5,042,000
WA01C	DSP: Barrack L – Forestville: New Barrack and Garage	7,376,000	0	0	0	0	7,376,000
Subtotal		\$80,388,000	\$0	\$2,000,000	\$0	\$0	\$82,388,000
Education							
D25E0302	IAC: Built To Learn Fund	\$0	\$302,225,000	\$0	\$69,000,000	\$0	\$371,225,000 ⁴
D25E03A	IAC: Aging Schools Program	6,109,000	0	0	0	0	6,109,000
D25E03B	IAC: Healthy School Facility Fund	90,000,000	0	0	0	0	90,000,000
D25E03C	IAC: Public School Construction Program	290,857,000	0	0	9,143,411	0	300,000,411 ⁵
D25E03D	IAC: Senator James E. “Ed” DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
D25E03E	IAC: Supplemental Capital Grant Program for Local School Systems	53,891,000	0	0	0	0	53,891,000
RA11A	MSLA: Public Library Capital Grant Program	7,500,000	0	0	0	0	7,500,000
RE01A	MSD: New Student Residences	12,193,000	0	0	0	0	12,193,000
RE01B	MSD: Facilities Renewal	750,000	0	0	0	0	750,000
ZA00CS	MISC: Public School Construction Grant – Montgomery County	4,500,000	0	0	0	0	4,500,000
Subtotal		\$469,300,000	\$302,225,000	\$0	\$78,143,411	\$0	\$849,668,411
Higher Education							
RB21A	UMB: New School of Social Work Building	\$37,924,000	\$0	\$0	\$5,000,000	\$0	\$42,924,000
RB22A	UMCP: Campuswide Building Systems and Infrastructure Improvements	7,500,000	5,000,000	0	0	0	12,500,000
RB22B	UMCP: Graduate Student Housing Site Development	5,000,000	0	0	0	0	5,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u> ¹	<u>Revenue</u>	<u>General</u>	<u>Special</u> ²	<u>Federal</u>	
RB22C	UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	54,700,000	0	0	4,000,000	0	58,700,000
RB22D	UMCP: New Health and Human Sciences Complex	2,500,000	0	0	0	0	2,500,000
RB23A	BSU: New Thurgood Marshall Library and Academic Commons	2,230,000	0	0	0	0	2,230,000
RB24A	TU: Smith Hall Renovation and Reconstruction	62,102,000	0	0	9,000,000	0	71,102,000
RB24B	TU: Cook Library	300,000	0	0	0	0	300,000
RB25A	UMES: New Residence Hall	1,000,000	0	0	0	0	1,000,000
RB26A	FSU: Frostburg State University Baseball Complex	1,000,000	0	0	0	0	1,000,000
RB29A	SU: Blackwell Hall Renovation	30,011,000	0	0	5,000,000	0	35,011,000
RB31A	UMBC: Sherman Hall Renovation	21,211,000	0	0	0	0	21,211,000
RB31B	UMBC: UMBC Stadium Synthetic Running Track Surface	530,000	0	0	0	0	530,000
RB31C	UMBC: New Student Services Building	5,000,000	0	0	0	0	5,000,000
RB36A	USMO: Rita Colwell Center Deferred Maintenance	7,100,000	0	0	0	0	7,100,000
RB36RB	USMO: Capital Facilities Renewal	0	25,000,000	0	0	0	25,000,000
RC00A	BCCC: Deferred Maintenance	9,000,000	0	0	0	0	9,000,000
RC00B	BCCC: Unidentified Property Acquisition	0	0	0	9,000,000	0	9,000,000 ⁶
RI00A	MHEC: Community College Construction Grant Program	60,229,000	0	0	0	0	60,229,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	3,011,000	0	0	0	0	3,011,000
RM00A	MSU: Campus Expansion, Phase I – Lake Clifton High School Demolition	6,256,000	0	0	0	0	6,256,000
RM00B	MSU: Campuswide Electric Infrastructure Upgrades	15,000,000	0	0	0	0	15,000,000
RM00C	MSU: Deferred Maintenance and Site Improvements	13,400,000	0	0	0	0	13,400,000
RM00D	MSU: New Science Center, Phase II	60,580,000	0	0	9,000,000	0	69,580,000
ZA00T	MICUA: Hood College	2,480,000	0	0	0	0	2,480,000
ZA00U	MICUA: McDaniel College	2,160,000	0	0	0	0	2,160,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
ZA00V	MICUA: Stevenson University	3,360,000	0	0	0	0	3,360,000
Subtotal		\$413,584,000	\$30,000,000	\$0	\$41,000,000	\$0	\$484,584,000 ⁷
Housing and Community Development							
D40W0111	MDP: Historic Preservation Loan Fund	\$0	\$0	\$0	\$150,000	\$0	\$150,000
DB01A	HSMCC: Visitor Center Conversion for Education and Artisan Centers	381,000	0	0	0	0	381,000
DW0110A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0110B	MDP: Historic Preservation Grant Fund	1,000,000	0	0	0	0	1,000,000
SA242350	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	18,000,000	0	0	0	0	18,000,000
SA24B	DHCD: Business Façade Improvement Program	5,000,000	0	0	0	0	5,000,000
SA24C	DHCD: Community Legacy Program	8,000,000	0	0	0	0	8,000,000
SA24D	DHCD: National Capital Strategic Economic Development Fund	18,000,000	0	0	0	0	18,000,000
SA24E	DHCD: Neighborhood Business Development Program	10,000,000	0	0	2,244,000	16,114,000	28,358,000
SA24F	DHCD: Seed Community Development Anchor Institution Fund	10,000,000	0	0	0	0	10,000,000
SA24G	DHCD: Strategic Demolition Fund	60,000,000	0	0	0	0	60,000,000
SA2515	DHCD: Housing and Building Energy	0	0	0	56,500,000	0	56,500,000
SA25A	DHCD: Appraisal Gap Program – UPLIFT	10,000,000	0	0	0	0	10,000,000
SA25B	DHCD: Homeownership Programs	8,000,000	0	0	14,500,000	0	22,500,000
SA25C	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25D	DHCD: Rental Housing Programs	85,000,000	0	0	19,500,000	9,000,000	113,500,000
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25F	DHCD: Special Loan Programs	4,000,000	0	0	4,400,000	5,040,000	13,440,000
SA25G	DHCD: Housing Innovation Fund	5,000,000	0	0	0	0	5,000,000
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
Subtotal		\$259,381,000	\$0	\$0	\$97,294,000	\$42,154,000	\$398,829,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
Local Projects							
D23A01A	MCA: MEDCO Cannabis Incubator	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
H0103A	DGS: Tradepoint Atlantic Container Terminal	0	0	16,000,000	0	0	16,000,000
J00A0103	MDOT: Tradepoint Atlantic Container Terminal	0	0	6,000,000	0	0	6,000,000
H0103B	DGS: IonQ Headquarters	0	0	10,000,000	0	0	10,000,000
H0103C	DGS: New Downtown Frederick Hotel and Conference Center	0	0	7,500,000	0	0	7,500,000
H0103D	DGS: Johns Hopkins University Whiting School of Engineering	0	0	2,000,000	0	0	2,000,000
H0103F	DGS: SEED School	0	0	500,000	0	0	500,000
ZA00A	MISC: Adventist Health – New Fort Washington Facility	4,000,000	0	0	0	0	4,000,000
ZA00B	MISC: Annapolis City Dock	7,800,000	0	0	0	0	7,800,000
ZA00C	MISC: B & O Railroad Museum	3,000,000	0	0	0	0	3,000,000
ZA00D	MISC: Baltimore County – 911 Call Center	2,000,000	0	0	0	0	2,000,000
ZA00E	MISC: Baltimore Museum of Art – Fire Suppression and Capital Improvements	1,500,000	0	0	0	0	1,500,000
ZA00F	MISC: Bowie Mill Bike Trail	2,100,000	0	0	0	0	2,100,000
ZA00G	MISC: Bowie Race Course Training Center Property and Rosecroft Raceway	6,200,000	0	0	0	0	6,200,000
ZA00H	MISC: Catholic Charities – Intergenerational Center	2,000,000	0	0	0	0	2,000,000
ZA00I	MISC: Center for Urban Families – North Monroe Street Capital Improvements	1,000,000	0	0	0	0	1,000,000
ZA00K	MISC: Glen Echo Park Spanish Ballroom Renovation	1,500,000	0	0	0	0	1,500,000
ZA00L	MISC: Greater Baden Medical Services – Ritchie Station Health Center	2,900,000	0	0	0	0	2,900,000
ZA00M	MISC: Historic Annapolis Restoration	3,900,000	0	0	0	0	3,900,000
ZA00N	MISC: Howard County – New Cultural Center	4,000,000	0	0	0	0	4,000,000
ZA00O	MISC: Inner Harbor Promenade	35,000,000	0	0	0	0	35,000,000
ZA00P	MISC: Johns Hopkins Bayview Medical Center – Burton Pavilion Renovation	8,000,000	0	0	0	0	8,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
ZA00Q	MISC: Kennedy Krieger Hospital – Innovative Care Center	4,000,000	0	0	0	0	4,000,000
ZA00R	MISC: Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	19,000,000	0	0	0	0	19,000,000
ZA00S	MISC: Maryland Center for History and Culture – Enoch Pratt House	2,500,000	0	0	0	0	2,500,000
ZA00W	MISC: Maryland Zoo in Baltimore – Infrastructure and Habitat Improvements	4,750,000	0	0	0	0	4,750,000
ZA00X	MISC: MedStar Southern Maryland Hospital – Infrastructure Improvements	10,000,000	0	0	0	0	10,000,000
ZA00Y	MISC: Morton Street Dance Center Renovation and Expansion	300,000	0	0	0	0	300,000
ZA00Z	MISC: National Aquarium in Baltimore – Infrastructure Improvements	1,000,000	0	0	0	0	1,000,000
ZA00AA	MISC: New Edgewater Community Center	2,250,000	0	0	0	0	2,250,000
ZA00AB	MISC: Pikesville Armory Foundation – Pikesville Armory Renovation	5,000,000	0	0	0	0	5,000,000
ZA00AC	MISC: Port Discovery Children’s Museum	2,500,000	0	0	0	0	2,500,000
ZA00AD	MISC: Rosecroft Raceway Economic Revitalization	3,100,000	0	0	0	0	3,100,000
ZA00AE	MISC: Salisbury Regional Airport – New Hangar	1,500,000	0	0	0	0	1,500,000
ZA00AF	MISC: Southern Streams Health and Wellness Center	2,100,000	0	0	0	0	2,100,000
ZA00AG	MISC: Viva White Oak	2,000,000	0	0	0	0	2,000,000
ZA00AH	MISC: Westport Capital Development – Kloman Street Relocation	1,000,000	0	0	0	0	1,000,000
ZA00AI	MISC: White’s Ferry Project	1,500,000	0	0	0	0	1,500,000
ZA00AJ	MISC: Westminster Fiber Project	1,000,000	0	0	0	0	1,000,000
ZA00AL	MISC: Strathmore Hall Performing Arts Center	1,500,000	0	0	0	0	1,500,000
ZA00AM	MISC: Capital of Quantum Initiative	10,000,000	0	0	0	0	10,000,000
ZA00AN	MISC: College Park Academy Multi-Purpose & Gym Space	1,775,000	0	0	0	0	1,775,000
ZA00AO	MISC: St. Vincent Pallotti High School	800,000	0	0	0	0	800,000
ZA00AQ	MISC: Boonsboro Public Works Complex	175,000	0	0	0	0	175,000
ZA00AR	MISC: Williamsport Town Hall	400,000	0	0	0	0	400,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
ZA00AS	MISC: Harris Farm	475,000	0	0	0	0	475,000
ZA00AT	MISC: Next One Up Facility	500,000	0	0	0	0	500,000
ZA00AU	MISC: Krimson Achievement Foundation	300,000	0	0	0	0	300,000
ZA00AV	MISC: Ellicott City 50+ Center	100,000	0	0	0	0	100,000
ZA00AW	MISC: Howard County Fairgrounds – Fiber Optic Connectivity	70,000	0	0	0	0	70,000
ZA00AX	MISC: Ilchester Community Center	200,000	0	0	0	0	200,000
ZA00AY	MISC: Preservation Maryland Headquarters in Howard County	250,000	0	0	0	0	250,000
ZA00AZ	MISC: Residences at Vantage Point	125,000	0	0	0	0	125,000
ZA00BA	MISC: Rockburn Branch Park	50,000	0	0	0	0	50,000
ZA00BB	MISC: DSP Training Academy at Jubilee Association of Maryland	50,000	0	0	0	0	50,000
ZA00BC	MISC: Ivymount School	250,000	0	0	0	0	250,000
ZA00BD	MISC: Attick Towers Fire Suspension	325,000	0	0	0	0	325,000
ZA00BE	MISC: Youth and Family Services	250,000	0	0	0	0	250,000
ZA00BF	MISC: Eagle Harbor Flood Mitigation	200,000	0	0	0	0	200,000
ZA00BG	MISC: Fraternal Order of Police Lodge No. 89	1,500,000	0	0	0	0	1,500,000
ZA00BH	MISC: New Downtown Hagerstown Visitor Center	540,000	0	0	0	0	540,000
ZA00BI	MISC: Pearlstone Center	500,000	0	0	0	0	500,000
ZA00BJ	MISC: Music City Maryland Amphitheater	400,000	0	0	0	0	400,000
ZA00BK	MISC: Arbutus Marketplace	550,000	0	0	0	0	550,000
ZA00BL	MISC: CAA Park Playground	100,000	0	0	0	0	100,000
ZA00BM	MISC: Jewish Community Service’s Alternative Living Unit Program	300,000	0	0	0	0	300,000
ZA00BN	MISC: Mason Dixon Complex – Phase II	100,000	0	0	0	0	100,000
ZA00BO	MISC: National Aquarium Capital Improvements	500,000	0	0	0	0	500,000
ZA00BP	MISC: Black Sox Park	3,000,000	0	0	0	0	3,000,000
ZA00BQ	MISC: Kennedy Krieger Institute – LEAP Facility Renovation and Expansion	550,000	0	0	0	0	550,000
ZA00BR	MISC: Bender Jewish Community Center of Greater Washington	240,000	0	0	0	0	240,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
ZA00BS	MISC: Sunflower Bakery	30,000	0	0	0	0	30,000
ZA00BT	MISC: National Center on Institutions and Alternatives	500,000	0	0	0	0	500,000
ZA00BU	MISC: Maryland Science Center	3,000,000	0	0	0	0	3,000,000
ZA00BV	MISC: New Randallstown Library and Recreation Center	8,255,000	0	0	0	0	8,255,000
ZA00BW	MISC: Cube CoWork, LLC	100,000	0	0	0	0	100,000
ZA00BX	MISC: Westside Redevelopment Authority	500,000	0	0	0	0	500,000
ZA00BY	MISC: Cowdensville Roundabout	2,000,000	0	0	0	0	2,000,000
ZA00BZ	MISC: McElderry Park Resource Center	150,000	0	0	0	0	150,000
ZA00CA	MISC: Collington Square Park Improvements	200,000	0	0	0	0	200,000
ZA00CB	MISC: The Sanctuary	100,000	0	0	0	0	100,000
ZA00CC	MISC: Riverside Park Pool and Bathhouse	750,000	0	0	0	0	750,000
ZA00CD	MISC: Goodwill of Greater Washington	250,000	0	0	0	0	250,000
ZA00CE	MISC: Community Boys and Girls Club in Capitol Heights	250,000	0	0	0	0	250,000
ZA00CF	MISC: Publick Playhouse	1,200,000	0	0	0	0	1,200,000
ZA00CG	MISC: Town of Bladensburg Property Acquisition	1,000,000	0	0	0	0	1,000,000
ZA00CH	MISC: Cal Ripken Sr. Foundation	600,000	0	0	0	0	600,000
ZA00CI	MISC: New Hampshire Estates Neighborhood Parks	600,000	0	0	0	0	600,000
ZA00CJ	MISC: Children's Inn at the National Institutes of Health	200,000	0	0	0	0	200,000
ZA00CK	MISC: Imagination Stage	200,000	0	0	0	0	200,000
ZA00CL	MISC: National Center for Children and Families	150,000	0	0	0	0	150,000
ZA00CM	MISC: North Bethesda Metro Station Access Improvements	600,000	0	0	0	0	600,000
ZA00CN	MISC: Sunnyside School	25,000	0	0	0	0	25,000
ZA00CO	MISC: Shipley Homestead Homeowner's Association	100,000	0	0	0	0	100,000
ZA00CP	MISC: Bacontown Park	50,000	0	0	0	0	50,000
ZA00CQ	MISC: Ferndale Community Club	50,000	0	0	0	0	50,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
ZA00CR	MISC: Overlook Elementary School	50,000	0	0	0	0	50,000
ZA00CT	MISC: Eastern Technical High School Multi-Sport Complex	150,000	0	0	0	0	150,000
ZA00CU	MISC: Heartly House Facilities Expansion	700,000	0	0	0	0	700,000
ZA00CV	MISC: Love Wins Movement	150,000	0	0	0	0	150,000
ZA00CW	MISC: Aberdeen Family Swim Center	500,000	0	0	0	0	500,000
ZA00CX	MISC: Town of Chesapeake Beach – Tennis Courts	500,000	0	0	0	0	500,000
ZA00CY	MISC: Messick Road Industrial Park Development	100,000	0	0	0	0	100,000
ZA00CZ	MISC: Glen Burnie High School	250,000	0	0	0	0	250,000
ZA00DA	MISC: Medstar Hospital System Capital Improvements	1,500,000	0	0	0	0	1,500,000
ZA00DB	MISC: Bates Lower Field Improvements	500,000	0	0	0	0	500,000
ZA00DC	MISC: Charles County Charitable Trust	75,000	0	0	0	0	75,000
ZA00DD	MISC: Arc Capital Housing Project	150,000	0	0	0	0	150,000
ZA00DE	MISC: Carroll Veterans Short Term Housing and Bathrooms	50,000	0	0	0	0	50,000
ZA00DF	MISC: Mount Airy Flat Iron Building	50,000	0	0	0	0	50,000
ZA00DG	MISC: Union Memorial Veterans of Foreign Wars Post No. 8806	50,000	0	0	0	0	50,000
ZA00DI	MISC: Baltimore Public Media	500,000	0	0	0	0	500,000
ZA00DJ	MISC: Chimes Outdoor Adaptive Therapeutic Center	750,000	0	0	0	0	750,000
ZA00DK	MISC: Chaney Cares Community Center	750,000	0	0	0	0	750,000
ZA00DL	MISC: Mechanic and Harrison Street Intersection Improvement Project	100,000	0	0	0	0	100,000
ZA00DM	MISC: Baltimore-Washington International Thurgood Marshall Airport Storefront – Visitor Experience	50,000	0	0	0	0	50,000
ZA00DN	MISC: Gaudenzia Crownsville Campus	350,000	0	0	0	0	350,000
ZA00DO	MISC: Glen Burnie Center Medicine and Behavioral Health Build Out	50,000	0	0	0	0	50,000
ZA00DP	MISC: Zero Waste to Zero Hunger Facility	250,000	0	0	0	0	250,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
ZA00DQ	MISC: Artificial Intelligence Machine Manufacturing Workforce Development Academy	100,000	0	0	0	0	100,000
ZA00DR	MISC: BEAR Renovations	40,000	0	0	0	0	40,000
ZA00DS	MISC: Dr. Nathan A. Pitts-Ashburton Elementary	160,000	0	0	0	0	160,000
ZA00DT	MISC: Entrepreneurs Helping Entrepreneurs Facility	37,500	0	0	0	0	37,500
ZA00DU	MISC: Guilford Hall – Commercial Training Kitchen	100,000	0	0	0	0	100,000
ZA00DV	MISC: Harford House	100,000	0	0	0	0	100,000
ZA00DW	MISC: Herring Run Branch Library	250,000	0	0	0	0	250,000
ZA00DX	MISC: Sinclair Lane Elementary School	80,000	0	0	0	0	80,000
ZA00DY	MISC: Southern Bridge Career and Education Center	100,000	0	0	0	0	100,000
ZA00DZ	MISC: Town of Eagle Harbor Town Hall	100,000	0	0	0	0	100,000
ZA00EA	MISC: Wells Community Development Corporation	40,000	0	0	0	0	40,000
ZA00EB	MISC: Mays Chapel Elementary School	100,000	0	0	0	0	100,000
ZA00EC	MISC: Chesapeake High School Turf Field	250,000	0	0	0	0	250,000
ZA00EE	MISC: American Legion Gray Ray Post No. 220	35,000	0	0	0	0	35,000
ZA00EF	MISC: Benedictine School for Exceptional Children – Student Residential Facility	500,000	0	0	0	0	500,000
ZA00EG	MISC: Anna Murray Douglass Museum and Visitor Center	100,000	0	0	0	0	100,000
ZA00EH	MISC: FOP Cambridge-Dorchester Lodge No. 27	50,000	0	0	0	0	50,000
ZA00EI	MISC: Ski Patrol Headquarters	100,000	0	0	0	0	100,000
ZA00EJ	MISC: Schucks Road Regional Park	150,000	0	0	0	0	150,000
ZA00EK	MISC: Havre de Grace STAR – Sports Theatre Arts Recreation – Centre	150,000	0	0	0	0	150,000
ZA00EL	MISC: Maryland Center for the Visual and Performing Arts	150,000	0	0	0	0	150,000
ZA00EM	MISC: Community Action Council (CAC) of Howard County Route One Service Center	250,000	0	0	0	0	250,000
ZA00EN	MISC: Maryland State Fair Renovations	100,000	0	0	0	0	100,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
ZA00EO	MISC: Maryland Deaf Community Center	1,000,000	0	0	0	0	1,000,000
ZA00EP	MISC: Chesapeake Bay Maritime Museum HVAC Replacement	250,000	0	0	0	0	250,000
ZA00EQ	MISC: SquashWise Center: A Youth and Community Squash Center	50,000	0	0	0	0	50,000
ZA00ER	MISC: Bengies Road Sanitary Sewer System Extension	500,000	0	0	0	0	500,000
ZA00ES	MISC: Valley Little League	125,000	0	0	0	0	125,000
ZA00ET	MISC: Smithsburg High School Field House	400,000	0	0	0	0	400,000
ZA00EU	MISC: St. Mary's County Regional Airport Fuel Capacity Expansion	350,000	0	0	0	0	350,000
ZA00EV	MISC: Silver Spring United Methodist Church – Shepherd's Table Kitchen Rehabilitation	130,000	0	0	0	0	130,000
ZA00EW	MISC: Western Montgomery County Pool Bubble	200,000	0	0	0	0	200,000
ZA00EX	MISC: St. Anne's Episcopal Church	76,300	0	0	0	0	76,300
ZA00EY	MISC: Montgomery County History Center	250,000	0	0	0	0	250,000
ZA00EZ	MISC: Public Works Facility Renovations – Phase II Design	143,000	0	0	0	0	143,000
ZA00FA	MISC: American Legion Post No. 171	250,000	0	0	0	0	250,000
ZA00FB	MISC: Montgomery Housing Partnership Office at Amherst Wheaton Arts	500,000	0	0	0	0	500,000
ZA00FC	MISC: Madison Fields	100,000	0	0	0	0	100,000
ZA00FD	MISC: Calverton Galway Local Park	125,000	0	0	0	0	125,000
ZA00FE	MISC: Georgia Avenue Noise Mitigation Fencing Project	150,000	0	0	0	0	150,000
ZA00FF	MISC: Girl Scout Camp Brighton Woods	400,000	0	0	0	0	400,000
ZA00FG	MISC: Elwood Smith Community Center	150,000	0	0	0	0	150,000
ZA00FH	MISC: Dream Catcher Meadows	75,000	0	0	0	0	75,000
ZA00FI	MISC: Centerway Local Park	350,000	0	0	0	0	350,000
ZA00FJ	MISC: Riverdale Baptist Athletic Complex	215,000	0	0	0	0	215,000
ZA00FK	MISC: MEOR Cultural Center	350,000	0	0	0	0	350,000
ZA00FL	MISC: Girl Scout Camp Aquasco	100,000	0	0	0	0	100,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
ZA00FM	MISC: Town of University Park Town Hall	300,000	0	0	0	0	300,000
ZA00FN	MISC: Textile Machines for Youth	130,000	0	0	0	0	130,000
ZA00FO	MISC: Laurel Boys and Girls Club	400,000	0	0	0	0	400,000
ZA00FP	MISC: City of Glenarden Public Safety Building	2,000,000	0	0	0	0	2,000,000
ZA00FQ	MISC: Children's Guild – Support of Safe and Nurturing Homes for Children with Autism	250,000	0	0	0	0	250,000
ZA00FR	MISC: Hope Center	500,000	0	0	0	0	500,000
ZA00FS	MISC: Lyric Foundation Infrastructure Improvements	500,000	0	0	0	0	500,000
ZA00FT	MISC: Mid Shore Regional Detention Center	500,000	0	0	0	0	500,000
ZA00FU	MISC: Ascension Saint Agnes Family Birthing Center	250,000	0	0	0	0	250,000
ZA00FV	MISC: Forestville Healthcare Center – Expansion	1,000,000	0	0	0	0	1,000,000
ZA00FW	MISC: Boonsboro Advanced Metering System	125,000	0	0	0	0	125,000
ZA00FX	MISC: Boonsboro Crestview Water Pressure Reduction and Bypass	125,000	0	0	0	0	125,000
ZA00FY	MISC: Williamsport Memorial Library	400,000	0	0	0	0	400,000
ZA00FZ	MISC: Meritus Commons	750,000	0	0	0	0	750,000
ZA00GA	MISC: Bright & Joyful Future Campaign	500,000	0	0	0	0	500,000
ZA00GB	MISC: Carpenters Baltimore Revitalization Initiative (Baltimore City Carpenters Training Center)	750,000	0	0	0	0	750,000
ZA00GC	MISC: Jug Handle Connector	2,000,000	0	0	0	0	2,000,000
ZA00GD	MISC: Educational Enhancement of Holocaust Memorial	750,000	0	0	0	0	750,000
ZA00GE	MISC: Mount Vernon Place Conservancy	400,000	0	0	0	0	400,000
ZA00GF	MISC: Enoch Pratt Free Library System	1,000,000	0	0	0	0	1,000,000
ZA00GG	MISC: Helping Up Mission	100,000	0	0	0	0	100,000
ZA00GH	MISC: Clay Hill Public Charter School	1,500,000	0	0	0	0	1,500,000
ZA00GI	MISC: Fair Hill Training Center	1,000,000	0	0	0	0	1,000,000
ZA00GJ	MISC: Baltimore Symphony Orchestra	750,000	0	0	0	0	750,000
ZA00GK	MISC: NorthBay Environmental Education Center	375,000	0	0	0	0	375,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u> ¹	<u>Revenue</u>	<u>General</u>	<u>Special</u> ²	<u>Federal</u>	
ZA00GL	MISC: Ashley Addiction Treatment – Patient Room Renovations	250,000	0	0	0	0	250,000
ZA00GM	MISC: St. Michaels Community Center Project	100,000	0	0	0	0	100,000
ZA00GN	MISC: Allegany Museum Restoration Project	100,000	0	0	0	0	100,000
ZA00GO	MISC: Kingdom Cares Center	500,000	0	0	0	0	500,000
ZA00GP	MISC: Northwest Branch Recreation Pool House	1,000,000	0	0	0	0	1,000,000
ZA00GQ	MISC: Don Bosco Cristo Rey Gymnasium	1,000,000	0	0	0	0	1,000,000
ZA00GR	MISC: Johns Hopkins Hospital	478,000	0	0	0	0	478,000
ZA00GS	MISC: Adventist Healthcare Shady Grove Medical Center	250,000	0	0	0	0	250,000
ZA00GT	MISC: Catonsville Hub Renovations	300,000	0	0	0	0	300,000
ZA00GU	MISC: Sheppard Pratt – Towson Hospital Infrastructure	1,000,000	0	0	0	0	1,000,000
ZA00GV	MISC: Principio Rail Spur	1,500,000	0	0	0	0	1,500,000
ZA00GW	MISC: Damascus Heritage Society Museum	100,000	0	0	0	0	100,000
ZA00GX	MISC: Linwood Center	336,377	0	0	0	0	336,377
ZA00GY	MISC: Pascal Crisis Stabilization Center – Southern Maryland	500,000	0	0	0	0	500,000
ZA00GZ	MISC: Diversion Center Walk-In Support Renovation Project	500,000	0	0	0	0	500,000
ZA00HA	MISC: Sandy Spring Museum Library and Archives	200,000	0	0	0	0	200,000
ZA00HB	MISC: The Diener School Inc.	400,000	0	0	0	0	400,000
ZA00HC	MISC: BioHub Maryland	500,000	0	0	0	0	500,000
ZA00HD	MISC: UPMC Western Maryland Radiation Therapy Linear Accelerator	500,000	0	0	0	0	500,000
ZA00HE	MISC: Annapolis Maritime Museum Securing the Weems and Plath Building	100,000	0	0	0	0	100,000
ZA00HF	MISC: Children’s Guild Preschool Playground at Monarch Academy Annapolis	200,000	0	0	0	0	200,000
ZA00HG	MISC: Frederick County Microgrid	500,000	0	0	0	0	500,000
ZA00HH	MISC: Boys and Girls Club of Southern Maryland -Waldorf Club Park	400,000	0	0	0	0	400,000
ZA00HI	MISC: UA Local 486 Training School	250,000	0	0	0	0	250,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u> ¹	<u>Revenue</u>	<u>General</u>	<u>Special</u> ²	<u>Federal</u>	
ZA00HJ	MISC: Howard County Conservancy Playground	400,000	0	0	0	0	400,000
ZA00HK	MISC: Chesapeake Shakespeare Company Theatre Revitalization	200,000	0	0	0	0	200,000
ZA00HL	MISC: Friends of Patapsco Valley State Park Whiting Property Capital Improvements	425,000	0	0	0	0	425,000
ZA00HM	MISC: Poiema Group Housing	650,000	0	0	0	0	650,000
ZA00HN	MISC: District Heights Police Station	180,000	0	0	0	0	180,000
ZA00HO	MISC: Prince George's Gateway Development Authority	500,000	0	0	0	0	500,000
ZA00HP	MISC: Frederick Center	125,000	0	0	0	0	125,000
ZA00HQ	MISC: Potomac High School	100,000	0	0	0	0	100,000
ZA00HR	MISC: iHomes	200,000	0	0	0	0	200,000
ZA00HS	MISC: Patsy Huson Park	500,000	0	0	0	0	500,000
ZA00HT	MISC: Diamond Foundation of Prince George's County	147,823	0	0	0	0	147,823
ZA00HU	MISC: Creative Suitland Arts Center	170,000	0	0	0	0	170,000
ZA00HV	MISC: Forest Heights Boys and Girls Club	450,000	0	0	0	0	450,000
ZA00HW	MISC: Route 108 Crosswalks	120,000	0	0	0	0	120,000
ZA00HX	MISC: Riverworks Art Center	250,000	0	0	0	0	250,000
ZA00HY	MISC: Springsong Museum	200,000	0	0	0	0	200,000
ZA00HZ	MISC: Montgomery County Local Public School Playgrounds	1,550,000	0	0	0	0	1,550,000
ZA00IA	MISC: Muslim Community Center Community Kitchen	30,000	0	0	0	0	30,000
ZA00IB	MISC: Blackrock Center for the Arts	250,000	0	0	0	0	250,000
ZA00IC	MISC: Gaithersburg Municipal Complex	200,000	0	0	0	0	200,000
ZA00ID	MISC: Green Towson Alliance	70,000	0	0	0	0	70,000
ZA00IE	MISC: Olney Farmers and Artist Market	5,000	0	0	0	0	5,000
ZA00IF	MISC: Sherwood High School Softball Field	686,000	0	0	0	0	686,000
ZA00IG	MISC: Earleigh Heights New Fire Station	120,000	0	0	0	0	120,000
ZA00IH	MISC: Solo Gibbs Recreation Center	1,000,000	0	0	0	0	1,000,000
ZA00II	MISC: Garrett Park Town Hall	500,000	0	0	0	0	500,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
ZA00IJ	MISC: Drink at the Well Inc.	100,000	0	0	0	0	100,000
ZA00IK	MISC: Cross Street Market Improvements	500,000	0	0	0	0	500,000
ZA00IL	MISC: Worcester County Fire Training Tower	250,000	0	0	0	0	250,000
ZA00IM	MISC: The Arc Central Chesapeake Region at Linthicum	175,000	0	0	0	0	175,000
ZA00IN	MISC: Summit School Building Expansion	250,000	0	0	0	0	250,000
ZA00IO	MISC: Maryland State Boychoir Center for the Arts	25,000	0	0	0	0	25,000
ZA00IP	MISC: South Baltimore Little League	200,000	0	0	0	0	200,000
ZA00IQ	MISC: Walther Apartments Affordable Housing Redevelopment	100,000	0	0	0	0	100,000
ZA00IR	MISC: Margaret-Bennett Homes	75,000	0	0	0	0	75,000
ZA00IS	MISC: York Road Commercial Corridor	100,000	0	0	0	0	100,000
ZA00IT	MISC: Belvedere Improvement Association	150,000	0	0	0	0	150,000
ZA00IU	MISC: Canton Helipad	750,000	0	0	0	0	750,000
ZA00IV	MISC: Perry Hall High School Track	600,000	0	0	0	0	600,000
ZA00IW	MISC: Renaissance Park	100,000	0	0	0	0	100,000
ZA00IX	MISC: St. Pius X Property	500,000	0	0	0	0	500,000
ZA00IY	MISC: Mount Airy Police Department	100,000	0	0	0	0	100,000
ZA00IZ	MISC: American Film Institute	300,000	0	0	0	0	300,000
ZA00JA	MISC: Child Care Playground Renovation and Replacement	850,000	0	0	0	0	850,000
ZA00JB	MISC: Noyes Library for Young Children	1,000,000	0	0	0	0	1,000,000
ZA00JC	MISC: The Seina School	500,000	0	0	0	0	500,000
ZA00JD	MISC: Laytonsville District Volunteer Fire Station	100,000	0	0	0	0	100,000
ZA00JE	MISC: Salem United Methodist Church	150,000	0	0	0	0	150,000
ZA00JF	MISC: Friends House Retirement Community	100,000	0	0	0	0	100,000
ZA00JG	MISC: Sandy Spring Volunteer Fire	100,000	0	0	0	0	100,000
ZA00JH	MISC: Harmony 360	25,000	0	0	0	0	25,000
ZA00JI	MISC: Rotary Club of Olney	50,000	0	0	0	0	50,000
ZA00JJ	MISC: Olney Mill House	172,000	0	0	0	0	172,000
ZA00JK	MISC: Preschool Education Center	370,000	0	0	0	0	370,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
ZA00JL	MISC: University of Maryland Baltimore Washington Medical Center Oncology Center	500,000	0	0	0	0	500,000
ZA00JM	MISC: Baltimore County Arts Guild	150,000	0	0	0	0	150,000
ZA00JN	MISC: Infant and Toddlers Facility	200,000	0	0	0	0	200,000
ZA00JO	MISC: Choice Neighborhood Initiative	500,000	0	0	0	0	500,000
ZA00JP	MISC: Annapolis Middle School	500,000	0	0	0	0	500,000
ZA00JQ	MISC: Southwest Visions Foundation LLC	100,000	0	0	0	0	100,000
ZA00JR	MISC: Windsor Mill Support Home	150,000	0	0	0	0	150,000
ZA00JS	MISC: Boys and Girls Clubs	500,000	0	0	0	0	500,000
ZA00JT	MISC: Liberty Sports Park	250,000	0	0	0	0	250,000
ZA00JU	MISC: Kent County Public Schools	150,000	0	0	0	0	150,000
ZA00JV	MISC: Upper Bay Counseling and Support Services	100,000	0	0	0	0	100,000
ZA00JW	MISC: USBTA – Maryland Technology Center	150,000	0	0	0	0	150,000
ZA00JX	MISC: Hope Garden at Community Learning Center – CLC	50,000	0	0	0	0	50,000
ZA00JY	MISC: Edmondson Heights Elementary School Playground	50,000	0	0	0	0	50,000
ZA00JZ	MISC: Safety and Security for Survivors of Power-Based Violence Station North	45,000	0	0	0	0	45,000
ZA00KA	MISC: Greenway Trail	1,500,000	0	0	0	0	1,500,000
ZA00KB	MISC: OASIS – Farming Diversification and Capacity Improvement	128,000	0	0	0	0	128,000
ZA00KC	MISC: Catonsville Rails to Trails	250,000	0	0	0	0	250,000
ZA00KD	MISC: Irvine Nature Center	100,000	0	0	0	0	100,000
ZA00KE	MISC: Housing Opportunities Commission	65,000	0	0	0	0	65,000
ZA00KF	MISC: Gallagher Mansion	50,000	0	0	0	0	50,000
ZA00KG	MISC: Splash Point at Baker Park	25,000	0	0	0	0	25,000
ZA00KH	MISC: St. Mary’s County Family YMCA	75,000	0	0	0	0	75,000
Section 21	MISC: Randallstown Library	0	0	12,000,000	0	0	12,000,000
ZA02	MISC: Local House Initiatives	10,000,000	0	0	0	0	10,000,000
ZA03	MISC: Local Senate Initiatives	10,000,000	0	0	0	0	10,000,000
Subtotal		\$281,820,000	\$0	\$59,000,000	\$0	\$0	\$340,820,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation¹	Revenue	General	Special²	Federal	
Transportation							
J00A01A	MDOT: Washington Metropolitan Transit Authority Upgrades	\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
J00D00A	MDOT: Howard Street Tunnel	31,500,000	0	0	0	0	31,500,000
Subtotal		\$198,500,000	\$0	\$0	\$0	\$0	\$198,500,000
Current Year Total (Excluding MDOT CTP)		\$1,954,959,000	\$332,225,000	\$62,375,000	\$524,561,804	\$223,526,000	\$3,097,646,804
Transportation CTP		\$0	\$245,000,000	\$0	\$1,235,455,679	\$1,303,033,547	\$2,783,489,226
Current Year Total (Including MDOT CTP)		\$1,954,959,000	\$577,225,000	\$62,375,000	\$1,760,017,483	\$1,526,559,547	\$5,881,136,030
Deauthorizations		-\$64,825,000	\$0	\$0	\$0	\$0	-\$64,825,000
Current Year Total – Less Deauthorizations		\$1,890,134,000	\$577,225,000	\$62,375,000	\$1,760,017,483	\$1,526,559,547	\$5,816,311,030
Fiscal 2025 Deficiencies							
SA25B	DHCD: Homeownership Programs	\$0	\$0	\$0	\$500,000	\$1,000,000	\$1,500,000
SA2515	DHCD: Housing and Building Energy	0	0	0	-2,408,908	2,500,000	91,092
J00D00A	MDOT: Howard Street Tunnel	0	0	3,998,349	0	0	3,998,349
H0103D8	UMMS: Comprehensive Cancer Treatment Center	0	0	0	5,000,000	0	5,000,000
H0103D7	DGS: Tradepoint Atlantic Container Terminal	0	0	16,000,000	0	0	16,000,000
H0103D5	DGS: City of Baltimore Warner and Stockholm Streets Improvements	0	0	2,000,000	0	0	2,000,000
H0103D4	DGS: Harmers Arts Center Project	0	0	700,000	0	0	700,000
H0103D3	DGS: City of Baltimore Penn Station Redevelopment	0	0	1,000,000	0	0	1,000,000
H0103D2	DGS: Pearlstone Conference and Treatment Center	0	0	500,000	0	0	500,000
H0103D1	DGS: City of Baltimore Renovations to Swimming Pool Facilities	0	0	3,000,000	0	0	3,000,000
H0102D2	MDH: Demolish Decommissioned Buildings	0	0	1,300,000	0	0	1,300,000
H0102D1	DGS: Washington County District Court Renovation and Expansion	0	0	5,275,000	0	0	5,275,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation ¹	Revenue	General	Special ²	Federal	
D23A01D	MCA: MEDCO Cannabis Incubator	0	0	2,000,000	0	0	2,000,000
Subtotal		\$0	\$0	\$35,773,349	\$3,091,092	\$3,500,000	\$42,364,441
Grand Total		\$1,954,959,000	\$577,225,000	\$98,148,349	\$1,763,108,575	\$1,530,059,547	\$5,923,500,471

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 Commerce: Department of Commerce
 CTP: Consolidated Transportation Program
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services
 DMIL: Military Department
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 DVMF: Department of Veterans and Military Families
 ECI: Eastern Correctional Institution
 FSU: Frostburg State University

HSMCC: Historic St. Mary’s City Commission
 IAC: Interagency Commission on Public fmSchool Construction
 MCA: Maryland Cannabis Administration
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MD FIRST: Maryland First Responder Radio System Team
 MDH: Maryland Department of Health
 MDOD: Maryland Department of Disabilities
 MDP: Maryland Department of Planning
 MDOT: Maryland Department of Transportation
 MEDCO: Maryland Economic Development Corporation
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association

MISC: miscellaneous
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 RCI: Roxbury Correctional Institution
 SU: Salisbury University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland, Eastern Shore
 UMMS: University of Maryland Medical System
 UPMC: University of Pittsburgh Medical Center
 USMO: University System of Maryland Office

¹ General obligation (GO) bond figures include \$140.1 million of bond premium proceeds comprised of \$50.0 million from the June 2024 bond sale and \$90.0 million of estimated premiums from from the planned June 2025 bond sale.

² Special funds include \$5.0 million of bond premiums from the June 2024 bond sale.

³ Reflects the allocation of \$11,386,000 of Transfer Tax Revenue special funds from the DNR Natural Resources Development Fund to the MES State Water and Sewer Infrastructure Improvement fund for work at State Park facilities.

⁴ Special funds reflect \$27 million of Education Trust Fund revenues for Prince George’s County Public-Private Partnership through Built To Learn and another \$42 million reflecting Prince Gerge’s County contribution.

⁵ Special funds include \$9.1 million from the Fiscal Responsibility Fund.

⁶ Special funds include \$9.0 million contributed from the BCCC fund balance.

⁷ Special funds include \$32 million from the Strategic Energy Investment Fund (SEIF) energy efficiency account to fund the sustainability components included in the scope of work for several higher education construction projects. The SEIF funds replace the planned use of GO bond funds on a one-for-one basis.

Note: Grand total figures include \$64.8 million of additional GO bond authorizations to account for deauthorizations included in the capital bill as introduced and \$140.1 million of bond premium proceeds. When adjusted for the deauthorizations and bond premiums, the level of new GO bond authorizations is \$1.750 billion, the same level recommended by the Spending Affordability Committee for the 2025 session.

**Exhibit A-2.3
Legislative Bond Initiatives
2025 Session**

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Allegany			
Good Will Fire Company No. 1 Tanker Replacement		\$100,000	\$100,000
Orleans Volunteer Fire Company Building		50,000	50,000
University of Pittsburgh Medical Center Western Maryland – Radiation Therapy Linear Accelerator	\$100,000		100,000
Subtotal	\$100,000	\$150,000	\$250,000
Anne Arundel			
American Legion Post No. 7 – Guy C. Parlett	\$50,000		\$50,000
Annapolis Juneteenth Museum and Cafe		\$200,000	200,000
Arundel High School Marquee	14,500		14,500
Arundel Middle School Marquee	14,500		14,500
Baltimore/Washington International Thurgood Marshall Airport Storefront – Visitor Experience	50,000		50,000
Chesapeake High School Field House		100,000	100,000
Crofton Spay-Neuter Clinic		29,000	29,000
Earleigh Heights Volunteer Fire Company Station		50,000	50,000
Gambrills Odenton Recreation Council Park Scoreboard	50,000		50,000
Gaudenzia Crownsville Campus		50,000	50,000
Glen Burnie Center Medicine and Behavioral Health Build Out		250,000	250,000
Growing Our Reach – Turning Children’s Theatre of Annapolis into an Art Center	100,000		100,000
Harness Creek Overlook Pond Retrofit	175,000		175,000
Herald Harbor Community Center		8,000	8,000
Kiwanis Club of Commodore Mayo		50,000	50,000
Maryland City Volunteer Fire Department	6,000		6,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Peerless Rens Club Outdoor Restoration	40,000		40,000
Severna Park BPOE 2482		120,000	120,000
Stoney Beach Living Shoreline		120,000	120,000
Summit School Building Expansion	150,000		150,000
Thomas Point Shoal Lighthouse	60,000		60,000
Zero Waste to Zero Hunger Facility	20,000		20,000
Subtotal	\$730,000	\$977,000	\$1,707,000
Baltimore City			
Baltimore Museum of Industry	\$100,000		\$100,000
Chesapeake Bay Outward Bound School		\$75,000	75,000
Conscious Head Barber and Bootcamp Reboot	75,000		75,000
East Baltimore Lodge No. 1043	150,000		150,000
Entrepreneurs Helping Entrepreneurs Facility	37,500		37,500
Forest Park Renaissance	400,000		400,000
Free Housing Project		50,000	50,000
Gallagher Mansion	200,000		200,000
Garrett-Jacobs Mansion	50,000	40,000	90,000
Gatehouse Renovation Project	25,000		25,000
HER Resiliency Center's HER Space		50,000	50,000
Herring Run Branch Library		100,000	100,000
Ivy and Pearls for Excellence	270,000		270,000
LIFE Outreach Center		50,000	50,000
Loyola School	80,000	20,000	100,000
Maryland State Boychoir Center for the Arts		25,000	25,000
PEACE Team Initiative		250,000	250,000
Ruderman Library and Playground		120,000	120,000
Safety and Security for Survivors of Power-Based Violence Station North	25,000		25,000
Sinclair Lane Elementary School	80,000		80,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
South Baltimore Adult High School	100,000		100,000
Southern Bridge Career and Education Center		100,000	100,000
Thomas Johnson Elementary-Middle School	50,000	50,000	100,000
<i>Subtotal</i>	<i>\$1,642,500</i>	<i>\$930,000</i>	<i>\$2,572,500</i>
Baltimore			
Arbutus Marketplace		\$50,000	\$50,000
Baltimore Community Food Center		50,000	50,000
Baltimore County Volunteer Firefighter's Association Dry Hydrant		150,000	150,000
Baltimore Humane Society	\$250,000		250,000
Calico Cat Cafe	50,000	50,000	100,000
Chesapeake High School Turf Field		150,000	150,000
Edmondson Heights Elementary School Playground		100,000	100,000
Elmwood Elementary School	200,000		200,000
Franklin Point at Deerborne Dog Park		40,000	40,000
Fullerton Elementary School Electronic Sign		80,000	80,000
Fullerton Elementary School Playground	150,000		150,000
GLA Performing Arts Center		50,000	50,000
Golden Ring Park Multipurpose Court	250,000		250,000
Honeygo Regional Veterans Memorial		32,000	32,000
Idlewylde Community Hall	100,000	180,000	280,000
Jacksonville Elementary School Playground		100,000	100,000
Kesser Torah Community Recreation Center	200,000		200,000
Maryland State Fair		100,000	100,000
Maryland Troopers Association Headquarters	100,000	100,000	200,000
Mays Chapel Elementary School		90,000	90,000
Mt. Pleasant AMEC Grave Restoration	34,000	34,000	68,000
National Center on Institutions and Alternatives Home Improvement	250,000		250,000
Parkville Middle School		35,000	35,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Pot Spring Elementary School	85,000		85,000
Springdale Swim Club	100,000		100,000
Tsunami Martial Arts Academy		250,000	250,000
<i>Subtotal</i>	<i>\$1,769,000</i>	<i>\$1,641,000</i>	<i>\$3,410,000</i>
Calvert			
Annmarie Sculpture Garden & Arts Center		\$100,000	\$100,000
Bayside History Museum		70,000	70,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$170,000</i>	<i>\$170,000</i>
Caroline			
Anna Murray Douglass Museum and Visitor Center		\$50,000	\$50,000
Benedictine School for Exceptional Children – Student Residential Facility		50,000	50,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>
Carroll			
Mount Airy Flat Iron Building	\$70,500	\$125,000	\$195,500
Union Bridge Fire Company		70,000	70,000
Eldersburg Elementary School Inclusive Play Space		25,000	25,000
<i>Subtotal</i>	<i>\$70,500</i>	<i>\$220,000</i>	<i>\$290,500</i>
Cecil			
Plumpton Park Zoo Tiger-Lion Habitat		\$100,000	\$100,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>
Charles			
Boys and Girls Club of Southern Maryland – Waldorf Club Park		\$210,000	\$210,000
Charles County Food Rescue Program	\$75,000		75,000
Providence of Maryland	122,000		122,000
United States Bomb Technician Association – Maryland Technology Center	50,000		50,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
W.A.C. Hughes Lodge No. 1053	75,000		75,000
Waldorf Elks Lodge No. 2421	75,000		75,000
<i>Subtotal</i>	<i>\$397,000</i>	<i>\$210,000</i>	<i>\$607,000</i>
Dorchester			
FOP Cambridge-Dorchester Lodge No. 27		\$50,000	\$50,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$50,000</i>	<i>\$50,000</i>
Frederick			
AARCH Society – African American Resources-Cultural and Heritage Society	\$150,000		\$150,000
Federated Charities Corporation of Frederick	150,000		150,000
Frederick Youth Center		\$150,000	150,000
Great Frederick Fair		130,000	130,000
Heartly House Facilities Expansion	50,000		50,000
New Midway Volunteer Fire Company		25,000	25,000
Seventh Street Fountain Park		50,000	50,000
Splash Point at Baker Park		25,000	25,000
Wolfsville Ruritan Playground		80,000	80,000
<i>Subtotal</i>	<i>\$350,000</i>	<i>\$460,000</i>	<i>\$810,000</i>
Garrett			
Oakland Volunteer Fire Department		\$100,000	\$100,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>
Harford			
Harmer’s Town Art Center	\$50,000		\$50,000
Havre de Grace STAR – Sports Theatre Arts Recreation – Centre		\$100,000	100,000
Izaak Walton League of American Conservation and Education Center	50,000		50,000
Maryland Center for the Visual and Performing Arts		100,000	100,000
Maryland Polo Club		25,000	25,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Schucks Road Regional Park		100,000	100,000
Sgt. Alfred B. Hilton Memorial Post No. 55	50,000		50,000
<i>Subtotal</i>	<i>\$150,000</i>	<i>\$325,000</i>	<i>\$475,000</i>
Howard			
Athelton Adventist Academy Outdoor Education Center		\$150,000	\$150,000
Community Action Council (CAC) of Howard County Route One Service Center	\$250,000		250,000
Ellicott City 50+ Center	150,000		150,000
Howard County Chinese School Expansion for Cultural and Educational Enrichment		75,000	75,000
Preservation Maryland Headquarters in Howard County		200,000	200,000
<i>Subtotal</i>	<i>\$400,000</i>	<i>\$425,000</i>	<i>\$825,000</i>
Kent			
Radcliffe Creek School		\$100,000	\$100,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>
Montgomery			
American Legion Post No, 171	\$85,000		\$85,000
Bannockburn Nursery School and Community Clubhouse	100,000	\$200,000	300,000
Calverton Galway Local Park	150,000		150,000
CCACC Health Center	125,000		125,000
Centerway Local Park		150,000	150,000
Children's Inn at the National Institutes of Health – Expanding Capacity to Serve Young Patients Participating in Clinical Trials	50,000		50,000
Dalewood Drive Playground	150,000	250,000	400,000
Elwood Smith Community Center		110,000	110,000
Friends House ArtSpaces		50,000	50,000
Gaithersburg Municipal Complex		100,000	100,000
Georgia Avenue Noise Mitigation Fencing Project		150,000	150,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Greens Sustainability Initiative	50,000	50,000	100,000
Imagination Stage	50,000		50,000
Ivymount School	80,000		80,000
Katherine Thomas School Playground	20,000	145,000	165,000
Kenmont ADA Compliant Walkway Improvements	81,000		81,000
Madison Fields		62,000	62,000
Metropolitan Washington Ear Critical Control Room and Studio	36,000		36,000
Montgomery County History Center	20,000		20,000
Montgomery Village Bocce Court		50,000	50,000
National Center for Children and Families – Re-Engineering A Safe Space	50,000		50,000
New Hampshire Estates Neighborhood Parks	228,000		228,000
OASIS – Farming Diversification and Capacity Improvement		100,000	100,000
Public Works Facility Renovations – Phase II Design		120,000	120,000
Quality Time Learning Center		100,000	100,000
Silver Spring United Methodist Church – Shepherd’s Table Kitchen Rehabilitation	125,000		125,000
Spirit Fit and Health Inclusive Fitness Expansion	75,000		75,000
Sugarland Ethno History Project – and the Dorsey Site		80,000	80,000
Talbott Street Park	200,000		200,000
Teen Girl Center Renewal	100,000		100,000
Wheaton Volunteer Rescue Squad – Rescue Squad Truck	75,000		75,000
<i>Subtotal</i>	<i>\$1,850,000</i>	<i>\$1,717,000</i>	<i>\$3,567,000</i>
Prince George’s			
60+ARTS – Active Retired Talented Seniors	\$50,000		\$50,000
AI PerVista Security System at Bowie State University	100,000	\$100,000	200,000
American Legion Post No. 131		158,000	158,000
American Legion Post No. 248	75,000		75,000
American Legion Post No. 60	150,000		150,000
Ardmore Park Playground		155,000	155,000

A-74

The 90 Day Report

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Beale Circle Stormwater Management	100,000		100,000
Berwyn Heights Elementary School	165,000		165,000
Bowie Center for the Performing Arts		20,000	20,000
Bowie High School	100,000		100,000
Comprehensive Community Health, Wellness, Art, Resource, Technology, Enrichment and Learning Center		125,000	125,000
Edmonston Park Development	100,000		100,000
EXCEL Academy Public Charter School	100,000		100,000
Girl Scout Camp Aquasco		25,000	25,000
Greenbelt Community Center	200,000		200,000
Hard Bargain Farm Environmental Center	200,000		200,000
Inncuvate Innovation Studio	50,000	25,000	75,000
Intergenerational Day Center	75,000		75,000
Largo High School Football Field		100,000	100,000
Latin American Youth Center Prince George's County	100,000		100,000
Laurel Boys and Girls Club		100,000	100,000
Low Power FM Radio Education Project		100,000	100,000
MEOR Cultural Center		150,000	150,000
Monument on the Potomac		150,000	150,000
Oxon Hill Recreation Club	50,000		50,000
Prince George's County Youth Empowerment Project		10,000	10,000
Samuel Ogle Middle School – Digital Signage	21,000		21,000
Sheppard Pratt – Residential Program Homes	50,000		50,000
Suitland Civic Association Community Center		105,000	105,000
Town of Eagle Harbor Town Hall		150,000	150,000
Town of University Park Town Hall	50,000	50,000	100,000
Workforce Development and Violence Intervention Program	100,000		100,000
Subtotal	\$1,836,000	\$1,523,000	\$3,359,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
Queen Anne's			
Queen Anne's County Arts Council Annex		\$100,000	\$100,000
Town of Barclay Community Center and Town Hall	\$125,000		125,000
<i>Subtotal</i>	<i>\$125,000</i>	<i>\$100,000</i>	<i>\$225,000</i>
Somerset			
Walter Polk American Legion		\$100,000	\$100,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>
St. Mary's			
Second District Volunteer Fire Department and Rescue Squad Solar Panels		\$100,000	\$100,000
St. Mary's County Elks Lodge No. 2092		25,000	25,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$125,000</i>	<i>\$125,000</i>
Talbot			
Critchlow Adkins Children's Center's Cordova Site Expansion		\$50,000	\$50,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$50,000</i>	<i>\$50,000</i>
Washington			
Boys and Girls Club of Washington County	\$200,000		\$200,000
Federal Little League		\$75,000	75,000
Valley Little League		50,000	50,000
Western Enterprise Fire Company No. 4	230,000	87,000	317,000
<i>Subtotal</i>	<i>\$430,000</i>	<i>\$212,000</i>	<i>\$642,000</i>
Wicomico			
Mason Dixon Complex – Phase II		\$100,000	\$100,000
Parsonsborg Fire Company Community Center	\$150,000		150,000
Wicomico County Humane Society Shelter Construction		20,000	20,000
Wicomico Nursing Home		75,000	75,000

<u>Project Title</u>	<u>House Initiatives</u>	<u>Senate Initiatives</u>	<u>House/Senate Initiatives</u>
<i>Subtotal</i>	<i>\$150,000</i>	<i>\$195,000</i>	<i>\$345,000</i>
Worcester			
Worcester County Humane Society		\$20,000	\$20,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$20,000</i>
Grand Total	\$10,000,000	\$10,000,000	\$20,000,000

Capital Budget Highlights

The fiscal 2026 capital program passed by the General Assembly is consistent with the recommendations of the Spending Affordability Committee, which set a level of new GO bond authorizations for the 2025 session of \$1.75 billion. As shown in **Exhibit A-2.4**, the capital program is supplemented with bond premium proceeds from the sale of State GO bonds. This includes \$140.1 million authorized in the fiscal 2026 capital budget bill and \$5 million funded through a fiscal 2025 special fund deficiency appropriation.

Exhibit A-2.4 Bond Premium Support of Fiscal 2026 Capital Program (\$ in Millions)

<u>Bond Sale</u>	<u>Capital</u>	<u>Notes</u>
June 2024	\$55.0	Includes \$50 million previously set aside for fiscal 2027 debt service and \$5 million above what is needed for debt service.
June 2025	90.1	Includes \$88 million that will be set aside to support capital spending from what was planned to support fiscal 2028 debt service and another \$2.1 million above what is needed for debt service.
Total	\$145.1	The MCCBL of 2025 authorizes the use of \$140.1 million, while \$5 million funds a proposed fiscal 2025 special fund deficiency appropriation.

MCCBL: Maryland Consolidated Capital Bond Loan

Source: Department of Legislative Services

The use of the bond premiums to support the capital program made possible the transfer and reversion of \$196 million of prior appropriated general funds to the General Fund as part of the larger fiscal strategy to address the budget shortfall and structural deficit. The Budget Reconciliation and Financing Act (BRFA) of 2025, **House Bill 352 (passed)**, includes \$113.9 million transferred from the Dedicated Purpose Account and another \$82.1 million of reversions, as shown in **Exhibit A-2.5**. Of this amount, \$121.1 million was replaced with GO bond funds.

**Exhibit A–2.5
Transfers and Reversions**

<u>Agency</u>	<u>Project</u>	<u>Proposed Transfer/Reversion</u>	<u>Replacement GO Funding</u>
Transfers from Dedicated Purpose Account			
BCCC	Deferred Maintenance	\$5,000,000	\$5,000,000
MSU	Deferred Maintenance	10,000,000	10,000,000
UMMS	Comprehensive Cancer and Organ Transplant Center	25,000,000	25,000,000
DVMF	New State Veterans Home (see note)	62,887,000	0
DNR	Critical Maintenance	11,000,000	0
Subtotal		\$113,887,000	\$40,000,000
Reversions			
Judiciary	New Supreme Court of Maryland Building	\$51,117,000	\$51,117,000
DGS	Inner Harbor Promenade	30,000,000	30,000,000
DGS	William Donald Schaefer Tower	961,485	0
Subtotal		\$82,078,485	\$81,117,000
Total		\$195,965,485	\$121,117,000

BCCC: Baltimore City Community College
 DGS: Department of General Services
 DNR: Department of Natural Resources
 DVMF: Department of Veterans and Military Families

GO: general obligation
 MSU: Morgan State University
 UMMS: University of Maryland Medical System

Note: The Maryland Consolidated Capital Bond Loan of 2025 includes language that restricts authorizations for the construction of the new Supreme Court Building and the Baltimore Therapeutic Treatment Center projects to instead be used as a matching fund requirement for the construction of the New Veterans Home in Sykesville should the State receive a conditional federal award from the Veterans Home Construction Grant Program prior to June 1, 2026.

Source: Department of Legislative Services

The State’s current budget challenges limit general fund support of the capital program. The budget includes \$98.2 million of general funds, comprised of \$62.4 million for fiscal 2026 and \$35.8 million for fiscal 2025 deficiencies. Of the \$98.2 million, \$64.5 million supports administration strategic economic initiatives, and \$31.8 million replaces funds reverted to the General Fund. **Exhibit A-2.6** illustrates the PAYGO general fund component of the fiscal 2026 capital program.

Exhibit A-2.6
General Fund PAYGO in Fiscal 2026 Budget

<u>Agency</u>	<u>Project</u>	<u>Fiscal 2025 Deficiency</u>	<u>Fiscal 2026</u>	<u>Notes</u>
DGS	Washington County District Court Renovation and Expansion	\$5,275,000		Replacement
DGS	Demolish Decommissioned Buildings at MDH Properties	1,300,000		Replacement
DGS	City of Baltimore Renovations to Swimming Pool Facilities	3,000,000		Replacement
DGS	Pearlstone Conference and Treatment Center	500,000		Replacement
DGS	City of Baltimore Penn Station Redevelopment	1,000,000		Replacement
DGS	Harmers Arts Center Project	700,000		Replacement
DGS	City of Baltimore – Warner and Stockholm Streets	2,000,000		Replacement
MDOT	Howard Street Tunnel	3,998,349		Replacement
DGS	Life Skills and Re-Entry Center for Women		\$2,000,000	Replacement
DGS	Randallstown Library		12,000,000	Replacement
MEDCO	Cannabis Incubator Space	2,000,000	5,000,000	Governor's Initiative
MEDCO	Tradepoint Atlantic Container Terminal	16,000,000	22,000,000	Governor's Initiative
DGS	IonQ Headquarters		10,000,000	Governor's Initiative
DGS	New Downtown Frederick Hotel and Conference Center		7,500,000	Governor's Initiative
DGS	Johns Hopkins University Whiting School of Engineering – New Design Center		2,000,000	Governor's Initiative
DGS	State Center Demolition		750,000	
DGS	SEED School		500,000	
MDE	Hazardous Substance Cleanup Program		625,000	
Total		\$35,773,349	\$62,375,000	

DGS: Department of General Services
MDE: Maryland Department of the Environment
MDH: Maryland Department of Health

MDOT: Maryland Department of Transportation
MEDCO: Maryland Economic Development Corporation
PAYGO: pay-as-you-go

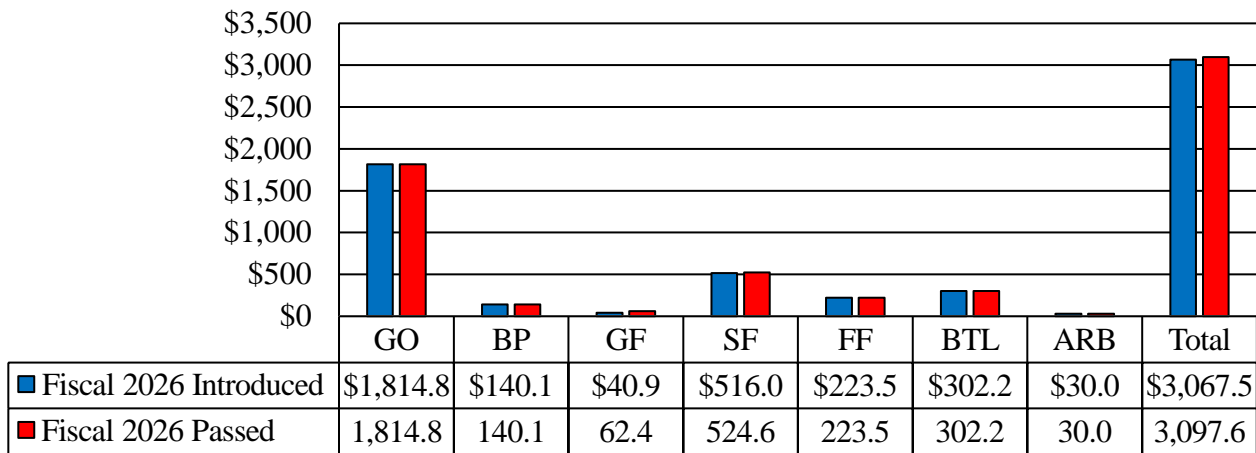
Source: Department of Legislative Services

Excluding the transportation program, the fiscal 2026 capital program of \$3.098 billion is \$30.1 million above the amount originally introduced by the Governor. This increase includes:

- General funds increase by \$21.5 million, of which \$12 million funds the construction of a new library in Randallstown and replaces a fiscal 2024 general fund appropriation that was to fund the construction of the Lansdowne Library, which will instead be reverted to the General Fund; \$6 million supports the Tradepoint Atlantic Terminal project; and \$3.5 million is added through Supplemental Budget No.2.
- Special funds increase by \$8.6 million. This includes an additional \$32 million from the Strategic Energy Investment Fund (SEIF) to fund the sustainability components included in the scope of work for several higher education construction projects. This is offset by a provision adopted in the BRFA of 2025 that redirects \$25 million in transfer tax revenue to the General Fund in each of fiscal 2026 through 2029.

Exhibits A-2.7 and **A-2.8** illustrate the budget as introduced compared to the budget as passed by fund source and major funding category, excluding the funding for the transportation program provided through the CTP. **Exhibit A-2.9** lists the deauthorizations included in the capital budget bill.

Exhibit A-2.7
Proposed and Authorized 2025 Session Capital Program by Fund Source
 (\$ in Millions)

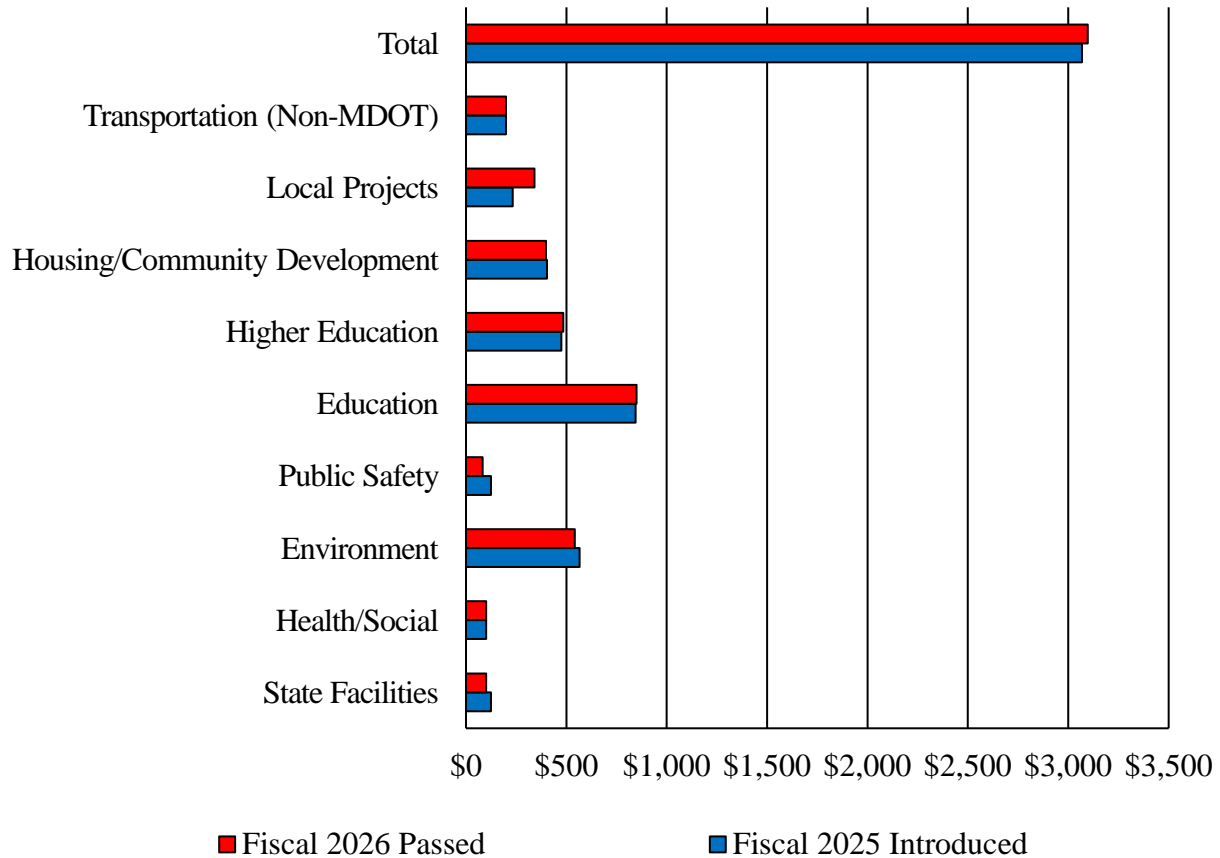


ARB: Academic Revenue Bond
 BTL: Built to Learn
 BP: bond premium
 FF: federal fund

GF: general fund
 GO: general obligation
 SF: special fund

Source: Department of Legislative Services

**Exhibit A-2.8
Proposed and Authorized 2025 Session Capital Program by Uses
(\$ in Millions)**



MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

While the final budget includes some adjustments to several categories of spending, funding for local miscellaneous capital grants increased by \$108.6 million above the level originally introduced by the Governor. The four largest areas of investment include:

- **K-12 Education:** The capital budget provides \$850 million for K-12 educational purposes. Some of the more significant investments include:
 - \$300.0 million for public school construction, including \$290.9 million in GO bond funding and \$9.1 million in special funds. As of the publication of this report,

\$256.4 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 2025. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change.

- \$90.0 million in GO bonds for the Healthy School Facilities Fund and \$6.1 million for the Aging Schools Program.
- \$371.2 million is included for the BTL program, including \$302.2 million in revenue bonds to be issued by the Maryland Stadium Authority. Funding for the Prince George’s County Public-Private Partnership project totals \$69.0 million in special funds.
- \$53.9 million for the Supplemental Capital Grant Program for Local School Systems. This program is available to school systems with significant enrollment growth or relocatable classrooms. The funding has not been allocated to specific projects, but this report shows the total grants that each of the nine qualifying school systems will receive in fiscal 2026.
- **Environment:** \$542 million for environmental programs and the development and maintenance of State parks and local parks throughout the State, including:
 - \$98 million of transfer tax special fund revenues supporting State and local parks and wastewater and water treatment plant projects at State park facilities;
 - \$181 million of federal funds, including \$143 million of federal funds authorized through the Infrastructure Investment and Jobs Act in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment; and
 - Another \$210 million of special fund revenues and \$52 million of GO bond funds to support water quality and drinking water programs and the health of the Chesapeake Bay.
- **Higher Education:** \$485 million for higher education, comprised of \$414 million of GO bond funds, \$30 million of ARBs authorized by separate legislation, and \$41 million of special funds, comprised of \$32 million from the SEIF energy efficiency account to fund the sustainability components included in the scope of work for several higher education construction projects and \$9 million from the Baltimore City Community College (BCCC) fund balance for property acquisition. Significant investments include:
 - \$300 million for USM campuses;

- \$98.5 million for the State’s historically Black colleges and universities (\$3.0 million for USM campuses), including \$95 million for Morgan State University;
 - \$81 million for community college projects, including support with facilities renewal projects at all campuses across the State, including \$18 million for BCCC; and
 - \$8 million for private colleges.
- ***Housing and Community Development:*** \$399 million for housing and community development programs, including the following significant investments:
 - \$135 million to support rental housing programs, including \$114 million for the traditional Rental Housing Program that provides low-interest loans to housing developers for the financing of affordable rental housing for low-income and moderate-income households; \$6 million for the Partnership Rental Housing Program, which finances development of affordable housing for households at or below 50% of the statewide median income; \$5 million to continue the implementation of the Housing Innovation Fund Program; and \$10 million to fund the Appraisal Gap Program (UPLIFT);
 - \$131 million for neighborhood and community revitalization programs, of which \$27.5 million was allocated to specific projects. This includes \$60 million for the Strategic Demolition Program, with a \$50 million set aside for the Baltimore Vacants Reinvestment Initiative (formerly Project CORE) in Baltimore City;
 - \$57 million for Housing and Building Energy Programs that provide loans and grants to promote energy-efficient improvements for single-family and rental housing projects. This funding includes \$22.5 million in special funds from Public Service Commission awards to address the energy savings requirements of Chapter 572 of 2023, and
 - \$28 million to support neighborhood business development, including \$16 million of federal American Rescue Plan Act funds to fund the State Small Business Credit Initiative.

**Exhibit A-2.9
Deauthorizations Included in House Bill 351**

<u>MCCBL Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amount Deauthorized</u>
2013	DPSCS	560-bed Minimum Security Compound	-\$105,399
2017	UMB	Health Sciences Research Facility III	-301,740
2017	UMCP	A. James Clark Hall – New Bioengineering Building	-113,996
2019; 2020	DSP	New Cumberland Barrack and Garage	-840,037
2020	DPSCS	MCTC Housing Unit Windows and Steam Heating System	-4,434,893
2020	MSU	New Student Services Support Building	-1,000,000
2020	MHA	Atlantic General Hospital – Ambulatory Surgery Facility	-800,000
2021	DJS	Cheltenham Youth Treatment Center	-1,504,097
2022; 2023; 2024	UMGC	Adelphi Building Renovation	-2,324,838
2023	DGS	State House Exterior and Grounds Restoration, Renamed to State House and Old Treasury Building Restoration	-2,000,000
2023; 2024	MDH	Clifton T. Perkins Hospital	-24,500,000
2023	MISC	MEDCO Incubator Spaces – Cannabis	-2,000,000
2023	TU	New College of Health Professions Building	-3,000,000
2024	DGS	William Donald Schaefer Tower Renovation	-16,500,000
2024	MDH	Federally Qualified Health Centers Program	-2,900,000
2024	MSU	Carter-Grant-Wilson Building Renovation	-2,500,000
Total Deauthorizations			-\$64,825,000

DGS: Department of General Services
DJS: Department of Juvenile Services
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
MCCBL: Maryland Consolidated Capital Bond Loan
MDH: Maryland Department of Health
MEDCO: Maryland Economic Development Corporation

MHA: Maryland Hospital Association
MISC: miscellaneous
MSU: Morgan State University
TU: Towson University
UMB: University of Maryland, Baltimore Campus
UMCP: University of Maryland, College Park Campus
UMGC: University of Maryland Global Campus

Source: Department of Legislative Services

GO Bond Preauthorizations

The MCCBL of 2025 includes \$916 million of GO bond authorizations that will not take effect until fiscal 2027; \$479.4 million that will not take effect until fiscal 2028; \$336.6 million that will not take effect until fiscal 2029; and \$54.6 million that will not take effect until fiscal 2030. Of the \$916 million preauthorized for fiscal 2027, \$822.5 million either continues funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2026 to proceed without the full amount of the construction authorization provided in the fiscal 2026 budget. The remaining \$93.5 million expresses the General Assembly's support of State and local projects. **Exhibit A-2.10** shows the preauthorizations for fiscal 2027 through 2030 that are included in the MCCBL of 2025.

Exhibit A-2.10 Preauthorizations Included in House Bill 351

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
Judiciary	New Supreme Court of Maryland Building	\$128,438,000	\$25,408,000		
Judiciary	Washington County District Court Renovation and Expansion	2,948,000			
DMIL	Frederick Readiness Center Renovation and Expansion	2,678,000			
DNR	Natural Resources Development Fund	1,008,000			
DNR	Waterway Improvement Fund – Somers Cover Marina	8,727,000			
MDH	Demolish Decommissioned Buildings	1,882,000	187,000		
MDH	Clifton T. Perkins Hospital North Wing	27,071,000	16,032,000		
DPSCS	RCI Perimeter Fence System Replacement	14,342,000	7,171,000		
DPSCS	Baltimore Therapeutic Treatment Center	323,415,000	238,023,000	\$252,510,000	\$40,116,000
UMB	New Dental Ambulatory Surgery Center	862,000			
UMB	New School of Social Work Building	39,430,000			
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	0	1,523,000		

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
UMCP	New Health and Human Sciences Complex	39,315,000	44,325,000	11,081,000	
UMCP	New Interdisciplinary Engineering Building – Zupnik Hall	10,860,000			
UMCP	Graduate Student Housing	5,000,000			
TU	Smith Hall Renovation and Reconstruction	23,736,000			
SU	Blackwell Hall Renovation	361,000			
UMBC	Sherman Hall Renovation	9,087,000			
UMBC	New Student Service Building	6,000,000			
UMGC	Global Campus Administration Building Renovation	3,200,000			
USMO	Rita Colwell Center Deferred Maintenance	2,906,000	4,820,000		
MSD	New Student Residences	9,224,000	16,731,000	10,407,000	14,476,000
BCCC	Unidentified Property Acquisition	9,000,000			
MHEC	Community College Construction Grant Program	35,502,000	21,842,000	9,254,000	
MSU	Campuswide Electric Infrastructure Upgrades	40,500,000	22,500,000	8,500,000	
MSU	New Science Center, Phase II	76,797,000	76,797,000	44,798,000	
MES	State Water and Sewer Infrastructure Improvement Fund	2,276,000			
DSP	Barrack J – Annapolis: Communications Room and New Garage	3,326,000			
DSP	Barrack L – Forestville: New Barrack and Garage	8,831,000			
MHA	Maryland Hospital Association	20,000,000			
MISC	Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	10,000,000			
MISC	Westminster Fiber	1,000,000			
MISC	Maryland Center for History and Culture – Enoch Pratt House and Collections Storage	2,500,000			
MISC	St. Agnes Healthcare	1,000,000			
MISC	Ellicott City North Tunnel Extension Project	10,000,000			
MISC	The Johns Hopkins Hospital	650,000			

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
MISC	Catholic Charities – Intergenerational Center	2,000,000			
MISC	Damascus Sidewalk Repair	250,000			
MISC	B & O Railroad Museum	3,000,000			
MISC	Glen Echo Park Spanish Ballroom Renovation	1,500,000			
MISC	MD 32 Noise Mitigation for Fox Valley Estates	1,800,000			
MISC	Young Artists of America, Inc.	1,500,000			
MISC	Springsong Museum	1,000,000			
MISC	Pikesville Armory	3,000,000			
MISC	Bowie Mill Bike Trail	2,100,000			
MISC	MedStar Southern Maryland	10,000,000			
MISC	Baltimore Symphony Orchestra – Myerhoff Hall	1,500,000			
MISC	Southern Bridge Career and Education Center	2,500,000			
MISC	Kent County Public Schools	4,000,000	4,000,000		
Preauthorizations as Introduced		\$916,022,000	\$479,359,000	\$336,550,000	\$54,592,000

BCCC: Baltimore City Community College
 DMIL: Military Department
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 MDH: Maryland Department of Health
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous

MSD: Maryland School for the Deaf
 MSU: Morgan State University
 RCI: Roxbury Correctional Institution
 SU: Salisbury University
 TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMGC: University of Maryland Global Campus
 USMO: University System of Maryland Office

Source: Department of Legislative Services

Additional Actions

House Bill 1519 (passed) includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations. The bill also includes amendments to prior authorizations that establish new grant purposes. As shown in **Exhibit A-2.11**, a total of \$20.1 million was reprogrammed, establishing 33 new projects and grants.

Exhibit A-2.11 New Capital Projects and Grants Established in House Bill 1519 (\$ in Millions)

<u>New Project</u>	<u>Amount</u>
Old Fairmont Heights High School – Security Upgrades	\$5,000,000
UMCP Health and Human Sciences Building	2,525,000
Strathmore Hall	2,000,000
White Oak Commercial Revitalization	2,000,000
Discovery Point Development Project	1,000,000
Jug Handle Connector	1,000,000
Howard County – New Cultural Center	800,000
10415 Montgomery Avenue – Public Parking	800,000
Charm TV	750,000
City of Salisbury – North Prong Project	500,000
Adventist Healthcare Shady Grove Medical Center	440,381
Pascal Crisis Center	400,000
Kennedy Krieger LEAP	300,000
Smallwood Square	300,000
St. Agnes Healthcare	200,000
Gaitherburg Municipal Complex	200,000
SS John Brown Liberty Ship	200,000
East Columbia 50+ Center	200,000
4M Swim Club	200,000
Critchlow Atkins Children’s Center’s Cordova Site Expansion	175,000
Bethel Outreach Center	163,000
Holland Hills Park	150,000
Riverdale Baptist Athletic Complex	150,000
Franklin Entrepreneurial and Apprenticeship Center	100,000
Hartman-Berkshire Park Playground	100,000
IND Water Main Replacement Project	100,000
Grantsville Volunteer Fire Dept	75,000

<u>New Project</u>	<u>Amount</u>
American Legion 175	75,000
Federal Little League	50,000
Bell Dental Clinic	50,000
Kitzmiller Volunteer Fire Dept	50,000
Charlotte Hall Veterans Home – White House	50,000
Alef Bet Montessori School	25,000
Total Reprogrammed Funds for New Projects	\$20,128,381

UMCP: University of Maryland, College Park Campus

Source: Department of Legislative Services

State Aid to Local Governments

Overview

State aid to local governments will total \$11.5 billion in fiscal 2026, representing a \$742.4 million, or 6.9%, increase over fiscal 2025. Direct aid will increase by \$670.9 million, and State funding for retirement payments will increase by \$71.5 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 2025 and 2026.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2025 and 2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$8,177.4	\$8,776.7	\$599.3	7.3%
Libraries	71.9	73.1	1.2	1.6%
Community Colleges	423.3	445.2	21.8	5.2%
Local Health	111.2	115.0	3.8	3.4%
County/Municipal	1,011.4	1,056.2	44.8	4.4%
Subtotal – Direct Aid	\$9,795.3	\$10,466.2	\$670.9	6.8%
Retirement Payments	\$995.7	\$1,067.2	\$71.5	7.2%
Total	\$10,791.0	\$11,533.4	\$742.4	6.9%

Source: Department of Legislative Services

Changes by Program

State aid to local governments increases for Baltimore City and all counties in Maryland in fiscal 2026. **Exhibit A-3.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.3** shows total State aid in fiscal 2025 and 2026 by program. A more detailed discussion of the changes in State aid in fiscal 2026 follows the exhibits.

Exhibit A-3.2
State Aid to Local Governments
Fiscal 2026 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2025	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$18,901	\$11,440	\$116,988	\$913	\$5,399	\$153,641	\$10,543	\$164,184	\$6,804	4.3%	
Anne Arundel	58,462	45,589	598,629	3,234	9,733	715,648	95,190	810,838	58,742	7.8%	
Baltimore City	421,378	0	1,282,726	9,812	10,393	1,724,309	84,758	1,809,067	146,064	8.8%	
Baltimore	38,311	72,492	1,026,322	7,825	6,824	1,151,774	132,690	1,284,464	91,392	7.7%	
Calvert	7,858	4,980	112,153	629	3,463	129,083	18,039	147,122	24,726	20.2%	
Caroline	8,614	3,200	84,829	382	2,210	99,234	6,086	105,320	5,917	6.0%	
Carroll	11,262	15,019	196,857	1,351	4,798	229,286	27,442	256,728	14,408	5.9%	
Cecil	11,699	9,662	148,071	1,013	3,480	173,924	17,701	191,625	9,583	5.3%	
Charles	8,072	9,727	276,768	1,442	5,409	301,418	28,790	330,209	10,285	3.2%	
Dorchester	10,202	2,111	62,104	364	3,065	77,845	5,407	83,252	2,876	3.6%	
Frederick	18,192	23,870	399,396	2,067	5,285	448,810	52,929	501,739	27,318	5.8%	
Garrett	7,747	6,161	27,048	144	3,035	44,135	4,438	48,572	1,553	3.3%	
Harford	13,304	19,513	328,450	2,249	6,129	369,646	44,438	414,084	19,512	4.9%	
Howard	13,564	35,860	391,651	1,311	6,474	448,862	80,402	529,263	31,972	6.4%	
Kent	2,197	902	12,607	135	2,625	18,467	2,449	20,916	587	2.9%	
Montgomery	77,348	77,419	1,042,921	3,959	5,063	1,206,710	217,718	1,424,428	90,025	6.7%	
Prince George's	170,503	52,791	1,717,186	8,838	8,319	1,957,636	151,198	2,108,834	133,315	6.7%	
Queen Anne's	3,637	3,569	45,597	224	2,339	55,366	8,234	63,599	3,047	5.0%	
St. Mary's	5,465	6,300	151,601	975	4,076	168,417	18,079	186,496	6,581	3.7%	
Somerset	12,036	1,430	45,601	344	2,128	61,540	3,855	65,394	2,741	4.4%	
Talbot	4,525	2,605	24,424	141	2,202	33,898	5,267	39,165	3,314	9.2%	
Washington	13,239	20,935	266,162	1,667	4,548	306,551	23,790	330,340	24,559	8.0%	
Wicomico	25,778	9,658	226,483	1,300	5,525	268,744	18,156	286,900	30,314	11.8%	
Worcester	11,184	3,433	32,165	203	4,480	51,465	9,639	61,104	3,795	6.6%	
Unallocated	82,705	6,499	159,992	22,583	-2,000	269,780	0	269,780	-7,033	-2.5%	
Total	\$1,056,185	\$445,164	\$8,776,731	\$73,105	\$115,000	\$10,466,186	\$1,067,237	\$11,533,423	\$742,396	6.9%	

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

**State Aid to Local Governments
Fiscal 2025 Working Appropriation
(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$19,083	\$10,300	\$112,066	\$894	\$4,994	\$147,337	\$10,042	\$157,379
Anne Arundel	56,534	45,157	550,583	3,117	9,155	664,546	87,550	752,096
Baltimore City	394,858	0	1,169,832	9,741	10,393	1,584,824	78,178	1,663,002
Baltimore	38,017	72,386	942,727	7,633	6,814	1,067,577	125,495	1,193,072
Calvert	7,457	5,068	89,252	610	3,223	105,611	16,785	122,396
Caroline	7,967	2,639	80,624	374	2,094	93,697	5,706	99,403
Carroll	9,973	13,932	187,203	1,304	4,481	216,894	25,426	242,320
Cecil	11,129	8,972	140,923	973	3,253	165,250	16,792	182,042
Charles	7,371	9,888	269,514	1,412	5,040	293,225	26,699	319,924
Dorchester	9,390	1,664	61,166	356	2,837	75,414	4,962	80,376
Frederick	17,028	21,906	380,431	1,991	4,966	426,322	48,100	474,421
Garrett	7,616	5,295	26,876	165	2,789	42,741	4,278	47,020
Harford	12,259	18,884	313,683	2,179	5,778	352,784	41,788	394,572
Howard	12,782	34,965	366,793	1,259	5,972	421,771	75,520	497,291
Kent	1,990	904	12,462	132	2,475	17,962	2,367	20,329
Montgomery	70,578	74,313	977,657	3,852	5,056	1,131,456	202,947	1,334,403
Prince George’s	165,375	47,910	1,603,348	8,692	8,287	1,833,611	141,908	1,975,519
Queen Anne’s	3,295	3,106	44,041	222	2,177	52,842	7,711	60,553
St. Mary’s	5,018	6,577	146,666	949	3,829	163,039	16,876	179,916
Somerset	10,054	1,435	45,196	334	2,002	59,022	3,632	62,653
Talbot	4,034	2,590	22,095	139	2,068	30,926	4,925	35,851
Washington	12,257	16,707	248,888	1,664	4,296	283,813	21,968	305,781
Wicomico	22,598	8,413	202,254	1,286	5,132	239,683	16,903	256,586
Worcester	10,658	3,130	30,077	197	4,085	48,147	9,162	57,309
Unallocated	94,089	7,190	153,063	22,471	0	276,813	0	276,813
Total	\$1,011,409	\$423,331	\$8,177,421	\$71,946	\$111,198	\$9,795,306	\$995,722	\$10,791,027

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 2026 Legislative Appropriation and Fiscal 2025 Working Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-\$182	\$1,140	\$4,921	\$19	\$405	\$6,304	\$500	\$6,804	
Anne Arundel	1,928	432	48,046	117	578	51,102	7,640	58,742	
Baltimore City	26,520	0	112,893	71	0	139,484	6,580	146,064	
Baltimore	294	106	83,595	192	10	84,197	7,195	91,392	
Calvert	401	-88	22,901	19	239	23,472	1,254	24,726	
Caroline	647	561	4,205	8	116	5,537	380	5,917	
Carroll	1,289	1,087	9,654	47	316	12,393	2,015	14,408	
Cecil	569	690	7,148	40	227	8,674	909	9,583	
Charles	701	-161	7,254	30	369	8,194	2,091	10,285	
Dorchester	812	447	938	7	228	2,431	445	2,876	
Frederick	1,165	1,963	18,964	76	319	22,488	4,830	27,318	
Garrett	131	866	172	-21	245	1,393	159	1,553	
Harford	1,045	628	14,768	70	351	16,862	2,650	19,512	
Howard	782	895	24,858	52	502	27,090	4,882	31,972	
Kent	207	-2	146	4	150	505	82	587	
Montgomery	6,771	3,106	65,264	106	7	75,254	14,771	90,025	
Prince George's	5,128	4,881	113,837	146	33	124,024	9,290	133,315	
Queen Anne's	342	462	1,556	2	162	2,524	523	3,047	
St. Mary's	447	-277	4,935	26	247	5,378	1,203	6,581	
Somerset	1,982	-4	405	10	125	2,518	223	2,741	
Talbot	491	15	2,329	3	134	2,973	342	3,314	
Washington	982	4,228	17,274	3	252	22,738	1,821	24,559	
Wicomico	3,180	1,245	24,230	14	393	29,061	1,252	30,314	
Worcester	526	303	2,088	5	394	3,318	477	3,795	
Unallocated	-11,384	-691	6,929	113	-2,000	-7,033	0	-7,033	
Total	\$44,775	\$21,833	\$599,311	\$1,159	\$3,802	\$670,880	\$71,516	\$742,396	

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

State Aid to Local Governments
Percent Change: Fiscal 2026 Legislative Appropriation over Fiscal 2025 Working Appropriation

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-1.0%	11.1%	4.4%	2.2%	8.1%	4.3%	5.0%	4.3%	
Anne Arundel	3.4%	1.0%	8.7%	3.8%	6.3%	7.7%	8.7%	7.8%	
Baltimore City	6.7%	n/a	9.7%	0.7%	0.0%	8.8%	8.4%	8.8%	
Baltimore	0.8%	0.1%	8.9%	2.5%	0.1%	7.9%	5.7%	7.7%	
Calvert	5.4%	-1.7%	25.7%	3.1%	7.4%	22.2%	7.5%	20.2%	
Caroline	8.1%	21.3%	5.2%	2.1%	5.5%	5.9%	6.7%	6.0%	
Carroll	12.9%	7.8%	5.2%	3.6%	7.1%	5.7%	7.9%	5.9%	
Cecil	5.1%	7.7%	5.1%	4.1%	7.0%	5.2%	5.4%	5.3%	
Charles	9.5%	-1.6%	2.7%	2.1%	7.3%	2.8%	7.8%	3.2%	
Dorchester	8.6%	26.8%	1.5%	2.0%	8.0%	3.2%	9.0%	3.6%	
Frederick	6.8%	9.0%	5.0%	3.8%	6.4%	5.3%	10.0%	5.8%	
Garrett	1.7%	16.4%	0.6%	-12.8%	8.8%	3.3%	3.7%	3.3%	
Harford	8.5%	3.3%	4.7%	3.2%	6.1%	4.8%	6.3%	4.9%	
Howard	6.1%	2.6%	6.8%	4.1%	8.4%	6.4%	6.5%	6.4%	
Kent	10.4%	-0.2%	1.2%	2.7%	6.0%	2.8%	3.5%	2.9%	
Montgomery	9.6%	4.2%	6.7%	2.8%	0.1%	6.7%	7.3%	6.7%	
Prince George's	3.1%	10.2%	7.1%	1.7%	0.4%	6.8%	6.5%	6.7%	
Queen Anne's	10.4%	14.9%	3.5%	1.1%	7.4%	4.8%	6.8%	5.0%	
St. Mary's	8.9%	-4.2%	3.4%	2.8%	6.4%	3.3%	7.1%	3.7%	
Somerset	19.7%	-0.3%	0.9%	2.9%	6.2%	4.3%	6.1%	4.4%	
Talbot	12.2%	0.6%	10.5%	1.9%	6.5%	9.6%	6.9%	9.2%	
Washington	8.0%	25.3%	6.9%	0.2%	5.9%	8.0%	8.3%	8.0%	
Wicomico	14.1%	14.8%	12.0%	1.1%	7.7%	12.1%	7.4%	11.8%	
Worcester	4.9%	9.7%	6.9%	2.8%	9.7%	6.9%	5.2%	6.6%	
Unallocated	-12.1%	-9.6%	4.5%	0.5%	n/a	-2.5%	n/a	-2.5%	
Total	4.4%	5.2%	7.3%	1.6%	3.4%	6.8%	7.2%	6.9%	

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

Exhibit A-3.3
Total State Aid to Local Governments
Fiscal 2025 and 2026

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Foundation Aid	\$3,778,346,293	\$3,981,543,393	\$203,197,100
Foundation – Special Grants	854,945	1,969,251	1,114,306
Comparable Wage Index	155,711,837	157,897,887	2,186,050
Compensatory Education	1,715,307,029	1,778,637,727	63,330,698
Student Transportation – Regular	340,683,854	352,000,869	11,317,015
Student Transportation – Special Education	28,873,000	29,917,000	1,044,000
Special Education – Formula	531,272,827	589,791,769	58,518,942
Special Education – Nonpublic Placements	172,549,592	147,108,160	-25,441,432
Special Education – Infants and Toddlers	16,957,756	18,099,919	1,142,163
English Language Learners Grant	519,503,455	554,454,771	34,951,316
Guaranteed Tax Base	74,897,532	64,964,792	-9,932,740
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	23,600,000	28,600,000	5,000,000
Blueprint – Concentration of Poverty	363,289,403	492,583,576	129,294,173
Blueprint – Transitional Instruction	34,390,412	23,856,991	-10,533,421
Blueprint – Transition Grants	49,035,197	37,497,504	-11,537,693
Blueprint – Full Day PreKindergarten	134,867,120	172,617,689	37,750,569
Blueprint – College and Career Readiness	11,572,898	31,769,353	20,196,455
Blueprint – Education Effort Index	96,507,515	145,398,431	48,890,916
Blueprint – Career Ladder	8,936,056	19,563,161	10,627,105
Blueprint – Coordinators	2,000,000	1,823,959	-176,041
Food Service	20,296,664	20,296,664	0
SEED School	13,000,274	13,646,664	646,390
Judy Hoyer Centers	30,876,380	36,816,380	5,940,000
Teacher Development	996,000	20,430,000	19,434,000
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	2,000,000	0
Head Start	3,000,000	3,000,000	0

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Other Education Aid	18,450,732	20,801,472	2,350,740
Total Primary and Secondary Education	\$8,177,420,771	\$8,776,731,382	\$599,310,611
Library Formula	\$49,475,609	\$50,521,621	\$1,046,012
Library Network	22,470,558	22,583,357	112,799
Total Libraries	\$71,946,167	\$73,104,978	\$1,158,811
Community College Formula	\$384,759,181	\$404,517,218	\$19,758,037
Optional Retirement	17,420,000	17,649,000	229,000
Grants for ESOL Programs	3,891,473	4,661,416	769,943
Small College Grants	10,665,105	11,837,687	1,172,582
Other Community College Aid	6,595,195	6,499,071	-96,124
Total Community Colleges	\$423,330,954	\$445,164,392	\$21,833,438
Highway User Revenue	\$393,233,001	\$445,803,000	\$52,569,999
Elderly and Disabled Transportation Aid	4,441,113	4,628,239	187,126
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	27,000,000	27,000,000	0
Purple Line Access	0	6,622,088	6,622,088
Total Transportation	\$426,082,564	\$485,461,777	\$59,379,213
Police Aid	\$75,504,655	\$75,924,058	\$419,403
Police Aid Enhancement	45,878,143	45,878,144	1
Fire and Rescue Aid	15,000,000	16,500,000	1,500,000
9-1-1 Grants	28,421,995	28,421,995	0
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Safe Streets Program	3,600,000	3,600,000	0
State's Attorney Grants	3,405,955	2,905,955	-500,000
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	3,136,020	2,445,296	-690,724
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	4,000,000	0
Warrant Apprehension Grant	4,250,000	4,250,000	0
Other Public Safety Aid	5,431,509	5,426,509	-5,000
Total Public Safety	\$212,839,354	\$213,563,034	\$723,680

<u>Program</u>	<u>2025</u>	<u>2026</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	\$111,198,344	\$115,000,173	\$3,801,829
Disparity Grant	\$188,539,507	\$193,742,448	\$5,202,941
Gaming Impact Grants	\$103,897,926	\$104,936,915	\$1,038,989
Teachers Retirement Supplemental Grants	27,658,661	13,829,332	-13,829,329
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	13,534,596	3,492,124	-10,042,472
Revenue Equity Program	4,035,013	4,142,365	107,352
Payments in Lieu of Taxes (PILOT)	1,774,074	1,774,074	0
PILOT – Park Service	2,879,000	2,640,000	-239,000
PILOT – Forest Service	205,708	199,604	-6,104
Instant Bingo	3,150,000	3,150,000	0
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Senior Citizens Activities Center	765,241	765,241	0
Local Impact Grants	0	3,000,000	3,000,000
Maryland Park Explorer Program	76,400	100,000	23,600
Prince George’s County Reentry Program	500,000	500,000	0
Miscellaneous Grants	1,300,000	716,456	-583,544
Total Other Direct Aid	\$172,788,605	\$152,258,097	-\$20,530,508
Total Direct Aid	\$9,795,305,622	\$10,466,185,637	\$670,880,015
Retirement – Teachers	\$917,173,759	\$981,762,231	\$64,588,472
Retirement – Libraries	24,256,817	27,505,438	3,248,621
Retirement – Community Colleges	54,290,926	57,969,531	3,678,605
Total Payments-in-behalf	\$995,721,502	\$1,067,237,200	\$71,515,698
Total State Aid	\$10,791,027,124	\$11,533,422,837	\$742,395,713

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 \$9.8 billion in fiscal 2026, an increase of \$663.9 million over fiscal 2025, and includes \$8.8 billion in direct aid and \$981.8 million in retirement payments. The majority of this increase is driven by six major direct aid programs (\$527.0 million increase) and teacher retirement payments (\$64.6 million increase). The following provides a summary of the funding increase for these programs, including the foundation program, which remains the single largest contributor to overall State aid to public schools.

Foundation formula funding increases by \$203.2 million in fiscal 2026, or 5.4%, due to a 5.0% increase in the per pupil funding amount (PPFA) and a 0.1% increase in the enrollment count used to determine program funding. Comparable wage index funding, which is linked to the foundation program, increases by \$2.2 million in fiscal 2026. The fiscal 2026 budget also includes foundation special hold harmless grants of approximately \$139,400 for Dorchester County Public Schools and \$1.8 million for Garrett County Public Schools, preventing a substantial year-to-year decrease in direct State education aid for these school systems. *House Bill 504 (passed)* alters per pupil funding through the foundation program, beginning in fiscal 2027. Under the Governor's proposed budget, the PPFA was reduced by \$163 in fiscal 2026, with a corresponding reduction in mandated local school system per pupil expenditure on collaborative learning time. While the Governor's proposal resulted in reduced foundation funding and reduced funding for several other programs that are tied to the PPFA, resulting in a net reduction of \$122.4 million in fiscal 2026, the Senate plan held multiple programs harmless as compared to current law, resulting in a net reduction of \$76.3 million. Ultimately, however, the bill as passed, consistent with the House plan, does not reduce major State aid formulas in fiscal 2026. See Part L-Education of this *90 Day Report* for a detailed discussion of this legislation.

The Concentration of Poverty Grant program, which provides funding to schools with relatively high concentrations of students from low-income families, has two components. First, for each eligible school, a personnel grant is provided to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. Second, per pupil grants are provided for each qualifying school following the completion of a community school needs assessment. Concentration of Poverty Grant funding increases by \$129.3 million in fiscal 2026, due to an expansion of school eligibility for per pupil grants.

Special education formula funding increases by \$58.5 million in fiscal 2026, due to a 9.2% per pupil funding increase and a 1.9% increase in the relevant enrollment count. Formula funding for English language learners increases by \$35.0 million in fiscal 2026, due to a 0.8% per pupil funding increase and a 6.0% increase in the enrollment count. Compensatory education funding, which provides additional resources for students from low-income families, increases by \$63.3 million in fiscal 2026, due mostly to a 3.7% increase in per pupil funding for the program.

The full-day prekindergarten program increases by \$37.8 million in fiscal 2026, due to State funding for students whose families earn between 300% and 360% of the federal poverty

level in fiscal 2026; a 15.2% increase in the relevant student count; and an 11.3% increase in per pupil funding for students whose families earn up to 300% of the federal poverty level.

The Budget Reconciliation and Financing Act (BRFA), *House Bill 352 (passed)*, reduces the State share of the cost of educating a student with disabilities in a nonpublic placement program. This results in a decrease of \$25.4 million for nonpublic placements in fiscal 2026 as compared to fiscal 2025.

State funding for teacher retirement payments increases by \$64.6 million, or 7.0%, despite provisions in the BRFA that (1) reduce the State share while increasing the county share of employer pension contributions for Teachers' Retirement System/Teachers' Pension System (TRS/TPS) members employed by local school systems and community colleges annually beginning in fiscal 2026 and (2) repeal, beginning in fiscal 2026, the \$50.0 million annual supplemental contribution to the State Retirement and Pension System that was required to be paid until the system's funding ratio reaches 85%.

Local Libraries

State aid to local libraries will total \$100.6 million in fiscal 2026, an increase of \$4.4 million, which includes \$73.1 million in direct aid and \$27.5 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 \$18.70 in fiscal 2026 and is set to increase to \$19.10 annually, beginning in fiscal 2027. Fiscal 2026 funding totals \$47.5 million. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.79 per capita in fiscal 2026) and for SLRC (\$2.07 annually). Regional resource center per capita funding is set to increase to \$9.99 annually, beginning in fiscal 2027. State library network funding totals \$22.6 million in fiscal 2026, an increase of \$112,800.

Community Colleges

State aid to local community colleges will total \$503.1 million in fiscal 2026, an increase of \$25.5 million, which includes \$445.2 million in direct aid and \$58.0 million in retirement payments. Community colleges account for 4.4% of total State aid to local governments. The Cade funding formula is the main source of State funding in support of community colleges. 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 fiscal 2026 budget includes a one-time \$300,000 Cade funding hold-harmless grant to the College of Southern Maryland.

Local Health

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of local health departments. The funding formula is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health needs as determined by the Secretary of Health may also affect allocations of the annual adjustment.

The budget as originally introduced included \$117.0 million in funding for local health departments. However, legislative action reduced funding by \$2.0 million. Accordingly, in fiscal 2026, State funding for local health departments will total \$115.0 million, which represents a \$3.8 million increase from the prior year.

Transportation

The Maryland Department of Transportation provides capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). This funding is allocated to local governments through the local highway user revenues program. In fiscal 2026, funding to local governments is based on 20% of total GMVRA revenues. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. Baltimore City receives a larger share of local highway user revenues than other jurisdictions, because the State does not conduct highway maintenance or construction within the city (except for portions of I-95). In fiscal 2026, local highway user revenues will total \$445.8 million, a \$52.6 million increase over the fiscal 2025 amount. Of this amount, county governments will receive \$107.0 million, municipal governments will receive \$66.9 million, and Baltimore City will receive \$271.9 million.

As required by law, the State budget includes \$27.0 million in funding for a bus rapid transit system in Montgomery County. The BRFA of 2025 modifies how the grant is funded by (1) reducing, from \$27.0 million to \$17.0 million, the statutory distribution of State lottery funds for the program and (2) requiring an annual appropriation of \$10.0 million from the Transportation Trust Fund.

Local governments will also receive \$4.6 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services. In addition, the General Assembly added \$6.6 million in funding to provide equal grants to Montgomery and Prince George's counties to improve pedestrian and bicycle access to Purple Line mass transit stations.

Public Safety

State aid for public safety programs will total \$213.6 million in fiscal 2026. Funding is provided under the police aid formula, targeted crime grants, emergency 9-1-1 systems, and through fire and rescue aid.

Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. State funding for police aid will total \$75.9 million in fiscal 2026, representing a slight increase from the fiscal 2025 amount due to minor increases in population and the number of sworn officers in some municipalities. The State budget includes, for a fourth year, an additional \$45.9 million in enhanced police aid funding to address violent crime, with this funding allocated based on each jurisdiction's share of total violent offenses committed in the State.

Chapter 174 of 2022 required, for fiscal 2024 through 2026, an annual appropriation of \$2.0 million to provide grants to local law enforcement agencies for warrant apprehension efforts. The BRFA of 2025 alters the mandated appropriation to \$1.0 million for fiscal 2025 and 2026. The fiscal 2026 budget includes \$1.0 million for the program, contingent on the enactment of the BRFA.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$45.8 million in fiscal 2026, a decrease of \$1.2 million due to the elimination of a one-time grant to State's Attorney's Offices across the State to establish or improve automated case management systems and a reduction in funding to the Vehicle Theft Prevention Program to align funding with anticipated grant awards.

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 2026 at \$28.4 million. Local governments will also receive \$16.5 million for fire and rescue aid. Under Chapters 718 and 719 of 2024, the annual appropriation for the program increased to \$16.5 million from the prior funding amount of \$15.0 million beginning in fiscal 2026.

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. As provided by the General Assembly, the fiscal 2026 budget includes a one-time grant that increases, from 75% to 90%, the maximum amount of uncapped disparity grants for five jurisdictions (Caroline, Dorchester, Prince George's, Somerset, and Wicomico) that impose the maximum 3.2% local income tax rate. This grant increases disparity grant funding by \$17.1 million over the previously required amount. In fiscal 2026, disparity grant funding will total \$193.7 million, which represents a \$5.2 million increase from the prior year.

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 2026, gaming impact grants total \$104.9 million, an increase of \$1.0 million over fiscal 2025 levels.

Behavioral Health Crisis Response

The Behavioral Health Crisis Response Grant Program provides funds to local jurisdictions to establish and expand community behavioral health crisis response systems, including programs and services such as mobile crisis teams, on-demand walk-in services, and crisis residential beds. Mandated appropriations for the program were established in statute through 2025. The fiscal 2026 budget includes \$5.0 million for the program. In addition, *Senate Bill 599 (passed)* reestablishes the \$5.0 million annual mandated appropriation for the program in each of fiscal 2027 through 2029.

Teacher Retirement Supplemental Grants

Pursuant to Chapter 1 of the first special session of 2012, teacher retirement supplemental grants totaling \$27.7 million are distributed annually to nine jurisdictions to help offset the impact of sharing teacher retirement costs with the counties. The BRFA of 2025 phases out, over two years, the annual mandated appropriation for the grant program, reducing the grants by half in fiscal 2026 and fully eliminating them in fiscal 2027. The fiscal 2026 budget includes \$13.8 million for this purpose.

Other Grants

The fiscal 2026 budget includes several one-time grants to local governments. Grants totaling \$326,500 and \$40,000 are provided to Baltimore City to support the Artscape festival and developmental basketball opportunities for young scholars, respectively. The City of Hagerstown will receive a \$250,000 grant for the Hagerstown Public Safety Project Feasibility Study.

The budget includes a grant of \$50,000 for the Neighborhood Revitalization program within the Department of Housing and Community Development (DHCD) to provide a grant to Montgomery County for improvements to the Damascus Main Street area. In addition, Montgomery County will receive a \$50,000 grant to improve parking in Downtown Silver Spring due to the construction of the Purple Line.

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. For the second year, the budget also includes funding for the Prince George's County Reentry Employment Incentive Program. Mandated appropriations of \$500,000 in each of fiscal 2025 through 2028 are established by Chapter 791 of 2023.

State-local Cost Shifts

The BRFA of 2025 includes several provisions that reduce State support to local governments in the form of cost shifts by requiring local governments to cover certain costs previously paid for by the State. As shown in **Exhibit A-3.4**, the combined local costs from these provisions are projected to total approximately \$145.5 million in fiscal 2026.

Exhibit A-3.4 State-local Cost Shift under Legislative Budget Plan Fiscal 2026

County	Community					Total Amount
	Teacher Retirement	Nonpublic Placement	College Retirement	Property Assessments	Erroneous Convictions	
Allegany	-\$604,665	-\$269,996	-\$149,530	-\$359,963	\$0	-\$1,384,154
Anne Arundel	-9,085,294	-2,315,506	-653,581	-2,010,742	0	-14,065,123
Baltimore City	-8,802,113	-1,666,525	0	-2,080,550	0	-12,549,189
Baltimore	-9,460,061	-4,828,425	-892,051	-2,711,968	0	-17,892,505
Calvert	-1,582,278	-161,998	-65,202	-376,580	0	-2,186,057
Caroline	-509,444	-12,112	-52,201	-139,437	0	-713,193
Carroll	-2,508,981	-605,599	-115,073	-611,399	0	-3,841,051
Cecil	-1,274,570	-127,097	-52,552	-438,600	0	-1,892,818
Charles	-2,658,455	-238,875	-127,911	-620,010	0	-3,645,251
Dorchester	-550,943	-46,799	-39,563	-190,050	0	-827,354
Frederick	-5,591,823	-775,771	-333,784	-920,957	0	-7,622,334
Garrett	-218,799	-3,701	-50,409	-267,650	0	-540,558
Harford	-3,385,485	-1,007,986	-299,592	-932,791	0	-5,625,853
Howard	-6,674,510	-1,564,464	-155,657	-1,028,816	0	-9,423,447
Kent	-161,495	-21,600	-3,994	-112,232	0	-299,320
Montgomery	-19,857,627	-3,573,395	-1,003,851	-3,120,562	0	-27,555,434
Prince George's	-12,619,160	-3,863,646	-380,902	-2,750,473	0	-19,614,181
Queen Anne's	-644,041	-67,289	-47,238	-234,602	0	-993,170
St. Mary's	-1,488,506	-218,688	-73,508	-441,155	0	-2,221,858
Somerset	-311,025	-9,000	-3,041	-158,176	0	-481,241
Talbot	-440,098	-84,111	-12,858	-182,425	0	-719,492
Washington	-2,232,752	-260,744	-165,137	-552,868	0	-3,211,500
Wicomico	-1,602,847	-4,206	-102,041	-413,689	0	-2,122,782
Worcester	-672,312	-1,800	-27,560	-576,260	0	-1,277,931
Unallocated	0	-3,270,667	0	0	-1,500,000	-4,770,667
Total	-\$92,937,284	-\$25,000,000	-\$4,807,229	-\$21,231,952	-\$1,500,000	-\$145,476,464

The State and local school systems share in the costs of nonpublic placements for special education students who cannot receive an appropriate education in a public school. The BRFA of 2025 reduces the State share of the cost of educating a student with disabilities in a nonpublic placement program by phasing in, over two years, a change in the additional amount above 200% of the basic cost of education that local education agencies are required to provide – specifically, 40% in fiscal 2026 and 50% in fiscal 2027 and subsequent years. In fiscal 2026, local school systems will be required to provide an additional \$25.0 million to cover the costs for nonpublic placements.

The BRFA of 2025 reduces, beginning in fiscal 2026, the State share of annual employer pension contributions for members of TRS/TPS employed by local school systems and community colleges. Correspondingly, it increases employer contributions by counties and Baltimore City commensurately in proportion to their respective shares of TRS/TPS membership. These provisions result in a \$97.7 million reduction in State support to local governments. Of the total amount, \$92.9 million is attributable to members employed by local school systems, and \$4.8 million is attributable to members employed by community colleges.

In accordance with the State’s cost-sharing structure with local governments, the costs to conduct property assessments are shared 50/50 by the State and local governments. The BRFA of 2025 increases the local cost share amount, from 50% to 90%, that Baltimore City and county governments are required to pay the State Department of Assessments and Taxation (SDAT) for costs associated with real property valuation, business personal property valuation, and information technology, beginning in fiscal 2026. As a result, local government expenditures increase by \$21.2 million in fiscal 2026, and by growing amounts in future years, to reimburse SDAT for the assessment of all property in the State.

In addition, the BRFA of 2025 includes a provision that requires, beginning in fiscal 2026, a local government in which a conviction of an individual occurred to be responsible for 50% of any payments owed by the Board of Public Works to an erroneously convicted individual. The projected increase in local costs from this provision may total \$1.5 million in fiscal 2026.

County Level Detail

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

Direct Aid and Retirement Payments

Direct Aid: The State distributes aid or shares revenue with the counties, municipalities, and Baltimore City through over 80 different programs. The fiscal 2026 State budget includes \$10.5 billion to fund these programs. Part A, section 1 of each county’s statistical tables compares aid distributed to the county in fiscal 2025 and 2026.

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 2026. 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 2026 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 \$2.2 billion statewide for these programs in fiscal 2026. In addition, \$112.3 million in special funds, primarily from the Cigarette Restitution Fund (CRF), will also be spent on these programs in fiscal 2026. 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 2026 expected expenditures total \$5.5 billion in general funds and \$845.9 million in special funds, not including the Senior Prescription Drug Program. Note that fiscal 2026 funding is allocated among the subdivisions based on each jurisdiction's share of fiscal 2025 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 2026 budget includes \$1.5 billion in general funds and \$55.9 million in special funds for these programs.
- **Family Health and Chronic Disease Services:** The Prevention and Health Promotion Administration funds a variety of community-based programs through the local health departments and private sector agencies in each of the subdivisions. These programs include maternal health (family planning, pregnancy testing, prenatal and perinatal care, *etc.*) and infant and child health (disease prevention, child health clinics, specialty services, *etc.*). The administration is also responsible for chronic and hereditary disease

prevention (cancer, heart disease, diabetes, *etc.*) and the prevention and control of infectious diseases including HIV/AIDS. Fiscal 2026 funding for these programs totals \$52.5 million in general funds, which includes funding for kidney disease treatment services that was formerly included under the Medicaid program. Additional funding of \$56.4 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 2026 budget includes \$1.6 billion in general funds and \$15 million in special funds.

Social Services: The Department of Human Services, the Governor's Office of Crime Prevention and Policy and DHCD provide funding for various social and community services in the subdivisions. Part B of each county's statistical tables shows fiscal 2026 estimates of funding for those programs that are available by subdivision. Note that fiscal 2026 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 2025 funding and may change.

- **Homeless Services:** The State funds programs which provide emergency and transitional housing, food, and transportation for homeless families and individuals. The fiscal 2026 budget includes \$26.9 million in general funds for these programs.
- **Women's Services:** The State provides funding for a variety of community-based programs for women. These include the domestic violence program, rape crisis centers, and crime victim's services. Total fiscal 2026 funding for these programs equals \$7.6 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 2026 budget includes \$16.6 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 2026 budget includes \$193.2 million in general funds.
- **Foster Care:** The foster care program places children who cannot remain in the care of their parents or legal guardian in alternate settings. The program includes payments to foster family homes, group homes, and residential facilities for neglected children. The fiscal 2026 budget includes \$320.6 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 2026 budget anticipates general fund spending of \$61.0 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 2026 funding is \$30.9 million in general funds. In this report the fiscal 2026 general funds are allocated among the subdivisions based on each jurisdiction's share of fiscal 2025 funding and may change.

- **Long-term Care:** This category includes the following programs: vulnerable elderly, senior care, senior guardianship, and the ombudsman program. The total fiscal 2026 funding is \$21.0 million in general funds.
- **Community Services:** Included in this category are the senior information and assistance program, the senior nutrition program, the community for life program, and the hold harmless grant. Fiscal 2026 funding for these programs totals \$9.9 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 2026 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 2026. 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 2026 budget includes \$290.9 million in general obligation (GO) bond funding for local school construction. The capital budget also includes \$6.1 million for the aging schools' program and \$90.0 million for the healthy school facilities program. An additional \$302.2 million in revenue bonds to be issued by the Maryland Stadium Authority is included for the Built to Learn program. Funding for Prince George's County Public-Private Partnership projects totals \$27.0 million in special funds.

As of the publication of this report, \$257.1 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 2025. Therefore, the school construction projects funded and/or the amount of the funding for specific projects could change.

The capital budget includes \$53.9 million for the Supplemental Capital Grant Program for Local School Systems. This program is available to school systems with significant enrollment growth or relocatable classrooms. The funding has not been allocated to specific projects, but this report shows the total grants that each of the nine qualifying school systems will receive in fiscal 2026.

Capital Projects for State Facilities Located in the County: Part D for each jurisdiction shows capital projects, authorized by the fiscal 2026 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 2026, 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 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$48,971	\$50,698	\$1,727	3.5%
Compensatory Education	28,888	28,670	-219	-0.8%
Student Transportation	6,060	6,250	191	3.1%
Special Education	11,260	12,907	1,647	14.6%
English Language Learners Grant	293	345	52	17.8%
Guaranteed Tax Base	6,985	5,527	-1,458	-20.9%
Blueprint Funding	8,547	11,496	2,949	34.5%
Other Education Aid	1,064	1,095	31	2.9%
Primary and Secondary Education	\$112,066	\$116,988	\$4,921	4.4%
Libraries	\$894	\$913	\$19	2.2%
Community Colleges	10,300	11,440	1,140	11.1%
Health Formula Grant	4,994	5,399	405	8.1%
Transportation ¹	4,504	5,102	598	13.3%
Police and Public Safety ¹	1,123	1,110	-13	-1.2%
Fire and Rescue Aid ¹	391	430	39	10.0%
Disparity Grant	7,299	7,299	0	0.0%
Teachers Retirement Supplemental Grant	1,632	816	-816	-50.0%
Gaming Impact Aid	3,114	3,114	0	0.0%
Other Direct Aid	1,021	1,032	11	1.1%
Total Direct Aid	\$147,337	\$153,641	\$6,304	4.3%
Aid Per Capita (\$)	\$2,196	\$2,290	\$94	4.3%
Property Tax Equivalent (\$)	3.15	3.09	-0.06	-2.0%

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 2026 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$10,543,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$90,654,000
Family Health and Chronic Disease	407,000
Developmental Disabilities	32,871,000
Behavioral Health Services	21,990,000

Social Services

Homeless Services	277,000
Women's Services	239,000
Adult Services	373,000
Child Welfare Services	4,428,000
Foster Care	5,896,000
Temporary Cash Assistance	1,621,000

Senior Citizen Services

Long-term Care	227,000
Community Services	142,000

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

Washington Middle School – construction	\$3,628,549
Aging Schools Program	97,791

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Allegany College of Maryland

Campuswide – facilities renewal	376,375
Workforce Development and Training Center – renovation	543,000

Program Open Space

Park acquisition and development	289,184
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Community Parks and Playgrounds

Baker Park Soccer Field	75,000
Fairmont Avenue Park	225,000

Comprehensive Flood Mitigation Program

Cumberland Dry Run Dam – overtopping protection system	57,000
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Other Projects

Allegany Museum	100,000
Cumberland – Mechanic and Harrison Street improvements	100,000
Cumberland Economic Development Corp. – Messick Road Industrial Park	100,000
Good Will Fire Company No. 1	100,000
Orleans Volunteer Fire Company, Inc.	50,000
UPMC Western Maryland – Radiation Therapy Linear Accelerator	600,000

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

Wills Mountain State Park – entrance, road, and parking improvements	\$1,000,000
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University System of Maryland

Frostburg State – baseball complex	1,000,000
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Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$292,094	\$313,249	\$21,155	7.2%
Compensatory Education	101,191	107,492	6,301	6.2%
Student Transportation	32,692	33,674	982	3.0%
Special Education	48,962	55,396	6,434	13.1%
English Language Learners Grant	30,596	33,277	2,681	8.8%
Comparable Wage Index	15,601	16,048	447	2.9%
Blueprint Funding	26,918	36,304	9,386	34.9%
Other Education Aid	2,530	3,190	660	26.1%
Primary and Secondary Education	\$550,583	\$598,629	\$48,046	8.7%
Libraries	\$3,117	\$3,234	\$117	3.8%
Community Colleges	45,157	45,589	432	1.0%
Health Formula Grant	9,155	9,733	578	6.3%
Transportation ¹	13,522	15,343	1,821	13.5%
Police and Public Safety ¹	12,433	12,247	-186	-1.5%
Fire and Rescue Aid ¹	1,250	1,375	125	10.0%
Gaming Impact Aid	29,179	29,335	156	0.5%
Other Direct Aid ¹	150	161	12	7.9%
Total Direct Aid	\$664,546	\$715,648	\$51,102	7.7%
Aid Per Capita (\$)	\$1,103	\$1,188	\$85	7.7%
Property Tax Equivalent (\$)	0.60	0.61	0.01	1.6%

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 2026 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$95,190,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$362,636,000
Family Health and Chronic Disease	1,155,000
Developmental Disabilities	105,261,000
Behavioral Health Services	125,679,000

Social Services

Homeless Services	834,000
Women's Services	417,000
Adult Services	376,000
Child Welfare Services	10,206,000
Foster Care	11,422,000
Temporary Cash Assistance	3,827,000

Senior Citizen Services

Long-term Care	1,034,000
Community Services	432,000

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

Annapolis High School – renovations (distribution/motor control center)	\$717,750
Arundel High School – renovations (windows)	681,300
Broadneck Elementary School – renovations (distribution/motor control center)	363,826
Glen Burnie High School – renovations (building enclosure/windows/roof)	3,800,274
Jones Elementary School – renovations (boilers)	311,850
Lindale Middle School – renovations (windows/roof)	3,052,285
Old Mill High School – construction	5,284,454
Piney Orchard Elementary School – renovations (fire safety/address system)	630,362
Severn Elementary School – renovations (boilers)	538,560
Van Bokkelen Elementary School – renovations (air handling units)	2,200,000
Aging Schools Program	506,039
Supplemental Capital Grant Program for Local School Systems	6,285,361

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Anne Arundel Community College

Campuswide – facilities renewal	376,375
Dragun Building – renovation	1,063,000
Florestano Building – renovation	8,020,000

Program Open Space

Park acquisition and development	3,091,794
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Waterway Improvement

Acton Cove Waterfront Park – boating infrastructure improvements	350,000
Annapolis – Spa Creek mooring field reconfiguration	250,000
Annapolis Fire Department – fire/rescue vessel equipment	32,250
Asquith Creek – dredging	445,450
Marley Creek – dredging	677,500
Upper West River and Johns Creek – dredging	530,000

Other Projects

4MyCiTy, Inc. – Zero Waste to Zero Hunger facility	270,000
American Legion Guy C. Parlett Post 7	50,000
Annapolis – Bates Lower Field improvements	500,000
Annapolis – City Dock	7,800,000

Annapolis – Eastport Terrace and Harbor House	500,000
Annapolis Maritime Museum	100,000
Anne Arundel County – Annapolis Middle School	500,000
Anne Arundel County – Arundel High School marquee	14,500
Anne Arundel County – Arundel Middle School marquee	14,500
Anne Arundel County – Bacontown Park	50,000
Anne Arundel County – Chesapeake High School field house	100,000
Anne Arundel County – Edgewater Community Center	2,250,000
Anne Arundel County – Glen Burnie High School	250,000
Anne Arundel County – Overlook Elementary School electronic sign	50,000
Anne Arundel County and Severn Improvement Association – Sunnyside	25,000
Arundel Rivers Federation, Inc. – Harness Creek Overlook pond retrofit	175,000
Celebrate Annapolis Juneteenth Corporation – museum and cafe	200,000
Chaney Cares, Inc – Community Center	750,000
Chase Brexton Health Services, Inc. – Glen Burnie Center	300,000
Children’s Theater of Annapolis	100,000
Earleigh Heights Volunteer Fire Company	170,000
Ferndale Community Club, Inc.	50,000
Gambrills Odenton Recreation Council – park scoreboard	50,000
Gaudenzia Foundation, Inc. – Crownsville campus	400,000
Herald Harbor Citizens Association – community center	8,000
Historic Annapolis Restoration	3,900,000
Kiwanis Club of Commodore Mayo, Inc.	50,000
Love Wins Movement, Inc.	150,000
Maryland City Volunteer Fire Department	6,000
Peerless Rens Club	40,000
Rude Ranch Animal Rescue – Crofton Spay-Neuter Clinic	29,000
Severna Park BPOE 2482	120,000
Shipley Homestead Homeowner’s Association, Inc.	100,000
Stoney Beach Condominium Association – shoreline restoration	120,000
The Arc of the Central Chesapeake Region	175,000
The Children’s Guild, Inc., – preschool playground	200,000
The Summit School	400,000
Thomas Point Shoal Lighthouse	60,000
University of Maryland Baltimore Washington Medical Center	606,000
Visit Annapolis & Anne Arundel County, Inc. – BWI Airport Visitor Center	100,000

D. Capital Projects for State Facilities in the County

General Government

Revolutionary War Memorial for Black Soldiers	\$1,000,000
Supreme Court of Maryland Building	26,117,000

Department of Veterans Affairs

Crownsville Veterans Cemetery – expansion	113,000
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Maryland State Police

Barrack J – communications room and garage	5,042,000
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Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	4,352,000
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Military Department

Glen Burnie Readiness Center – renovation and expansion	176,000
Glen Burnie Readiness Center – renovation and expansion (federal funds)	227,000

Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$419,487	\$444,500	\$25,013	6.0%
Compensatory Education	315,536	337,161	21,625	6.9%
Student Transportation	25,051	26,192	1,141	4.6%
Special Education	83,500	89,360	5,859	7.0%
English Language Learners Grant	63,108	70,788	7,680	12.2%
Guaranteed Tax Base	42,074	39,636	-2,438	-5.8%
Comparable Wage Index	13,566	13,788	222	1.6%
Blueprint Funding	203,530	257,633	54,104	26.6%
Other Education Aid	3,980	3,668	-312	-7.8%
<i>Primary and Secondary Education</i>	<i>\$1,169,832</i>	<i>\$1,282,726</i>	<i>\$112,893</i>	<i>9.7%</i>
Libraries	\$9,741	\$9,812	\$71	0.7%
Health Formula Grant	10,393	10,393	0	0.0%
Transportation	240,700	272,348	31,648	13.1%
Police and Public Safety	35,593	34,651	-941	-2.6%
Fire and Rescue Aid	1,324	1,456	132	10.0%
Disparity Grant	79,052	79,052	0	0.0%
Teachers Retirement Supplemental Grant	10,048	5,024	-5,024	-50.0%
Gaming Impact Aid	26,326	26,666	340	1.3%
Other Direct Aid	1,816	2,181	365	20.1%
Total Direct Aid	\$1,584,824	\$1,724,309	\$139,484	8.8%
Aid Per Capita (\$)	\$2,789	\$3,034	\$245	8.8%
Property Tax Equivalent (\$)	3.10	3.20	0.11	3.4%

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 2026 State payments for Baltimore City for teachers and librarians are estimated to be \$84,758,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$1,141,668,000
Family Health and Chronic Disease	2,840,000
Developmental Disabilities	108,910,000
Behavioral Health Services	349,748,000

Social Services

Homeless Services	3,271,000
Women’s Services	808,000
Adult Services	4,067,000
Child Welfare Services	70,361,000
Foster Care	106,655,000
Temporary Cash Assistance	17,874,000

Senior Citizen Services

Long-term Care	2,577,000
Community Services	1,173,000

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

Armistead Gardens Elementary/Middle School #243 – construction	\$8,705,361
Furley Elementary School #206 – construction	6,789,600
Maree Garnett Farring Elementary/Middle School #203 – construction	8,153,100
Aging Schools Program	1,387,926

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Park Heights Library – construction	249,000
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Community Health Facilities Grant Program

Community Builders, Inc.	434,000
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Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	1,855,000
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Strategic Demolition Fund

Baltimore City Parks and Recreation – Robert L. Dalton Stadium	1,400,000
Project C.O.R.E	50,000,000

Baltimore Regional Neighborhood Initiative

4M Swim Club, Inc.	150,000
A Strong Foundation, Inc.	200,000
Baltimore Redling and Blight Elimination CDC – Darley Park	100,000
Great Blacks in Wax Museum	500,000
Green Dollar Project, Inc. – Darley Park	100,000
LAMB, Inc. – HAVEN redevelopment project	100,000
Live Life As You Dream	250,000
Neighborhood Impact Investment Fund – Poppleton	500,000
Players Philanthropy Fund, Inc. – Reed House	500,000
Pleasant Hope Community Development Corporation	200,000
ReBUILD Metro, Inc. – Machine Works property	3,000,000
ReBUILD Metro, Inc. – single family home rehabilitation	1,500,000
Roberta’s House	100,000
Salvation Army	250,000
Threshold, Inc.	100,000

WBC Community Development Corporation – Forest Park 400,000

Program Open Space

Baltimore City Direct Grant 10,000,000

Park acquisition and development 2,057,189

Roland Park Community Foundation, Inc. – Hillside Park 500,000

Chesapeake Bay Restoration Fund

Middle Branch – resiliency project 10,000,000

Comprehensive Flood Mitigation Program

Middle Branch – flooding and storm surge resiliency 7,000,000

Other Projects

1103 N. Washington, LLC – Workforce Development Academy 100,000

Ascension Saint Agnes Hospital Foundation – family birthing center 250,000

B & O Railroad Museum 3,000,000

Baltimore City – Canton Helipad 750,000

Baltimore City – Collington Square Park 200,000

Baltimore City – Greenway Trail 1,500,000

Baltimore City Parks and Recreation – Clifton Park 1,125,000

Baltimore City Parks and Recreation – Druid Hill Tennis Courts 300,000

Baltimore City Parks and Recreation – Northwest Park 100,000

Baltimore City Parks and Recreation – Patterson Park 21,400

Baltimore City Parks and Recreation – Riverside Park pool and bathhouse 750,000

Baltimore City Parks and Recreation – Solo Gibbs Recreation Center 1,000,000

Baltimore City Parks and Recreation – Wilbur H. Waters Park 50,000

Baltimore Jewish Council 750,000

Baltimore Museum of Art 1,500,000

Baltimore Museum of Industry 100,000

Baltimore Public Markets Corporation – Cross Street Market 500,000

Baltimore Public Media Corporation 500,000

Baltimore Squashwise, Inc. 50,000

Baltimore Symphony Orchestra 750,000

Baltimore Zoo – infrastructure improvements 4,750,000

Belair Edison Area Revitalization, Inc. 40,000

Belvedere Improvement Association, Inc. 150,000

Benbow Concessions Services – Entrepreneurs Helping Entrepreneurs 75,000

Bluebird Education Network, Inc. – Clay Hill Public Charter School 1,500,000

Catholic Charities – Intergenerational Center	2,000,000
Center for Urban Families	1,000,000
Cherry Hill Development Corp. – South Baltimore Adult High School	100,000
Chesapeake Bay Outward Bound School, Inc.	75,000
Chesapeake Shakespeare Company	200,000
Chimes Outdoor Adaptive Therapeutic Center	750,000
Cube CoWork, LLC	100,000
Downtown Partnership of Baltimore, Inc.	2,000,000
Drink at the Well, Inc.	100,000
East Baltimore Lodge No. 1043	150,000
Eastern Atlantic States Regional Council of Carpenters	750,000
Enoch Pratt Free Library System	1,000,000
Enoch Pratt Free Library System – Herring Run Branch	350,000
Forest Park Action Council, Inc. – gatehouse renovation	25,000
Garrett-Jacobs Mansion	90,000
Govans Ecumenical Development Corporation – Gallagher Mansion	200,000
Govans Ecumenical Development Corporation – Harford House	100,000
Govans Ecumenical Development Corporation – Walther Apartments	100,000
Guilford Hall – commercial training kitchen	100,000
Hachnosas Orchim-Baltimore	50,000
Helping Up Mission	100,000
HER Resiliency Center	50,000
Ivy and Pearls for Excellence, Inc.	270,000
Johns Hopkins Bayview Medical Center	8,000,000
Johns Hopkins Hospital	650,000
Johns Hopkins University – Whiting School of Engineering	2,000,000
KABOOM!, Inc. – Dr. Nathan A. Pitts-Ashburton Elementary playground	160,000
KABOOM!, Inc. – Sinclair Lane Elementary School playground	160,000
KABOOM!, Inc. – Thomas Johnson Elementary-Middle School playground	100,000
Kennedy Krieger Children’s Hospital	4,000,000
Kennedy Krieger Institute	4,550,000
LIFE Church Ministries Community Center	50,000
Loyola School, Inc.	100,000
Lyric Foundation, Inc.	500,000
Mary Harvin Transformation Center	2,300,000
Maryland Center for History and Culture	2,500,000
Maryland School for the Blind – construction	4,750,000
Maryland Science Center	3,000,000
Maryland State Boychoir, Inc.	50,000
McElderry Park Resource Center	150,000
Mercy Medical Center, Inc.	1,931,000

Part A – Budget and State Aid

A-123

Morton Street Dance Center	300,000
Mount Vernon Place Conservancy, Inc.	400,000
National Aquarium in Baltimore	1,500,000
Next One Up Foundation, Inc.	500,000
Port Discovery Children’s Museum	2,500,000
Rebbeztein Ruderman Memorial Library	120,000
Sinai Hospital	393,000
Solvivaz Nation – Conscious Head Barber and Bootcamp Reboot	75,000
South Baltimore Gateway Partnership/Parks & People – Black Sox Park	3,000,000
South Baltimore Little League, Inc.	200,000
St. Agnes Healthcare, Inc.	1,986,000
The Children’s Guild, Inc. – group homes	250,000
The P.E.A.C.E. Team, LLC	250,000
The Sanctuary	100,000
The SEED School of Maryland – roof repairs	500,000
The Women’s Housing Coalition, Inc.	75,000
TurnAround, Inc. – Safety & Security for Survivors of Power-Based Violence	70,000
Waterfront Management Authority – Inner Harbor Promenade	35,000,000
WBC Community Development Corporation – Forest Park	400,000
Wells Community Development Corporation	40,000
Westport Capital Development, LLC	1,000,000
York Corridor Business Improvement District Management Authority	100,000

D. Capital Projects for State Facilities in the City

General Government

Baltimore State Center – planning and demolition	\$750,000
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Department of Health

Children and High-Intensity Residential Treatment Center	942,000
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Department of Juvenile Services

Maryland Youth Residence Center – renovation and expansion	1,150,000
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Department of Public Safety and Correctional Services

Therapeutic Treatment Center	45,857,000
Women’s Pre-Release Center	4,000,000

Baltimore City Community College

Campuswide – deferred maintenance	9,000,000
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Morgan State University

Campuswide – deferred maintenance and site improvements	13,400,000
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Campuswide – electrical infrastructure upgrades	15,000,000
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Lake Clifton High School demolition	6,256,000
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Science Center – construction	69,580,000
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University System of Maryland

Baltimore – School of Social Work	42,924,000
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Coppin State – student center and residential complex	26,502,000
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Headquarters – Columbus Center deferred maintenance	7,100,000
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Other

University of Maryland Medical System – comprehensive cancer center	32,000,000
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University of Maryland Medical System – shock trauma center	250,000
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Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>%Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$489,043	\$515,845	\$26,802	5.5%
Compensatory Education	199,310	211,178	11,868	6.0%
Student Transportation	41,469	42,647	1,178	2.8%
Special Education	90,438	102,088	11,651	12.9%
English Language Learners Grant	53,926	60,258	6,332	11.7%
Comparable Wage Index	15,576	15,759	183	1.2%
Blueprint Funding	47,236	74,016	26,780	56.7%
Other Education Aid	5,729	4,530	-1,199	-20.9%
<i>Primary and Secondary Education</i>	<i>\$942,727</i>	<i>\$1,026,322</i>	<i>\$83,595</i>	<i>8.9%</i>
Libraries	\$7,633	\$7,825	\$192	2.5%
Community Colleges	72,386	72,492	106	0.1%
Health Formula Grant	6,814	6,824	10	0.1%
Transportation	14,052	15,966	1,914	13.6%
Police and Public Safety	19,168	18,865	-302	-1.6%
Fire and Rescue Aid	1,699	1,869	170	10.0%
Teachers Retirement Supplemental Grant	3,000	1,500	-1,500	-50.0%
Other Direct Aid	99	111	12	12.1%
Total Direct Aid	\$1,067,577	\$1,151,774	\$84,197	7.9%
Aid Per Capita (\$)	\$1,252	\$1,351	\$99	7.9%
Property Tax Equivalent (\$)	0.99	1.01	0.01	1.4%

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 2026 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$132,690,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$819,672,000
Family Health and Chronic Disease	1,771,000
Developmental Disabilities	381,558,000
Behavioral Health Services	188,382,000

Social Services

Homeless Services	1,025,000
Women's Services	692,000
Adult Services	1,330,000
Child Welfare Services	14,195,000
Foster Care	48,108,000
Temporary Cash Assistance	7,922,000

Senior Citizen Services

Long-term Care	2,245,000
Community Services	961,000

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

Dulaney High School – construction	\$31,220,100
Aging Schools Program	874,228
Supplemental Capital Grant Program for Local School Systems	6,873,511

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

North Point Library – HVAC replacement	250,000
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Community College of Baltimore County

Campuswide – facilities renewal	376,375
Catonsville – Student Services Center renovation and expansion	3,953,000
Essex – primary switchgear and distribution replacement	2,117,000

Baltimore Regional Neighborhood Initiative

Assistance Centers of Towson Churches, Inc. – community hub	300,000
Preservation Alliance of Baltimore County	100,000

Program Open Space

Park acquisition and development	3,479,391
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Waterway Improvement

Cox’s Point Park – boating facility replacement	450,000
Hart Miller and Pleasure Islands – channel dredging	1,100,000
North Point Creek and Shallow Creek – maintenance dredging	500,000
Rocky Point Park – boat ramp replacement	200,000

Hazardous Substance Cleanup Program

Former Simkins Industries – site contamination assessment	100,000
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Other Projects

AfriThrive, Inc. – Baltimore Community Food Center	50,000
Arbutus Marketplace	600,000
Archdiocese of Baltimore – St. Pius X	500,000
Baltimore County – 911 Call Center	2,000,000

Baltimore County – Bengies Road sanitary sewer system extension	500,000
Baltimore County – Cowdensville roundabout	2,000,000
Baltimore County – Eastern Technical High School multi-sport complex	150,000
Baltimore County – Edmondson Heights Elementary School playground	150,000
Baltimore County – Elmwood Elementary School playground	200,000
Baltimore County – Fullerton Elementary School electronic sign	80,000
Baltimore County – Fullerton Elementary School playground	150,000
Baltimore County – Golden Ring Park	250,000
Baltimore County – Jacksonville Elementary School playground	100,000
Baltimore County – Mays Chapel Elementary School playground	190,000
Baltimore County – Parkville Middle School gym partition	35,000
Baltimore County – Perry Hall High School track	600,000
Baltimore County – Pot Spring Elementary School electronic sign	85,000
Baltimore County – Randallstown Library	20,255,000
Baltimore County – Renaissance Park	100,000
Baltimore County Arts Guild	150,000
Baltimore County Humane Society	250,000
Baltimore County Volunteer Firefighter’s Association, Inc.	150,000
Catonsville Rails to Trails, Inc.	250,000
Chesapeake High School Sports Boosters Club, Inc – turf field	400,000
Christian Athletic Association – CAA Park	100,000
Franklin Point at Deerborne Homeowners Association, Inc. – dog park	40,000
Friends of Larchmont, Inc. – Calico Cat Cafe	100,000
Friends of the Patapsco Valley State Park	425,000
GLA Youth Church, Inc. – Performing Arts Center	50,000
Greater Baltimore Medical Center, Inc.	1,280,000
Honeygo Regional Veterans Memorial	32,000
Idlewylde Community Hall	280,000
Irvine Nature Center	100,000
Islamic Society of Baltimore, Md., Inc. – Hope Garden	50,000
Jewish Community Service’s Inc.	300,000
Kesser Torah Community Recreation Center	200,000
Maryland State Fairgrounds	200,000
Maryland Troopers Association – headquarters	200,000
Mt. Pleasant African Methodist Episcopal Church – grave restoration	68,000
Music City Maryland Association, Inc. – Amphitheater	400,000
National Center on Institutions and Alternatives	750,000
NeighborSpace of Baltimore County	70,000
Northwest Hospital Center	90,000
Pearlstone Conference and Retreat Center	500,000
Pikesville Armory	5,000,000

Plumbers and Steamfitters Local Union No. 486 – training school	250,000
Sheppard Pratt Health System, Inc.	1,661,000
Southwest Visions Foundation, LLC	100,000
Spectrum Support, Inc. – Windsor Mill	150,000
Springdale Swim Club	100,000
Stevenson University – Music and Performance Arts Wing	3,360,000
Tradepoint Atlantic Container Terminal	22,000,000
Tsunami Martial Arts Academy	250,000
Westside Redevelopment Authority	500,000

D. Capital Projects for State Facilities in the County

General Government

Maryland Economic Development Corp. – Incubator Space Cannabis	\$5,000,000
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Military Department

Camp Fretterd Military Reservation – Joint Forces Headquarters	750,000
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Department of Natural Resources

Dundee Creek Marina – replacement and expansion	500,000
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University System of Maryland

Baltimore County – Commons Courtyard enclosure	10,000,000
Baltimore County – Sherman Hall	21,211,000
Baltimore County – stadium synthetic track	530,000
Baltimore County – Student Services Building	5,000,000
Towson University – 10 West renovation	7,000,000
Towson University – Cook Library	300,000
Towson University – Smith Hall expansion and renovation	71,102,000

Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$55,381	\$72,522	\$17,141	31.0%
Compensatory Education	13,225	14,704	1,479	11.2%
Student Transportation	7,562	7,796	234	3.1%
Special Education	7,104	8,840	1,736	24.4%
English Language Learners Grant	871	1,023	152	17.5%
Comparable Wage Index	2,144	2,693	549	25.6%
Blueprint Funding	1,804	3,425	1,621	89.9%
Other Education Aid	1,161	1,150	-11	-0.9%
<i>Primary and Secondary Education</i>	<i>\$89,252</i>	<i>\$112,153</i>	<i>\$22,901</i>	<i>25.7%</i>
Libraries	\$610	\$629	\$19	3.1%
Community Colleges	5,068	4,980	-88	-1.7%
Health Formula Grant	3,223	3,463	239	7.4%
Transportation ¹	3,100	3,504	404	13.0%
Police and Public Safety ¹	1,007	985	-22	-2.2%
Fire and Rescue Aid ¹	194	213	19	10.0%
Other Direct Aid	3,156	3,156	0	0.0%
Total Direct Aid	\$105,611	\$129,083	\$23,472	22.2%
Aid Per Capita (\$)	\$1,113	\$1,360	\$247	22.2%
Property Tax Equivalent (\$)	0.69	0.82	0.13	18.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$18,039,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$53,834,000
Family Health and Chronic Disease	348,000
Developmental Disabilities	14,912,000
Behavioral Health Services	19,128,000

Social Services

Homeless Services	1,783,000
Women’s Services	248,000
Adult Services	170,000
Child Welfare Services	1,700,000
Foster Care	4,291,000
Temporary Cash Assistance	182,000

Senior Citizen Services

Long-term Care	171,000
Community Services	110,000

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

Northern Middle School – construction	\$3,832,523
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

College of Southern Maryland

Campuswide – facilities renewal	376,375
La Plata – Student Resource Center	98,000
Leonardtown – “A” Building renovation and expansion	576,000

Program Open Space

Park acquisition and development	307,846
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Other Projects

American Legion Gray-Ray Post No. 220	35,000
Annmarie Sculpture Garden and Arts Center	100,000
Bayside History Museum	70,000
CalvertHealth Medical Center	3,972,000
Chesapeake Beach – tennis courts	500,000

Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$34,047	\$35,496	\$1,449	4.3%
Compensatory Education	22,775	23,262	487	2.1%
Student Transportation	3,581	3,696	115	3.2%
Special Education	4,398	4,724	327	7.4%
English Language Learners Grant	4,285	4,437	152	3.5%
Guaranteed Tax Base	1,688	2,132	444	26.3%
Blueprint Funding	8,607	10,096	1,489	17.3%
Other Education Aid	1,243	985	-258	-20.8%
Primary and Secondary Education	\$80,624	\$84,829	\$4,205	5.2%
Libraries	\$374	\$382	\$8	2.1%
Community Colleges	2,639	3,200	561	21.3%
Health Formula Grant	2,094	2,210	116	5.5%
Transportation ¹	2,414	2,743	330	13.7%
Police and Public Safety ¹	457	503	46	10.0%
Fire and Rescue Aid ¹	315	346	31	10.0%
Disparity Grant	4,071	4,674	602	14.8%
Teachers Retirement Supplemental Grant	685	343	-343	-50.0%
Other Direct Aid	25	5	-20	-80.0%
Total Direct Aid	\$93,697	\$99,234	\$5,537	5.9%
Aid Per Capita (\$)	\$2,736	\$2,898	\$162	5.9%
Property Tax Equivalent (\$)	2.73	2.70	-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 2026 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$6,086,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$40,793,000
Family Health and Chronic Disease	362,000
Developmental Disabilities	16,263,000
Behavioral Health Services	12,655,000

Social Services

Homeless Services	1,455,000
Women's Services	32,000
Adult Services	145,000
Child Welfare Services	1,725,000
Foster Care	1,102,000
Temporary Cash Assistance	522,000

Senior Citizen Services

Long-term Care	501,000
Community Services	168,000

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

C. Selected State Grants for Capital Projects

Public Schools*

Denton Elementary School – renovations (chiller)	\$165,000
Lockerman Middle School – construction	2,585,000
Aging Schools Program	50,074

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Chesapeake College

Queen Anne’s Technical Building – construction	1,970,000
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Program Open Space

Park acquisition and development	135,211
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Community Parks and Playgrounds

Jesse Sutton Memorial Park	250,000
Sharp Road Park Playground	300,000

Waterway Improvement

Crouse Park – bulkhead renovation	225,000
Greensboro – boating facility improvements	75,000

Other Projects

Baily-Groce Family Foundation, Inc. – Anna Murray Douglass Museum	150,000
The Benedictine School	550,000

Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$121,919	\$126,263	\$4,344	3.6%
Compensatory Education	25,043	26,652	1,609	6.4%
Student Transportation	13,288	13,679	391	2.9%
Special Education	19,006	19,764	758	4.0%
English Language Learners Grant	2,315	2,626	311	13.4%
Blueprint Funding	4,161	6,220	2,060	49.5%
Other Education Aid	1,471	1,653	182	12.4%
Primary and Secondary Education	\$187,203	\$196,857	\$9,654	5.2%
Libraries	\$1,304	\$1,351	\$47	3.6%
Community Colleges	13,932	15,019	1,087	7.8%
Health Formula Grant	4,481	4,798	316	7.1%
Transportation ¹	7,436	8,426	990	13.3%
Police and Public Safety ¹	2,140	2,401	261	12.2%
Fire and Rescue Aid ¹	384	423	38	10.0%
Other Direct Aid	12	12	0	-0.4%
Total Direct Aid	\$216,894	\$229,286	\$12,393	5.7%
Aid Per Capita (\$)	\$1,225	\$1,295	\$70	5.7%
Property Tax Equivalent (\$)	0.85	0.84	-0.01	-1.5%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$27,442,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$102,943,000
Family Health and Chronic Disease	536,000
Developmental Disabilities	39,212,000
Behavioral Health Services	32,304,000

Social Services

Homeless Services	652,000
Women’s Services	160,000
Adult Services	146,000
Child Welfare Services	3,275,000
Foster Care	2,657,000
Temporary Cash Assistance	509,000

Senior Citizen Services

Long-term Care	353,000
Community Services	173,000

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

Cranberry Station Elementary School – construction	\$1,403,736
Friendship Valley Elementary School – construction	1,691,942
Sandymount Elementary School – construction	2,407,768
Taneytown Elementary School – construction	1,804,209
Aging Schools Program	137,261
Supplemental Capital Grant Program for Local School Systems	4,522,826

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Community Health Facilities Grant Program

Carroll County Youth Services Bureau, Inc.	1,000,000
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Program Open Space

Park acquisition and development	691,395
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Community Parks and Playgrounds

Hampstead – Main Street Commons Pocket Park	51,322
Manchester – Christmas Tree Park Playground	175,106

Other Projects

Carroll County – Eldersburg Elementary School play space	25,000
Carroll County Veterans Independence Project, Inc.	50,000
Carroll Hospital Center	887,000
McDaniel College – Merritt Hall	2,160,000
Mount Airy – Flat Iron Building	245,500
Mount Airy – police station	100,000
The Arc Carroll County	150,000
Union Bridge Fire Company	70,000
Union Memorial Veterans of Foreign Wars Post No. 8806	50,000
Westminster – fiber infrastructure	1,000,000

Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$74,123	\$77,164	\$3,041	4.1%
Compensatory Education	32,113	32,221	108	0.3%
Student Transportation	6,910	7,089	179	2.6%
Special Education	13,731	14,606	875	6.4%
English Language Learners Grant	2,037	2,244	207	10.2%
Blueprint Funding	7,875	10,680	2,804	35.6%
Other Education Aid	4,133	4,067	-67	-1.6%
Primary and Secondary Education	\$140,923	\$148,071	\$7,148	5.1%
Libraries	\$973	\$1,013	\$40	4.1%
Community Colleges	8,972	9,662	690	7.7%
Health Formula Grant	3,253	3,480	227	7.0%
Transportation ¹	4,076	4,621	544	13.4%
Police and Public Safety ¹	1,631	1,654	23	1.4%
Fire and Rescue Aid ¹	329	362	33	10.0%
Gaming Impact Aid	5,055	5,055	0	0.0%
Other Direct Aid	38	7	-31	-81.0%
Total Direct Aid	\$165,250	\$173,924	\$8,674	5.2%
Aid Per Capita (\$)	\$1,554	\$1,636	\$82	5.2%
Property Tax Equivalent (\$)	1.23	1.21	-0.01	-1.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$17,701,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$92,355,000
Family Health and Chronic Disease	385,000
Developmental Disabilities	21,303,000
Behavioral Health Services	24,802,000

Social Services

Homeless Services	303,000
Women's Services	252,000
Adult Services	223,000
Child Welfare Services	4,156,000
Foster Care	12,045,000
Temporary Cash Assistance	1,382,000

Senior Citizen Services

Long-term Care	245,000
Community Services	154,000

C. Selected State Grants for Capital Projects

Public Schools*

North East Middle/High School – construction	\$4,669,998
Aging Schools Program	96,024

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Elkton Library – renovation and expansion	1,550,000
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Cecil College

Campuswide – facilities renewal	376,375
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Program Open Space

Park acquisition and development	358,223
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Community Parks and Playgrounds

Helen Titter Park Playground	293,425
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Comprehensive Flood Mitigation Program

Rolling Mill Water Treatment Plant	2,122,000
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Hazardous Substance Cleanup Program

Tome School – site assessment	100,000
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Other Projects

Fair Hill Condominium Association	1,000,000
Maryland Economic Development Corporation – Principio Rail Spur	1,500,000
NorthBay Environmental Education Center	375,000
Plumpton Park Zoological Garden	100,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$145,017	\$151,329	\$6,312	4.4%
Compensatory Education	61,046	55,831	-5,215	-8.5%
Student Transportation	14,692	15,274	582	4.0%
Special Education	18,834	20,579	1,745	9.3%
English Language Learners Grant	7,071	7,889	818	11.6%
Guaranteed Tax Base	5,830	2,602	-3,228	-55.4%
Comparable Wage Index	3,908	3,912	4	0.1%
Blueprint Funding	10,353	16,287	5,935	57.3%
Other Education Aid	2,763	3,064	301	10.9%
<i>Primary and Secondary Education</i>	<i>\$269,514</i>	<i>\$276,768</i>	<i>\$7,254</i>	<i>2.7%</i>
Libraries	\$1,412	\$1,442	\$30	2.1%
Community Colleges	9,888	9,727	-161	-1.6%
Health Formula Grant	5,040	5,409	369	7.3%
Transportation ¹	4,552	5,166	614	13.5%
Police and Public Safety ¹	2,411	2,458	47	2.0%
Fire and Rescue Aid ¹	399	439	40	10.0%
Other Direct Aid	9	9	0	0.0%
Total Direct Aid	\$293,225	\$301,418	\$8,194	2.8%
Aid Per Capita (\$)	\$1,681	\$1,728	\$47	2.8%
Property Tax Equivalent (\$)	1.18	1.13	-0.05	-4.2%

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 2026 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$28,790,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$108,205,000
Family Health and Chronic Disease	630,000
Developmental Disabilities	33,476,000
Behavioral Health Services	29,225,000

Social Services

Homeless Services	1,783,000
Women’s Services	274,000
Adult Services	269,000
Child Welfare Services	4,548,000
Foster Care	2,965,000
Temporary Cash Assistance	1,077,000

Senior Citizen Services

Long-term Care	338,000
Community Services	185,000

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

General Smallwood Middle School – renovations (HVAC)	\$27,570
J.C. Parks Elementary School – kindergarten/pre-k addition	2,533,602
William B. Wade Elementary School – construction	6,086,110
Aging Schools Program	50,074
Supplemental Capital Grant Program for Local School Systems	3,501,175

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

College of Southern Maryland

Campuswide – facilities renewal	376,375
La Plata – Student Resource Center	98,000
Leonardtown – “A” Building renovation and expansion	576,000

Program Open Space

Park acquisition and development	636,800
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Waterway Improvement

Cobb Island Fire Department – fire/rescue vessel maintenance	40,000
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Other Projects

Boys and Girls Club of Southern Maryland, Inc.	610,000
Charles County Charitable Trust, Inc.	150,000
Poiema Movement, Inc.	650,000
Providence of Maryland, Inc.	122,000
United States Bomb Technician Association Corp. – Technology Training	200,000
W.A.C Hughes Lodge No. 1053	75,000
Waldorf Elks Lodge No. 2421	75,000

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

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

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$24,534	\$24,968	\$434	1.8%
Foundation Aid – Special Grants	0	139	139	n/a
Compensatory Education	16,023	14,289	-1,733	-10.8%
Student Transportation	3,250	3,348	99	3.0%
Special Education	2,874	3,143	269	9.3%
English Language Learners Grant	1,522	1,790	268	17.6%
Guaranteed Tax Base	1,626	978	-649	-39.9%
Blueprint Funding	10,434	12,192	1,758	16.8%
Other Education Aid	903	1,256	353	39.1%
<i>Primary and Secondary Education</i>	<i>\$61,166</i>	<i>\$62,104</i>	<i>\$938</i>	<i>1.5%</i>
Libraries	\$356	\$364	\$7	2.0%
Community Colleges	1,664	2,111	447	26.8%
Health Formula Grant	2,837	3,065	228	8.0%
Transportation ¹	2,976	3,364	388	13.0%
Police and Public Safety ¹	618	608	-10	-1.7%
Fire and Rescue Aid ¹	332	365	33	10.0%
Disparity Grant	4,443	4,991	548	12.3%
Teachers Retirement Supplemental Grant	309	154	-154	-50.0%
Other Direct Aid	712	720	8	1.1%
Total Direct Aid	\$75,414	\$77,845	\$2,431	3.2%
Aid Per Capita (\$)	\$2,276	\$2,349	\$73	3.2%
Property Tax Equivalent (\$)	2.01	1.93	-0.08	-3.7%

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 2026 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$5,407,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$45,605,000
Family Health and Chronic Disease	462,000
Developmental Disabilities	6,394,000
Behavioral Health Services	13,322,000

Social Services

Homeless Services	1,455,000
Women's Services	32,000
Adult Services	366,000
Child Welfare Services	1,998,000
Foster Care	3,214,000
Temporary Cash Assistance	470,000

Senior Citizen Services

Long-term Care	759,000
Community Services	293,000

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 (chill water piping)	\$510,000
Mace’s Lane Middle School – renovations (roof/mechanical)	1,900,000
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Chesapeake College

Queen Anne’s Technical Building – construction	1,970,000
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Community Health Facilities Grant Program

Crossroads Community, Inc.	1,923,000
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Program Open Space

Park acquisition and development	117,447
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Community Parks and Playgrounds

Entrance Park – expansion	244,512
Secretary – Town Park Tennis Court	228,790

Chesapeake Bay Restoration Fund

McKeil Point – bermed infiltration ponds	425,000
Suicide Bridge Restaurant – failing septic elimination	250,000

Waterway Improvement

Cambridge Municipal Marina – bathhouse/decking/pier L renovations	650,000
Great Marsh Boat Launch – shoreline protection improvements	50,000

Other Projects

Fraternal Order of Police Lodge 27	100,000
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Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$229,015	\$237,686	\$8,670	3.8%
Compensatory Education	58,957	60,202	1,245	2.1%
Student Transportation	18,696	19,556	860	4.6%
Special Education	32,930	35,427	2,497	7.6%
English Language Learners Grant	18,228	18,691	464	2.5%
Comparable Wage Index	5,274	5,250	-24	-0.5%
Blueprint Funding	13,546	18,635	5,089	37.6%
Other Education Aid	3,786	3,948	162	4.3%
<i>Primary and Secondary Education</i>	<i>\$380,431</i>	<i>\$399,396</i>	<i>\$18,964</i>	<i>5.0%</i>
Libraries	\$1,991	\$2,067	\$76	3.8%
Community Colleges	21,906	23,870	1,963	9.0%
Health Formula Grant	4,966	5,285	319	6.4%
Transportation ¹	11,989	13,603	1,614	13.5%
Police and Public Safety ¹	3,908	3,898	-11	-0.3%
Fire and Rescue Aid ¹	614	676	61	10.0%
Other Direct Aid	516	16	-500	-96.8%
Total Direct Aid	\$426,322	\$448,810	\$22,488	5.3%
Aid Per Capita (\$)	\$1,424	\$1,499	\$75	5.3%
Property Tax Equivalent (\$)	0.94	0.91	-0.03	-3.2%

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 2026 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$52,929,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$156,744,000
Family Health and Chronic Disease	650,000
Developmental Disabilities	44,607,000
Behavioral Health Services	49,144,000

Social Services

Homeless Services	572,000
Women’s Services	315,000
Adult Services	334,000
Child Welfare Services	5,409,000
Foster Care	5,673,000
Temporary Cash Assistance	1,388,000

Senior Citizen Services

Long-term Care	485,000
Community Services	235,000

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

Brunswick High School – construction	\$1,500,000
Elementary School #41 – construction	3,319,000
Middletown Elementary/Middle School – construction	11,707,634
Aging Schools Program	182,622
Supplemental Capital Grant Program for Local School Systems	9,227,833

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

West Frederick Library – construction	831,000
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Program Open Space

Park acquisition and development	745,503
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Community Parks and Playgrounds

Carroll Street Park Playground	52,000
Prospect Park	250,000

Chesapeake Bay Restoration Fund

Brunswick WWTP – septic connections to plant	175,000
Middletown WWTP – enhanced nutrient removal	29,423,577

Comprehensive Flood Mitigation Program

Middletown WWTP – enhanced nutrient removal	2,782,000
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Waterway Improvement

Brunswick Volunteer Ambulance & Rescue Co. – replace rescue vessel	15,500
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Other Projects

African American Heritage Center	150,000
Community Foundation of Frederick County – Baker Park splash pad	50,000
Downtown Frederick Hotel and Conference Center	7,500,000
Downtown Frederick Partnership, Inc. – Seventh Street Fountain Park	50,000
Federated Charities Corporation of Frederick	150,000
Frederick Center, Inc.	125,000

Part A – Budget and State Aid

A-151

Frederick County – microgrid	500,000
Frederick Health Hospital	100,000
Heartly House, Inc.	750,000
Hood College – Hodson Annex	2,480,000
Maryland Deaf Community Center	1,000,000
Middletown – Harris Farm	475,000
New Midway Volunteer Fire Company	25,000
The Ausherman Family Foundation – Frederick Youth Center	150,000
The Great Frederick Fair, Inc.	130,000
Wolfsville Ruritan Club, Inc, – playground	80,000

D. Capital Projects for State Facilities in the County

Other

School for the Deaf – high school and middle school residences	\$12,193,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$10,408	\$8,909	-\$1,499	-14.4%
Foundation Aid - Special Grants	855	1,830	975	114.0%
Compensatory Education	5,427	5,571	144	2.6%
Student Transportation	3,903	4,028	125	3.2%
Special Education	1,362	1,523	161	11.8%
English Language Learners Grant	25	29	4	15.3%
Blueprint Funding	3,259	3,393	134	4.1%
Other Education Aid	1,637	1,765	128	7.8%
Primary and Secondary Education	\$26,876	\$27,048	\$172	0.6%
Libraries	\$165	\$144	-\$21	-12.8%
Community Colleges	5,295	6,161	866	16.4%
Health Formula Grant	2,789	3,035	245	8.8%
Transportation ¹	2,789	3,161	371	13.3%
Police and Public Safety ¹	243	249	6	2.4%
Fire and Rescue Aid ¹	302	332	30	10.0%
Disparity Grant	2,131	2,047	-84	-3.9%
Teachers Retirement Supplemental Grant	406	203	-203	-50.0%
Other Direct Aid	1,744	1,755	11	0.6%
Total Direct Aid	\$42,741	\$44,135	\$1,393	3.3%
Aid Per Capita (\$)	\$1,505	\$1,554	\$49	3.3%
Property Tax Equivalent (\$)	0.67	0.61	-0.06	-8.3%

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 2026 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$4,438,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$29,985,000
Family Health and Chronic Disease	301,000
Developmental Disabilities	9,275,000
Behavioral Health Services	8,417,000

Social Services

Homeless Services	269,000
Women’s Services	226,000
Adult Services	76,000
Child Welfare Services	1,907,000
Foster Care	2,251,000
Temporary Cash Assistance	218,000

Senior Citizen Services

Long-term Care	166,000
Community Services	86,000

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

Southern Middle School – construction	\$2,000,000
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Friendsville Library – construction	1,116,000
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Federally Qualified Health Centers Grant Program

Western Maryland Healthcare Corporation	665,000
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Program Open Space

Park acquisition and development	146,379
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Community Parks and Playgrounds

Leo Martin Memorial Park	10,100
Loch Lynn Heights Playground	149,600

Other Projects

Oakland Volunteer Fire Department, Inc.	100,000
Wisp Ski Patrol – headquarters	100,000

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

Mount Nebo WMA – police garage, office, and storage facility	\$4,290,000
Sang Run State Park – general store renovation	637,571

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$179,738	\$185,603	\$5,865	3.3%
Compensatory Education	55,913	55,852	-62	-0.1%
Student Transportation	16,873	17,416	543	3.2%
Special Education	33,773	35,706	1,933	5.7%
English Language Learners Grant	5,064	5,289	224	4.4%
Comparable Wage Index	6,429	6,368	-61	-1.0%
Blueprint Funding	13,876	20,297	6,421	46.3%
Other Education Aid	2,016	1,921	-95	-4.7%
Primary and Secondary Education	\$313,683	\$328,450	\$14,768	4.7%
Libraries	\$2,179	\$2,249	\$70	3.2%
Community Colleges	18,884	19,513	628	3.3%
Health Formula Grant	5,778	6,129	351	6.1%
Transportation ¹	7,648	8,680	1,032	13.5%
Police and Public Safety ¹	3,988	3,978	-10	-0.2%
Fire and Rescue Aid ¹	571	628	57	10.0%
Other Direct Aid	52	18	-34	-65.8%
Total Direct Aid	\$352,784	\$369,646	\$16,862	4.8%
Aid Per Capita (\$)	\$1,329	\$1,392	\$64	4.8%
Property Tax Equivalent (\$)	0.99	0.98	-0.01	-1.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$44,438,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$171,561,000
Family Health and Chronic Disease	995,000
Developmental Disabilities	47,983,000
Behavioral Health Services	48,789,000

Social Services

Homeless Services	520,000
Women's Services	306,000
Adult Services	403,000
Child Welfare Services	5,702,000
Foster Care	16,488,000
Temporary Cash Assistance	1,882,000

Senior Citizen Services

Long-term Care	570,000
Community Services	275,000

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

Aberdeen Middle School – renovations (HVAC/windows/doors)	\$5,642,172
Harford Technical High School – construction	4,570,000
Aging Schools Program	217,379
Supplemental Capital Grant Program for Local School Systems	3,210,024

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Program Open Space

Park acquisition and development	1,029,868
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Community Parks and Playgrounds

Festival Park Splash Pad	232,000
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Waterway Improvement

Foster Branch – maintenance dredging	200,000
Swan Harbor Farm – dredge material placement site remediation	1,500,000

Other Projects

Aberdeen – Family Swim Center	500,000
Ashley Addiction Treatment	250,000
Harford County – Schucks Regional Park	250,000
Harmer’s Town Art Center, Inc.	50,000
Havre de Grace – Sports, Theatre, Arts, Recreation Centre	250,000
Izaak Walton League of America, Inc. – Conservation & Education Center	50,000
Maryland Center for the Visual and Performing Arts	250,000
Maryland Polo Club	25,000
Sgt. Alfred B. Hilton Memorial Post No. 55	50,000
University of Maryland Upper Chesapeake Health System, Inc.	973,000
Upper Bay Counseling and Support Services, Inc.	100,000

Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$219,204	\$230,455	\$11,251	5.1%
Compensatory Education	49,517	51,729	2,211	4.5%
Student Transportation	24,334	25,244	910	3.7%
Special Education	32,976	38,636	5,660	17.2%
English Language Learners Grant	15,465	15,669	204	1.3%
Comparable Wage Index	14,071	14,189	118	0.8%
Blueprint Funding	9,218	13,537	4,319	46.9%
Other Education Aid	2,008	2,192	184	9.2%
<i>Primary and Secondary Education</i>	\$366,793	\$391,651	\$24,858	6.8%
Libraries	\$1,259	\$1,311	\$52	4.1%
Community Colleges	34,965	35,860	895	2.6%
Health Formula Grant	5,972	6,474	502	8.4%
Transportation	6,170	6,952	782	12.7%
Police and Public Safety	5,880	5,818	-62	-1.1%
Fire and Rescue Aid	623	685	62	10.0%
Gaming Impact Aid	89	89	0	0.0%
Other Direct Aid	19	19	0	0.7%
Total Direct Aid	\$421,771	\$448,862	\$27,090	6.4%
Aid Per Capita (\$)	\$1,242	\$1,321	\$80	6.4%
Property Tax Equivalent (\$)	0.63	0.63	0.00	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 2026 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$80,402,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$186,050,000
Family Health and Chronic Disease	622,000
Developmental Disabilities	87,407,000
Behavioral Health Services	45,791,000

Social Services

Homeless Services	319,000
Women’s Services	330,000
Adult Services	88,000
Child Welfare Services	4,495,000
Foster Care	6,303,000
Temporary Cash Assistance	1,446,000

Senior Citizen Services

Long-term Care	593,000
Community Services	263,000

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

Bonnie Branch Middle School – renovations (HVAC)	\$292,841
Centennial High School – renovations (security vestibule)	184,204
Clarksville Elementary School – renovations (roof)	1,266,842
Ellicott Mills Middle School – renovations (HVAC)	292,841
Fulton Elementary School – renovations (HVAC)	228,690
Glenelg High School – renovations (security vestibule)	64,680
Guilford Elementary School – renovations (roof)	1,050,677
Harpers Choice Middle School – renovations (chiller/cooling tower)	411,365
Howard High School – renovations (windows)	1,009,800
Manor Woods Elementary School – renovations (sewer connection)	369,686
Mayfield Woods Middle School – renovations (HVAC/boilers)	696,761
Mount View Middle School – renovations (security vestibule)	658,895
Mt. Hebron High School – renovations (security vestibule)	727,071
Murray Hill Middle School – renovations (chiller/boiler/security vestibule)	1,024,842
Oakland Mills High School – renovations (security vestibule)	38,878
Reservoir High School – renovations (cooling tower)	411,365
River Hill High School – renovations (security vestibule)	41,580
West Friendship Elementary School – renovations (septic/well)	440,686
Worthington Elementary School – renovations (roof)	1,188,810
Aging Schools Program	87,776

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Howard Community College

Workforce Development and Trades Center	11,916,000
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Program Open Space

Park acquisition and development	1,819,543
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Other Projects

Atholton Adventist Academy – Outdoor Education Center	150,000
Community Action Council – Route One Service Center	500,000
Howard County – Ellicott City 50+ Center	250,000
Howard County – Ilchester Community Center	200,000
Howard County – jug handle connector	2,000,000
Howard County – Rockburn Branch Park	50,000
Howard County Chinese School, Inc.	75,000

Part A – Budget and State Aid

A-161

Howard County Conservancy, Inc.	400,000
Howard County Fairgrounds	70,000
Howard County General Hospital	733,000
Howard County Housing Commission	4,000,000
iHomes, Inc.	200,000
Linwood Center	336,377
Maryland Turkish American Inhabitants, Inc. – preschool education center	370,000
Preservation of Maryland Antiquities, Inc. – Ellicott City Jail	450,000
Vantage Point Continuing Care Retirement Community	125,000

D. Capital Projects for State Facilities in the County

Department of Health

Perkins Hospital Center – infrastructure improvements	\$12,500,000
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Maryland State Police

Waterloo – barrack and garage replacement	523,000
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Other

School for the Deaf – Columbia Campus facilities renewal	750,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$2,697	\$2,241	-\$457	-16.9%
Compensatory Education	3,290	3,397	107	3.3%
Student Transportation	2,043	2,113	70	3.4%
Special Education	998	1,014	16	1.7%
English Language Learners Grant	366	387	21	5.8%
Blueprint Funding	2,100	2,563	463	22.0%
Other Education Aid	968	892	-75	-7.8%
Primary and Secondary Education	\$12,462	\$12,607	\$146	1.2%
Libraries	\$132	\$135	\$4	2.7%
Community Colleges	904	902	-2	-0.2%
Health Formula Grant	2,475	2,625	150	6.0%
Transportation ¹	1,384	1,573	189	13.7%
Police and Public Safety ¹	246	229	-17	-6.9%
Fire and Rescue Aid ¹	355	390	35	10.0%
Other Direct Aid	5	5	0	0.0%
Total Direct Aid	\$17,962	\$18,467	\$505	2.8%
Aid Per Capita (\$)	\$918	\$944	\$26	2.8%
Property Tax Equivalent (\$)	0.52	0.51	-0.02	-3.0%

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 2026 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$2,449,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$19,238,000
Family Health and Chronic Disease	358,000
Developmental Disabilities	7,495,000
Behavioral Health Services	8,569,000

Social Services

Homeless Services	1,455,000
Women’s Services	32,000
Adult Services	99,000
Child Welfare Services	1,015,000
Foster Care	1,383,000
Temporary Cash Assistance	132,000

Senior Citizen Services

Long-term Care	501,000
Community Services	168,000

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	\$2,275,000
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Chestertown Library – roof replacement	299,000
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Chesapeake College

Queen Anne’s Technical Building – construction	1,970,000
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Program Open Space

Park acquisition and development	87,920
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Community Parks and Playgrounds

Ferry Park	153,432
Galena Community Park	92,000

Other Projects

Kent County – public school construction grant	150,000
Radcliffe Creek School, Inc.	100,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>%Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$426,201	\$458,323	\$32,122	7.5%
Compensatory Education	202,028	205,611	3,583	1.8%
Student Transportation	56,360	58,051	1,691	3.0%
Special Education	100,182	108,417	8,236	8.2%
English Language Learners Grant	113,698	117,584	3,886	3.4%
Comparable Wage Index	34,667	35,758	1,091	3.1%
Blueprint Funding	39,863	53,593	13,730	34.4%
Other Education Aid	4,659	5,584	925	19.9%
Primary and Secondary Education	\$977,657	\$1,042,921	\$65,264	6.7%
Libraries	\$3,852	\$3,959	\$106	2.8%
Community Colleges	74,313	77,419	3,106	4.2%
Health Formula Grant	5,056	5,063	7	0.1%
Transportation ¹	49,098	55,395	6,297	12.8%
Police and Public Safety ¹	19,169	19,649	480	2.5%
Fire and Rescue Aid ¹	1,941	2,135	194	10.0%
Other Direct Aid	369	168	-200	-54.3%
Total Direct Aid	\$1,131,456	\$1,206,710	\$75,254	6.7%
Aid Per Capita (\$)	\$1,045	\$1,115	\$70	6.7%
Property Tax Equivalent (\$)	0.48	0.49	0.01	2.2%

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 2026 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$217,718,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$661,915,000
Family Health and Chronic Disease	1,999,000
Developmental Disabilities	251,315,000
Behavioral Health Services	155,853,000

Social Services

Homeless Services	1,070,000
Women's Services	573,000
Adult Services	1,559,000
Child Welfare Services	7,122,000
Foster Care	29,006,000
Temporary Cash Assistance	4,191,000

Senior Citizen Services

Long-term Care	2,335,000
Community Services	956,000

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

A. Mario Loiederman Middle School – renovations (HVAC)	\$2,450,250
Crown High School – construction	10,711,965
DuFief Elementary School – renovations (roof)	1,786,055
Harmony Hills Elementary School – renovations (roof)	1,385,450
James Hubert Blake High School – renovations (roof)	1,500,000
Judith A. Resnik Elementary School – renovations (HVAC)	3,465,000
Springbrook High School – renovations (HVAC)	3,050,000
Walt Whitman High School – renovations (HVAC)	3,811,500
Westland Middle School – renovations (HVAC)	6,658,365
Aging Schools Program	602,652
Supplemental Capital Grant Program for Local School Systems	10,005,770

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Clarksburg Library – construction	20,000
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Montgomery College

Campuswide – facilities renewal	376,375
Germantown – Student Services Center	11,566,000
Rockville – library renovation	5,690,000

Community Health Facilities Grant Program

Community Services for Autistic Adults and Children, Inc.	2,000,000
Housing Unlimited, Inc.	643,000

Strategic Demolition Fund

Montgomery County – Olney Community Hub	2,500,000
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National Capital Strategic Economic Development Fund

Maryland Economic Development Corporation – Viva White Oak	4,000,000
Montgomery County – George Avenue and University Boulevard	200,000
Montgomery County – 7551 New Hampshire Avenue block	200,000

Program Open Space

Park acquisition and development	4,610,730
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Wheaton Regional Park	3,000,000
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Community Parks and Playgrounds

Fallsgrove Park Playground	225,000
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Hazardous Substance Cleanup Program

Linden Lane	100,000
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Other Projects

7th Generation Foundation, Inc. – Dream Catcher Meadows	75,000
Adventist Healthcare, Inc. – Shady Grove Medical Center	250,000
American Film Institute, Inc.	300,000
American Legion Post No. 171	335,000
Bannockburn Community Club, Inc. – nursery school/community clubhouse	300,000
Bender Jewish Community Center of Greater Washington	240,000
Blackrock Center for the Arts	250,000
Calverton Galway Local Park	275,000
Centerway Local Park	500,000
Children’s Inn at the National Institutes of Health	250,000
Chinese Culture and Community Service Center, Inc – Health Center	125,000
Connelly School of the Holy Child	500,000
Crittenton Services – Teen Girl Center	100,000
Dalewood Playground	400,000
Damascus Heritage Society Museum	100,000
Debre Bisrat Dagmawi Kulibi St. Gabriel Ethiopian Orthodox Tewahed Church	25,000
Don Bosco Cristo Rey High School	1,000,000
Friends House Retirement Community, Inc.	150,000
Gaithersburg – Municipal Complex	300,000
Garrett Park – Town Hall improvements	500,000
Girl Scout Camp Brighton Woods	400,000
Govans Ecumenical Development Corporation – Gallagher Mansion	50,000
Housing Opportunities Commission of Montgomery County	65,000
Imagination Stage	250,000
Ivymount School, Inc.	330,000
Jubilee Association of Maryland, Inc.	50,000
Kensington Heights Recreation Association, Inc. – Kenmont clubhouse	81,000
Laytonsville District Volunteer Fire Department, Inc.	100,000
Leisure World Community Corporation	300,000
Madison House Autism Foundation, Inc.	162,000

Maryland Economic Development Corporation – Viva White Oak	2,000,000
Maryland Tech Council – Biohub Maryland	500,000
MedStar Montgomery Medical Center	100,000
Metroplitan Washington Ear, Inc.	36,000
Montgomery County – Bowie Mill Road bike trail	2,100,000
Montgomery County – county child care facility playgrounds	850,000
Montgomery County – Diversion Center	500,000
Montgomery County – Glen Echo Park Spanish Ballroom	1,500,000
Montgomery County – Infant and Toddlers facility	200,000
Montgomery County – Olney Community Hub	2,700,000
Montgomery County – public school construction grant	4,500,000
Montgomery County – public school playgrounds	1,550,000
Montgomery County – Route 108 crosswalk improvements	120,000
Montgomery County – Sherwood High School softball field	686,000
Montgomery County – White’s Ferry	1,500,000
Montgomery County Historical Society, Inc.	270,000
Montgomery Housing Partnership, Inc.	500,000
Montgomery Village Foundation	550,000
Muslim Community Center, Inc.	30,000
National Center for Children and Families, Inc.	200,000
New Hampshire Estates Neighborhood Parks	828,000
Northwest Branch Recreation, Inc.	1,000,000
Noyes Children’s Library	1,000,000
OASIS Farm	228,000
Olney Farmers and Artist Market	5,000
Olney Mill Community Association, Inc.	172,000
Poolesville – pool bubble	200,000
Quality Time Learning Center, LLC	100,000
Riverworks Art Center, Inc.	250,000
Rockville – Elwood Smith Community Center	260,000
Rockville – Talbott Street Park	200,000
Rotary Club of Olney Foundation, Inc.	50,000
Salem United Methodist Church	150,000
Sandy Spring Museum	200,000
Sandy Spring Volunteer Fire Department	100,000
Silver Spring United Methodist Church	255,000
Spirit Fit and Health, Inc.	75,000
Springsong Museum	200,000
St. Anne’s Episcopal Church	76,300
Strathmore Hall Performing Arts Center	1,500,000
Sunflower Bakery, Inc.	30,000

Takoma Park – public works facility renovations	263,000
The Children’s Inn at the National Institutes of Health	208,000
The Diener School, Inc.	400,000
The Greens at Leisure World	100,000
The Seina School	500,000
The Sugarland Ethno History Project	80,000
The Treatment and Learning Centers, Inc. – Katherine Thomas School	165,000
Wheaton Volunteer Rescue Squad	75,000
WMATA – North Bethesda Metro access improvements	600,000

D. Capital Projects for State Facilities in the County

Military Department

White Oak Readiness Center – renovation and expansion	\$152,000
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Department of Natural Resources

Freedmans State Park – entrance, road, and parking improvements	2,000,000
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Prince George's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>%Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$651,356	\$674,161	\$22,805	3.5%
Compensatory Education	346,711	357,671	10,960	3.2%
Student Transportation	53,764	55,287	1,523	2.8%
Special Education	99,397	104,636	5,239	5.3%
English Language Learners Grant	172,228	178,629	6,401	3.7%
Comparable Wage Index	41,172	40,874	-298	-0.7%
Blueprint Funding	233,129	301,348	68,219	29.3%
Other Education Aid	5,591	4,579	-1,013	-18.1%
Primary and Secondary Education	\$1,603,348	\$1,717,186	\$113,837	7.1%
Libraries	\$8,692	\$8,838	\$146	1.7%
Community Colleges	47,910	52,791	4,881	10.2%
Health Formula Grant	8,287	8,319	33	0.4%
Transportation ¹	22,893	29,229	6,335	27.7%
Police and Public Safety ¹	26,115	27,339	1,224	4.7%
Fire and Rescue Aid ¹	1,730	1,903	173	10.0%
Disparity Grant	69,278	68,267	-1,011	-1.5%
Teachers Retirement Supplemental Grant	9,629	4,814	-4,814	-50.0%
Gaming Impact Aid	34,926	35,394	468	1.3%
Other Direct Aid	803	3,556	2,752	342.6%
Total Direct Aid	\$1,833,611	\$1,957,636	\$124,024	6.8%
Aid Per Capita (\$)	\$1,897	\$2,025	\$128	6.8%
Property Tax Equivalent (\$)	1.40	1.40	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 2026 State payments for Prince George’s County for teachers, librarians, and community college faculty are estimated to be \$151,198,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$722,900,000
Family Health and Chronic Disease	11,531,000
Developmental Disabilities	199,584,000
Behavioral Health Services	160,789,000

Social Services

Homeless Services	1,610,000
Women’s Services	536,000
Adult Services	929,000
Child Welfare Services	14,916,000
Foster Care	37,024,000
Temporary Cash Assistance	7,309,000

Senior Citizen Services

Long-term Care	2,109,000
Community Services	866,000

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

Apple Grove Elementary School – renovations (windows/doors)	\$1,370,211
Beacon Heights Elementary School – renovations (roof)	1,727,231
Benjamin Stoddert Middle School – renovations (roof)	1,943,991
Chillum Elementary School – renovations (windows)	1,715,611
Cool Spring Elementary School – construction	10,000,000
Cooper Lane Elementary School – renovations (windows/doors)	483,558
Crossland High School – construction	250,000
Martin Luther King, Jr. Middle School – renovations (roof)	3,428,811
Melwood Elementary School – renovations (roof)	2,343,960
Northern Adelphi Area High School – construction	6,995,685
Riverdale Hills Early Childhood Center – construction	250,000
Scotchtown Hills Elementary School – renovations (roof)	1,912,600
Suitland High School – construction	2,836,812
Thomas G. Pullen Creative & Performing Arts Academy – renovations (roof)	3,108,280
Aging Schools Program	1,209,428
Built to Learn Fund – Public-Private Partnership Projects	27,000,000
Supplemental Capital Grant Program for Local School Systems	8,125,070

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Prince George’s Community College

Campuswide – facilities renewal	376,375
Marlboro Hall – renovation and addition	11,395,000

Strategic Demolition Fund

College Park City-University Partnership, Inc.	2,000,000
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National Capital Strategic Economic Development Fund

College Park City-University Partnership, Inc.	3,000,000
Revitalization Community Development Corporation – Kenilworth Avenue	1,000,000
S.E.E.D – housing projects	1,000,000

Program Open Space

Park acquisition and development	3,775,630
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Community Parks and Playgrounds

Berwyn Heights – Elementary School Recreation Area	200,000
Wilson Park Playground	224,246

Waterway Improvement

Piscataway Creek – dredging	200,000
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Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	50,000
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Other Projects

Adventist HealthCare Fort Washington Medical Center, Inc.	4,000,000
Alice Ferguson Foundation, Inc. – Hard Bargain Farm Environmental Center	200,000
American Legion Post No. 131	158,000
American Legion Post No. 248	75,000
American Legion Post No. 60	150,000
Ardmore Park Playground	155,000
Berwyn Heights – elementary school playground, tennis and basketball courts	165,000
Bladensburg – Town Hall	1,000,000
Bowie Center for the Performing Arts	20,000
Capital Heights – Community Boys and Girls Club	250,000
Coalition for African Americans in Performing Arts, Inc. – 60+ARTS	50,000
College Park – Attick Towers Apartments	325,000
College Park – Youth and Family Services	250,000
College Park Academy, Inc.	1,775,000
Community First Development Corporation	3,000,000
Creating Opportunities Within Our Community	100,000
Diamond Foundation of Prince George’s County, Inc.	147,823
District Heights – police station	180,000
Eagle Harbor – flood mitigation	200,000
Eagle Harbor – Town Hall	250,000
Edmonston – park improvements	100,000
EXCEL Academy Public Charter School	100,000
Food 4 Thought Group, Inc. – Community Wellness, Resource and Services	125,000
Forest Heights Boys and Girls Club	450,000
Forestville Healthcare Center	1,000,000
Fraternal Order of Police Lodge No. 89	1,500,000
GIMZ, Inc. – textile machines	130,000
Girl Scout Camp Aquasco	125,000

Glenarden – public safety building	2,000,000
Goodwill of Greater Washington	250,000
Greater Baden Medical Services, Inc.	2,900,000
Greenbelt – Community Center	200,000
GYPASO Corporation – Monument on the Potomac Museum	150,000
Inncuvate Community Development Partners, Inc. – Venture Studio	75,000
IonQ Headquarters	15,000,000
Joe’s Movement Emporium – Creative Suitland Arts Center	170,000
Kingdom Global Community Development Corporation	500,000
Krimson Achievement Foundation	300,000
Latin American Youth Center	100,000
Laurel Boys and Girls Club	500,000
Liberty Sports Park	250,000
Luminis Health Doctors Community Medical Center	19,000,000
MedStar Southern Maryland Hospital	10,100,000
Oxon Hill Recreation Club	50,000
Prince George’s County – Bowie High School security camera system	100,000
Prince George’s County – Bowie Race Course Training Center	6,200,000
Prince George’s County – Largo High School football field	100,000
Prince George’s County – Potomac High School	100,000
Prince George’s County – Samuel Ogle Middle School digital signage	21,000
Prince George’s Financial Services Corporation – Rosecroft Raceway	3,100,000
Prince George’s Gateway Development Authority	500,000
Publick Playhouse	1,200,000
Restoration Community Empowerment Center	75,000
Riverdale Baptist School, Inc. – athletic complex	215,000
Riverdale Park – Beale Circle stormwater management	100,000
Sheppard Pratt – residential homes	50,000
St. Vincent Pallotti High School, Inc.	800,000
Strategic Music Partnership, Inc.	100,000
Suitland Civic Association, Inc.	105,000
The Blake Bozeman Foundation, Inc. – Prince George’s County Youth	10,000
The Maryland Jewish Experience Inc. – MEOR Cultural Center	500,000
University of Maryland Enterprise Corp. – capital of quantum initiative	10,000,000
University Park – Town Hall improvements	400,000

D. Capital Projects for State Facilities in the County

Maryland State Police

Forestville – barrack and garage	\$7,376,000
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University System of Maryland

Bowie State – security system	200,000
Bowie State – Thurgood Marshall Library Commons	2,230,000
College Park – campuswide infrastructure improvements	7,500,000
College Park – graduate student housing	5,000,000
College Park – Health and Human Science Building	2,500,000
College Park – Interdisciplinary Engineering Building	58,700,000
College Park – south campus housing upgrade	6,000,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$23,350	\$23,687	\$337	1.4%
Compensatory Education	8,390	8,149	-241	-2.9%
Student Transportation	4,488	4,623	135	3.0%
Special Education	3,420	3,756	336	9.8%
English Language Learners Grant	1,553	1,570	17	1.1%
Blueprint Funding	1,299	2,162	863	66.5%
Other Education Aid	1,542	1,651	109	7.1%
Primary and Secondary Education	\$44,041	\$45,597	\$1,556	3.5%
Libraries	\$222	\$224	\$2	1.1%
Community Colleges	3,106	3,569	462	14.9%
Health Formula Grant	2,177	2,339	162	7.4%
Transportation ¹	2,439	2,763	324	13.3%
Police and Public Safety ¹	549	536	-13	-2.4%
Fire and Rescue Aid ¹	302	332	30	10.0%
Other Direct Aid	5	5	0	0.0%
Total Direct Aid	\$52,842	\$55,366	\$2,524	4.8%
Aid Per Capita (\$)	\$984	\$1,031	\$47	4.8%
Property Tax Equivalent (\$)	0.49	0.48	-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 2026 State payments for Queen Anne’s County for teachers, librarians, and community college faculty are estimated to be \$8,234,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$29,353,000
Family Health and Chronic Disease	302,000
Developmental Disabilities	9,190,000
Behavioral Health Services	9,661,000

Social Services

Homeless Services	1,455,000
Women’s Services	32,000
Adult Services	101,000
Child Welfare Services	1,211,000
Foster Care	560,000
Temporary Cash Assistance	244,000

Senior Citizen Services

Long-term Care	164,000
Community Services	103,000

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

Bayside Elementary School – renovations (storefront systems)	\$825,000
Kennard Elementary School – renovations (HVAC)	1,925,000
Aging Schools Program	50,074

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Chesapeake College

Queen Anne’s Technical Building – construction	1,970,000
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Program Open Space

Park acquisition and development	191,940
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Waterway Improvement

Kent Island Volunteer Fire Department – replace rescue vessel	80,000
Kent Narrows – jetty improvements	75,000
Queenstown Creek – dredging	1,500,000
United Communities Volunteer Fire Department – replace fire/rescue vessel	80,000

Other Projects

Barclay – Community Center and Town Hall	125,000
Queen Anne’s County – Mid-Shore Regional Detention Center	500,000
Queen Anne’s County Arts Council, Inc.	100,000

St. Mary’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$85,336	\$87,739	\$2,403	2.8%
Compensatory Education	25,359	25,350	-9	0.0%
Student Transportation	9,066	9,365	299	3.3%
Special Education	11,100	11,938	839	7.6%
English Language Learners Grant	2,244	2,441	197	8.8%
Comparable Wage Index	3,303	3,258	-46	-1.4%
Blueprint Funding	8,618	9,711	1,093	12.7%
Other Education Aid	1,642	1,799	157	9.6%
Primary and Secondary Education	\$146,666	\$151,601	\$4,935	3.4%
Libraries	\$949	\$975	\$26	2.8%
Community Colleges	6,577	6,300	-277	-4.2%
Health Formula Grant	3,829	4,076	247	6.4%
Transportation ¹	3,339	3,770	431	12.9%
Police and Public Safety ¹	1,371	1,331	-40	-2.9%
Fire and Rescue Aid ¹	302	332	30	10.0%
Other Direct Aid	7	33	26	398.5%
Total Direct Aid	\$163,039	\$168,417	\$5,378	3.3%
Aid Per Capita (\$)	\$1,400	\$1,446	\$46	3.3%
Property Tax Equivalent (\$)	1.04	1.01	-0.03	-3.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for St. Mary’s County for teachers, librarians, and community college faculty are estimated to be \$18,079,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$69,738,000
Family Health and Chronic Disease	651,000
Developmental Disabilities	17,029,000
Behavioral Health Services	19,562,000

Social Services

Homeless Services	1,783,000
Women’s Services	255,000
Adult Services	166,000
Child Welfare Services	2,885,000
Foster Care	4,243,000
Temporary Cash Assistance	1,164,000

Senior Citizen Services

Long-term Care	222,000
Community Services	139,000

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

Chopticon High School – renovations (multi-systemic)	\$7,518,069
Aging Schools Program	50,074

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

College of Southern Maryland

Campuswide – facilities renewal	376,375
La Plata – Student Resource Center	98,000
Leonardtown – “A” Building renovation and expansion	576,000

Program Open Space

Park acquisition and development	350,184
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Waterway Improvement

Forest Landing – boating facility renovations	50,000
Wicomico Shores – pier improvements	199,000

Other Projects

Pascal Crisis Stabilization Center – Southern Maryland	500,000
Patuxent Partnership, Inc. – St. Mary’s County Regional Airport	350,000
Second District Volunteer Fire Department	100,000
St Mary’s County Elks Lodge No. 2092	25,000
St. Mary’s County Family YMCA	75,000

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

Point Lookout State Park – marina improvements	\$1,000,000
St. Clements Island State Park – pier and bulkhead replacement	2,000,000

Maryland Environmental Service

Charlotte Hall Veterans Home – water treatment plant upgrade	1,974,000
Point Lookout State Park – power distribution system upgrade	2,198,000
Point Lookout State Park – wastewater treatment plant upgrade	1,376,000

Historic St. Mary’s City Commission

Education and Artisan Centers

381,000

Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$16,417	\$16,817	\$400	2.4%
Compensatory Education	12,037	10,913	-1,124	-9.3%
Student Transportation	2,482	2,556	74	3.0%
Special Education	3,143	3,186	43	1.4%
English Language Learners Grant	972	1,034	62	6.4%
Guaranteed Tax Base	1,589	1,121	-468	-29.5%
Blueprint Funding	7,361	8,778	1,417	19.2%
Other Education Aid	1,196	1,196	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$45,196</i>	<i>\$45,601</i>	<i>\$405</i>	<i>0.9%</i>
Libraries	\$334	\$344	\$10	2.9%
Community Colleges	1,435	1,430	-4	-0.3%
Health Formula Grant	2,002	2,128	125	6.2%
Transportation ¹	1,495	1,690	194	13.0%
Police and Public Safety ¹	380	417	37	9.8%
Fire and Rescue Aid ¹	314	346	31	10.0%
Disparity Grant	6,843	8,702	1,859	27.2%
Teachers Retirement Supplemental Grant	382	191	-191	-50.0%
Other Direct Aid	640	691	51	8.0%
Total Direct Aid	\$59,022	\$61,540	\$2,518	4.3%
Aid Per Capita (\$)	\$2,338	\$2,438	\$100	4.3%
Property Tax Equivalent (\$)	3.07	2.90	-0.17	-5.6%

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 2026 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$3,855,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$37,613,000
Family Health and Chronic Disease	289,000
Developmental Disabilities	16,190,000
Behavioral Health Services	14,277,000

Social Services

Homeless Services	958,000
Women’s Services	54,000
Adult Services	162,000
Child Welfare Services	2,253,000
Foster Care	1,176,000
Temporary Cash Assistance	752,000

Senior Citizen Services

Long-term Care	759,000
Community Services	293,000

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***

Crisfield High School and Academy – construction	\$2,750,000
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Program Open Space

Park acquisition and development	82,900
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Comprehensive Flood Mitigation Program

Crisfield – tidal flood protection	1,906,000
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Waterway Improvement

Ewell – countywide dock repairs	350,000
Ewell Basin – boating/shoreline/channel improvements	125,000
Tylerton Harbor – breakwater improvements	400,000

Other Projects

Walter Polk American Legion Post 132	100,000
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D. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Eastern Correctional Institution – hot water system/perimeter improvements	\$5,868,000
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Department of Natural Resources

Somers Cove Marina – bulkhead replacement and site improvements	4,500,000
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Maryland Environmental Service

Janes Island State Park – water main extension and power distribution	1,004,000
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University System of Maryland

Eastern Shore – residence hall	1,000,000
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Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$5,576	\$5,820	\$244	4.4%
Compensatory Education	7,511	7,786	275	3.7%
Student Transportation	2,226	2,298	72	3.2%
Special Education	2,078	2,454	376	18.1%
English Language Learners Grant	2,363	2,456	92	3.9%
Blueprint Funding	1,282	2,499	1,217	94.9%
Other Education Aid	1,058	1,112	54	5.1%
Primary and Secondary Education	\$22,095	\$24,424	\$2,329	10.5%
Libraries	\$139	\$141	\$3	1.9%
Community Colleges	2,590	2,605	15	0.6%
Health Formula Grant	2,068	2,202	134	6.5%
Transportation ¹	3,214	3,611	397	12.3%
Police and Public Safety ¹	497	559	63	12.6%
Fire and Rescue Aid ¹	318	350	32	10.0%
Other Direct Aid	5	5	0	0.0%
Total Direct Aid	\$30,926	\$33,898	\$2,973	9.6%
Aid Per Capita (\$)	\$809	\$886	\$78	9.6%
Property Tax Equivalent (\$)	0.31	0.32	0.01	3.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$5,267,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor's Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$29,325,000
Family Health and Chronic Disease	287,000
Developmental Disabilities	11,071,000
Behavioral Health Services	9,727,000

Social Services

Homeless Services	1,455,000
Women's Services	148,000
Adult Services	101,000
Child Welfare Services	1,839,000
Foster Care	1,069,000
Temporary Cash Assistance	216,000

Senior Citizen Services

Long-term Care	501,000
Community Services	168,000

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

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

Chapel District Elementary School – construction	\$2,271,528
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Chesapeake College

Queen Anne’s Technical Building – construction	1,970,000
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Program Open Space

Park acquisition and development	200,079
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Community Parks and Playgrounds

Home Run Baker Park Softball Field	190,000
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Chesapeake Bay Restoration Fund

Trappe WWTP – enhanced nutrient removal	1,651,746
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Waterway Improvement

Claiborne Landing – channel dredging	50,000
St. Michaels – public marina improvements	150,000
Tilghman Creek – boating facility improvements	75,000
Tilghman Street – bulkhead and boating infrastructure improvements	250,000

Other Projects

Chesapeake Bay Maritime Museum	250,000
Easton Day Care Center, Inc. – Critchlow Adkins Children’s Center	50,000
Hope Center	500,000
St. Michaels Community Center	100,000

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

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

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$123,854	\$129,580	\$5,727	4.6%
Compensatory Education	63,106	65,262	2,156	3.4%
Student Transportation	9,606	10,036	431	4.5%
Special Education	18,069	20,269	2,199	12.2%
English Language Learners Grant	6,467	7,414	947	14.6%
Guaranteed Tax Base	7,824	5,898	-1,925	-24.6%
Blueprint Funding	17,875	25,382	7,507	42.0%
Other Education Aid	2,088	2,321	232	11.1%
<i>Primary and Secondary Education</i>	<i>\$248,888</i>	<i>\$266,162</i>	<i>\$17,274</i>	<i>6.9%</i>
Libraries	\$1,664	\$1,667	\$3	0.2%
Community Colleges	16,707	20,935	4,228	25.3%
Health Formula Grant	4,296	4,548	252	5.9%
Transportation ¹	6,755	7,661	905	13.4%
Police and Public Safety ¹	2,496	2,398	-98	-3.9%
Fire and Rescue Aid ¹	337	371	34	10.0%
Disparity Grant	2,368	2,507	140	5.9%
Other Direct Aid	302	302	0	0.1%
Total Direct Aid	\$283,813	\$306,551	\$22,738	8.0%
Aid Per Capita (\$)	\$1,805	\$1,950	\$145	8.0%
Property Tax Equivalent (\$)	1.63	1.63	0.00	0.3%

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 2026 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$23,790,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$174,930,000
Family Health and Chronic Disease	724,000
Developmental Disabilities	70,594,000
Behavioral Health Services	46,651,000

Social Services

Homeless Services	716,000
Women’s Services	269,000
Adult Services	535,000
Child Welfare Services	6,275,000
Foster Care	12,305,000
Temporary Cash Assistance	3,225,000

Senior Citizen Services

Long-term Care	397,000
Community Services	221,000

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

Boonsboro Elementary School – renovations (windows/doors)	\$297,884
Downsville Pike Elementary School – construction	6,552,000
Lincolnshire Elementary School – renovations (HVAC)	638,000
Aging Schools Program	134,904

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Hagerstown Community College

Advanced Technology Center	6,230,000
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Program Open Space

Park acquisition and development	544,413
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Community Parks and Playgrounds

Byron Memorial Park – Woodlands Youth Playground	229,448
Jerusalem Park	275,000

Chesapeake Bay Restoration Fund

Funkstown WWTP – enhanced nutrient removal	2,650,440
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Other Projects

Boonsboro – drinking water and wastewater infrastructure	250,000
Boonsboro – public works complex	175,000
Boys and Girls Club of Washington County	200,000
Brook Lane Health Services, Inc.	2,979,000
Federal Little League of Hagerstown, Inc.	75,000
Meritus Health	750,000
Smithsburg Athletic Booster Club, Inc. – Smithsburg High School field house	400,000
Valley Little League, Inc.	175,000
Washington Convention & Visitors Bureau – Hagerstown Visitor Center	540,000
Western Enterprises Fire Company	317,000
Williamsport – Memorial Library	400,000
Williamsport – Town Hall	400,000

D. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Roxbury Correctional Institution – perimeter fence system replacement \$9,370,000

Maryland Environmental Service

Fort Frederick State Park – water distribution system upgrade 1,007,000

Maryland Correctional Institution – wastewater treatment plant improvements 624,000

Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$92,204	\$99,625	\$7,420	8.0%
Compensatory Education	51,742	59,057	7,315	14.1%
Student Transportation	7,100	7,490	390	5.5%
Special Education	12,171	13,695	1,523	12.5%
English Language Learners Grant	14,209	17,844	3,635	25.6%
Guaranteed Tax Base	7,281	7,070	-211	-2.9%
Blueprint Funding	16,036	20,137	4,101	25.6%
Other Education Aid	1,510	1,565	56	3.7%
<i>Primary and Secondary Education</i>	<i>\$202,254</i>	<i>\$226,483</i>	<i>\$24,230</i>	<i>12.0%</i>
Libraries	\$1,286	\$1,300	\$14	1.1%
Community Colleges	8,413	9,658	1,245	14.8%
Health Formula Grant	5,132	5,525	393	7.7%
Transportation ¹	5,624	6,374	751	13.3%
Police and Public Safety ¹	2,006	2,041	35	1.7%
Fire and Rescue Aid ¹	303	333	30	10.0%
Disparity Grant	13,055	16,204	3,149	24.1%
Teachers Retirement Supplemental Grant	1,568	784	-784	-50.0%
Other Direct Aid	42	42	0	-0.2%
Total Direct Aid	\$239,683	\$268,744	\$29,061	12.1%
Aid Per Capita (\$)	\$2,254	\$2,527	\$273	12.1%
Property Tax Equivalent (\$)	2.72	2.82	0.09	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 2026 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$18,156,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$133,379,000
Family Health and Chronic Disease	762,000
Developmental Disabilities	51,446,000
Behavioral Health Services	33,908,000

Social Services

Homeless Services	958,000
Women’s Services	170,000
Adult Services	65,000
Child Welfare Services	3,948,000
Foster Care	3,864,000
Temporary Cash Assistance	3,030,000

Senior Citizen Services

Long-term Care	759,000
Community Services	293,000

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	\$6,512,137
Aging Schools Program	106,627
Supplemental Capital Grant Program for Local School Systems	2,139,431

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Sarbanes Branch – replacement	2,943,000
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Wor-Wic Community College

Campuswide – facilities renewal	376,375
Maintenance Building – expansion	242,000

Program Open Space

Park acquisition and development	363,080
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Community Parks and Playgrounds

Gene Lowe Park	229,340
Woodcock Park Playground	179,270

Waterway Improvement

Cedar Hill Marina – boat ramp renovations & basin/channel dredging	1,050,000
Leonards Mill Park – boat ramp replacement	250,000
Nanticoke Harbor – boat ramp replacement	75,000

Hazardous Substance Cleanup Program

407 Anne Street – site remediation	125,000
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Other Projects

Parsonsburg Fire Company – community center	150,000
TidalHealth Peninsula Regional, Inc.	2,226,000
Wicomico County – airport hangar construction	1,500,000
Wicomico County – Mason-Dixon Athletic Complex	200,000
Wicomico County – nursing home	75,000
Wicomico County Humane Society, Inc.	20,000

D. Capital Projects for State Facilities in the County

University System of Maryland

Salisbury University – Blackwell Hall renovation	\$35,011,000
Salisbury University – St. Martin Residence Hall renovations	8,000,000
Salisbury University – student recreation center	10,000,000

Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2025</u>	<u>FY 2026</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$8,374	\$8,865	\$490	5.9%
Compensatory Education	10,168	10,627	459	4.5%
Student Transportation	4,062	4,210	148	3.6%
Special Education	2,763	2,983	220	7.9%
English Language Learners Grant	599	741	143	23.8%
Blueprint Funding	3,024	3,701	677	22.4%
Other Education Aid	1,086	1,038	-48	-4.4%
<i>Primary and Secondary Education</i>	<i>\$30,077</i>	<i>\$32,165</i>	<i>\$2,088</i>	<i>6.9%</i>
Libraries	\$197	\$203	\$5	2.8%
Community Colleges	3,130	3,433	303	9.7%
Health Formula Grant	4,085	4,480	394	9.7%
Transportation ¹	3,912	4,418	506	12.9%
Police and Public Safety ¹	1,113	1,036	-77	-6.9%
Fire and Rescue Aid ¹	369	406	37	10.0%
Gaming Impact Aid	5,210	5,285	75	1.4%
Other Direct Aid	54	39	-15	-27.8%
Total Direct Aid	\$48,147	\$51,465	\$3,318	6.9%
Aid Per Capita (\$)	\$886	\$947	\$61	6.9%
Property Tax Equivalent (\$)	0.23	0.23	-0.01	-3.8%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers’ retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2026 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$9,639,000.

B. Estimated State Spending on Selected Health and Social Services

The Maryland Department of Health, the Department of Aging, the Department of Human Services, the Department of Housing and Community Development, and the Governor’s Office of Crime Prevention and Policy fund the provision of health and social services in the counties either through the local government, private providers, or State agencies in the counties. What follows are estimates of fiscal 2026 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 2025) and may change. See the discussion at the beginning of this section for more detail on the types of services funded by the State.

Health Services

Medicaid	\$45,913,000
Family Health and Chronic Disease	376,000
Developmental Disabilities	9,220,000
Behavioral Health Services	16,309,000

Social Services

Homeless Services	958,000
Women’s Services	54,000
Adult Services	99,000
Child Welfare Services	2,227,000
Foster Care	900,000
Temporary Cash Assistance	452,000

Senior Citizen Services

Long-term Care	759,000
Community Services	293,000

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***

Buckingham Elementary School – construction	\$1,867,000
Pocomoke Elementary School – renovations (roof)	883,000
Aging Schools Program	38,292

* The final allocation of fiscal 2026 school construction funding will be made in May 2025.

Public Libraries

Pocomoke Library – construction	242,000
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Wor-Wic Community College

Campuswide – facilities renewal	376,375
Maintenance Building – expansion	242,000

Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	980,000
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Program Open Space

Park acquisition and development	359,744
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Community Parks and Playgrounds

Ocean City – Northside Park Playground	267,140
Sturgis Park	298,215

Waterway Improvement

George Island Landing – boating facility improvements	250,000
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Other Projects

Atlantic General Hospital	79,000
Worcester County – fire training tower	250,000
Worcester County Humane Society, Inc.	20,000

D. Capital Projects for State Facilities in the County

Department of Natural Resources

Assateague State Park – boat ramp and comfort station renovations	\$500,000
Ocean City – beach replenishment	2,000,000
Pocomoke River State Park – Shad Landing marina improvements	1,000,000

Part B Taxes

Property Tax

Budget Reconciliation and Financing Act

The State Department of Assessments and Taxation (SDAT) conducts the assessment of all property in the State. Baltimore City and county governments are required to reimburse SDAT for 50% of the costs associated with real property valuation, business personal property valuation, and information technology. *House Bill 352 (passed)*, the Budget Reconciliation and Financing Act of 2025, increases the local cost share amount, from 50% to 90%, that Baltimore City and county governments are required to pay SDAT for costs associated with real property valuation, business personal property valuation, and information technology, beginning in fiscal 2026. The fiscal 2026 budget includes \$21.2 million in general fund reductions and \$21.2 million in special fund appropriations, contingent on the enactment of *House Bill 352*. Local expenditures increase by \$21.2 million in fiscal 2026 and by \$23.0 million in fiscal 2030.

Tax Administration

Deadline to Set County and Municipal Property Tax Rates

County and municipal governments must set their property tax rates for the upcoming fiscal year by July 1. *Senate Bill 204 (passed)* alters the date by which county and municipal governments must set their property tax rates for the upcoming fiscal year by moving the date from July 1 to June 20 in order to streamline property tax billing processes for SDAT and county governments.

Notification of Constant Yield Tax Rate

Senate Bill 183/House Bill 133 (Chs. 71 and 72) alter the requirement that SDAT calculate the constant yield tax rate for each taxable year and notify each jurisdiction of its constant yield

tax rate. Under the Acts, the department only has to calculate the constant yield tax rate for a jurisdiction if requested to do so by a taxing authority by February 1.

Notice to Taxpayers about Property Tax Payment Plans

House Bill 790 (passed) requires county governments to include with each property tax bill a separate insert containing information about installment payment plans for property taxes. This information must also be included on (1) the State Tax Sale Ombudsman's website; (2) county property tax websites; and (3) certain notices sent to property owners in tax sale. The bill takes effect May 1, 2027.

Valuation of Property Receiving a Federal Low-Income Housing Tax Credit

Senate Bill 598/House Bill 585 (Chs. 67 and 68) require the Department of Housing and Community Development to notify SDAT that a property has been awarded the federal Low-Income Housing Tax Credit within 30 days of closing so that SDAT can proceed with valuation of the property in accordance with the department's existing assessment practices.

Tax Exemptions

Blind Individuals

Dwelling houses owned by blind individuals or their surviving spouses are provided a property tax exemption of \$15,000 of the total assessed value. *Senate Bill 911/House Bill 910 (both passed)* expand the property tax exemption for blind individuals or their surviving spouses by increasing from \$15,000 to \$40,000 the amount of the assessed value of the individual's dwelling that is exempt from State and local property taxes.

Housing Authorities

House Bill 1085 (passed) standardizes the tax treatment of real property owned by certain nonprofit entities created by public housing authorities by extending a property tax exemption to all nonprofit entities created by public housing authorities in the State. Currently, only the nonprofit entities created by public housing authorities in Baltimore City and Howard and Montgomery counties are eligible for a property tax exemption.

Tax Credits

Day Care Centers, Child Care Homes, and Child Care Centers

Senate Bill 516/House Bill 389 (both passed) expand eligibility for a personal property tax exemption for child care homes to include large family child care homes. The bills also alter the eligibility for local option real property tax credits for day care centers and child care homes to include large family child care homes and repeal a requirement that specified improvements to real property must be completed after a specified date in order to be eligible for the property tax

credit. The amount of the annual property tax credits for day care centers and child care homes may not exceed \$10,000 or the amount of property tax due.

Judicial Officers

Senate Bill 502/House Bill 1200 (both passed) expand the local option property tax credit for disabled or fallen law enforcement officers or rescue workers by extending eligibility to correctional and judicial officers or their surviving spouses or cohabitants. Local governments are required to define for purposes of the property tax credit the officers who are eligible to receive the property tax credit.

Solar Energy Generating Systems

House Bill 1111 (passed) authorizes local governments to grant a property tax credit for nonresidential solar energy generating systems constructed on a brownfield or a water retention pond or quarry currently or previously designated for industrial use.

Payments in Lieu of Taxes

Affordable Housing

Senate Bill 327/House Bill 390 (both passed) authorize county governments to exempt real property used for rental housing from the county property tax if the property owner agrees to maintain at least 25% of the rental housing units as affordable dwelling units for at least 15 years and enters into a payment in lieu of taxes (PILOT) agreement with the county government. However, a county may require the owner of real property to maintain a higher percentage of rental housing units as affordable housing under a PILOT agreement.

Broadband Service Providers

Senate Bill 774/House Bill 969 (both passed) authorize county governments to enter into a PILOT agreement with broadband service providers. The bills specify that for the term of an agreement, all or a specified part of a provider's real and personal property located in the county is exempt from the county property tax.

Tax Sales

Homeowner Protection Program

House Bill 953 (passed) makes several changes to the Homeowner Protection Program (HPP), including (1) requiring an annual State appropriation of \$250,000 in the annual budget bill, and annual county payments totaling \$500,000, to the Homeowner Protection Fund; (2) requiring additional efforts to encourage participation in the program, such as posting information about the program and a link to the program application on county property tax websites; and (3) prohibiting SDAT from charging interest to program enrollees for unpaid taxes.

Revisions to Tax Sale Procedures

House Bill 59 (passed) makes various changes to tax sale procedures. The significant changes include (1) authorizing local governments to withhold from tax sale residential property occupied by an heir of a deceased owner; (2) requiring local governments to withhold from sale owner-occupied property and residential property occupied by an heir of a deceased owner when the lien is less than \$1,000; (3) requiring counties to establish a registry of heir-occupied properties to be withheld from tax sale under the bill; (4) limiting redemption interest on owner-occupied properties to 10% per year; (5) authorizing expedited procedures for local governments to take control of vacant and abandoned properties; (6) providing that taxes accruing after the date of sale are not included in the redemption amount for owner-occupied property; (7) requiring notification to the State Tax Sale Ombudsman when a foreclosure action is filed for owner-occupied property; and (8) expanding eligibility for HPP to include the estate of a homeowner, a personal representative of a homeowner, or an heir or legatee of a homeowner who is entitled to inherit the homeowner's dwelling.

Tax Rate Setting Authority

Vacant and Abandoned Property Owned by Nonprofit Organizations in Baltimore City

Senate Bill 550 (passed) authorizes Baltimore City to impose the city's regular property tax rate and the city's special tax rate for vacant and abandoned property on real property owned by nonprofit educational, charitable, or religious organizations that would otherwise be exempt from taxation, if the real property is a vacant lot or improved property cited as vacant and unfit for human habitation or other authorized use on a housing or building violation notice.

Local Property Taxes

Anne Arundel County

Senate Bill 131/House Bill 598 (both passed) authorize Anne Arundel County and municipalities in the county to grant a property tax credit for personal property owned by a supermarket that completes eligible construction and is located in a food desert retail incentive area.

Senate Bill 178/House Bill 447 (both passed) alter the name of Arundel Habitat for Humanity to the Habitat for Humanity of the Chesapeake for purposes of an optional Anne Arundel County and municipal property tax credit.

House Bill 1343 (passed) expands eligibility for a personal property tax exemption in Anne Arundel County to include specified large child care homes. The bill also authorizes Anne Arundel County or a municipality in the county to grant a real property tax credit to a child care center or day care center.

Somerset County

Senate Bill 719/House Bill 791 (Chs. 69 and 70) authorize Somerset County to impose, by law, an annual property tax on all property subject to the county property tax to pay all or part of the costs of emergency services in the county, including fire, rescue, and emergency medical services.

Washington County

Washington County is authorized to grant a property tax credit against the county property tax imposed on real property owned or leased by a new or expanding business that creates new jobs. *House Bill 750 (passed)* alters the property tax credit by increasing the number of employees that must be employed and the amount of capital investment that must be made to qualify for the credit.

Senate Bill 596 (passed) exempts property owned by the Hagerstown Multi-Use Sports and Events Facility, Inc. from property tax if it is used primarily for public social, recreational, and entertainment purposes. The facility may pay to Washington County or the City of Hagerstown an amount, if any, that may be set by mutual agreement in lieu of the taxes that would otherwise be due on all or part of the facility.

Income Tax

Personal Income Tax Reform

House Bill 352 (passed), the Budget Reconciliation and Financing Act (BRFA) of 2025, includes several personal income tax reform measures as detailed below. The changes, which apply to tax year 2025 and beyond, are estimated to generate a net \$580.8 million in general fund revenues in fiscal 2026, including \$229.4 million in general fund proceeds from a newly imposed net capital gain surtax. A portion of the net capital gain surtax is dedicated to the Transportation Trust Fund (TTF), generating an estimated \$137.6 million in TTF revenues in fiscal 2026.

- ***Enhanced Standard Deduction:*** The tax year 2025 standard deduction increases from \$2,800 to \$3,350 for single filers, dependent filers, and married individuals filing separately and from \$5,600 to \$6,700 for joint filers, heads of households, and qualified surviving spouses. Consistent with existing law, these amounts are subject to annual cost-of-living adjustments for tax years after 2025. The BRFA of 2025 also repeals an existing provision of law that phases in the standard deduction at 15% of Maryland adjusted gross income (AGI); thus, a taxpayer may claim the full value of the enhanced standard deduction regardless of income.
- ***Phase-out of Itemized Deductions for Certain Taxpayers:*** Taxpayers with federal AGI in excess of \$200,000 (\$100,000 if married filing separately) must reduce the amount of

their otherwise allowable itemized deductions by an amount equal to 7.5% of federal AGI in excess of \$200,000 (\$100,000 if married filing separately).

- **New Top Marginal Income Tax Brackets:** The top marginal income tax rate increases from 5.75% to 6.50% for Maryland taxable income in excess of \$1,000,000 (\$1,200,000 for joint filing types). The marginal income tax rate applied to taxable income from \$500,001 up to \$1,000,000 (for joint filing types, taxable income from \$600,001 up to \$1,200,000) increases from 5.75% to 6.25%.
- **Net Capital Gain Surtax:** For taxpayers with federal AGI in excess of \$350,000, a 2% surtax is imposed on the amount of certain net capital gain included in Maryland AGI. TTF receives 37.5% of the proceeds from the surtax. The surtax does not apply to gain from the sale or exchange of a primary residential dwelling sold for less than \$1.5 million; assets held in specified retirement savings plans; cattle, horses, or breeding livestock held for more than 12 months; certain land subject to a conservation, agricultural, or forest preservation easement; § 179 eligible property; or affordable housing owned by a nonprofit organization.

The BRFA of 2025 also increases the maximum income tax rate a county may impose on Maryland taxable income from 3.2% to 3.3%. A county may set an income tax rate of 3.3% for tax year 2025 if the county notifies the Comptroller of the rate change by May 15, 2025, and is not requesting any other rate or bracket change for tax year 2025.

Pass-through Entity Income Apportionment

In response to federal law that limits the allowable state and local tax deduction for individuals in tax years 2018 through 2025, Maryland, like a number of other states, enacted legislation authorizing pass-through entities (PTEs) to elect to be taxed at the entity level for State income tax purposes. A PTE must apportion to Maryland income that is derived from or reasonably attributable to the trade or business of the PTE in the State. The BRFA of 2025 modifies the apportionment of PTE income with respect to resident members such that each resident member's distributive or *pro rata* share of the PTE's income is fully apportioned to Maryland. The change applies to tax year 2026 and beyond. Consistent with existing law, a resident member of a multistate PTE may claim a credit against the State income tax for income tax paid to another state, including the member's *pro rata* share of income tax paid by the PTE to another state.

Tax Credit Alterations

Child Tax Credit

Resident taxpayers who have one or more qualified children and federal AGI of up to \$15,000 may claim a refundable income tax credit equal to \$500 per qualified child. A qualified child is a dependent of the taxpayer who is (1) younger than age 6 or (2) younger than age 17 and is a child with a disability (as defined). The BRFA of 2025 modifies the State's child tax credit to

gradually phase out the benefit for taxpayers with federal AGI in excess of \$15,000. Thus, for tax year 2025 and beyond, taxpayers with federal AGI in excess of \$15,000 may claim the credit for each qualified child at a reduced amount (\$500 reduced by \$50 for each \$1,000 or fraction thereof by which federal AGI exceeds \$15,000). The modified credit fully phases out for taxpayers with federal AGI in excess of \$24,000. The provision is expected to reduce general fund revenues by an estimated \$7 million annually beginning in fiscal 2026.

Film Production Activity Tax Credit

Chapter 434 of 2023 increased the maximum amount of film production activity tax credits Commerce may award annually from \$12 million to \$15 million for fiscal 2024, \$17.5 million for fiscal 2025, and \$20 million for fiscal 2026. For fiscal 2027 and beyond, the annual limit on aggregate tax credit awards returns to \$12 million. The BRFA of 2025 reduces, from \$20 million to \$12 million, the aggregate amount of film production activity tax credit certificates that may be awarded in fiscal 2026 – thus accelerating by one year the return to the \$12 million annual cap. The provision is expected to generate \$8 million in State revenues in fiscal 2026.

Student Loan Debt Relief Tax Credit

Chapter 738 of 2023 doubled, from \$9 million to \$18 million, the maximum amount of student loan debt relief tax credits the Maryland Higher Education Commission (MHEC) may approve annually for tax year 2023 and beyond. Chapter 738 also required MHEC to annually reserve \$9 million of the authorized credits for State employees. The BRFA of 2025 reduces the cap on student loan debt relief tax credits to \$9 million for tax year 2025 only (while preserving the State employee set-aside) and requires MHEC to submit a report to the Governor and the General Assembly by January 1, 2026, recommending changes to statute or regulations that would better target the allocation of tax credits under the program. The reduction in authorized tax credits is expected to generate \$9 million in general fund revenues in fiscal 2026.

Senior Tax Credit

Chapters 3 and 4 of 2022 established a nonrefundable State income tax credit for resident taxpayers who are at least age 65 and whose federal AGI does not exceed \$100,000 (\$150,000 for joint filers, heads of household, and qualified surviving spouses). The amount of the tax credit is equal to \$1,000 (\$1,750 for heads of household, qualified surviving spouses, and joint filers if both spouses are at least age 65). For a tax year in which the September general fund estimate issued by the Board of Revenue Estimates for the current fiscal year is more than 7.5% below the March general fund estimate issued in the same year, the value of the tax credit is reduced by 50% for taxpayers whose federal AGI is at least \$50,000 (\$100,000 for joint filers, heads of household, and qualified surviving spouses). The BRFA of 2025 reduces to 3.75% the general fund estimate reduction threshold at which the reduced tax credit amounts take effect.

Historic Revitalization Tax Credit

The Historic Revitalization Tax Credit, administered by the Maryland Historical Trust, offers refundable State income tax credits for commercial, small commercial, and owner-occupied residential property rehabilitations. Commercial rehabilitation credits are subject to available funding in the Historic Revitalization Tax Credit Reserve Fund. The BRFA of 2025 reduces the mandated annual appropriation to the reserve fund from \$20 million to \$16.5 million for fiscal 2026 through 2028 only, resulting in \$3.5 million in reduced general fund spending in each of these years.

Tax Administration

Senate Bill 295/House Bill 634 (both passed) establish an Income Tax Reconciliation Program to allow justice-involved individuals who are unable to file a State income tax return while incarcerated to establish installment payment plans and receive a waiver of accrued interest and penalties for tax years 2025 through 2029. The Comptroller must collaborate with the Department of Public Safety and Correctional Services to develop a related awareness campaign and adopt program regulations, which may include income eligibility limits.

By December 31 annually, an employer must provide a certain notice prepared by the Comptroller to an employee who may be eligible for the federal and/or Maryland earned income tax credit. *Senate Bill 663/House Bill 603 (both passed)* authorize the Comptroller to provide this notice to employers by electronic means.

A taxpayer who is eligible for the State earned income tax credit may also claim the nonrefundable local earned income tax credit, the amount of which is calculated based on the county income tax rate. *House Bill 614 (passed)* clarifies that, for a county that imposes bracket-based marginal income tax rates, the applicable county income tax rate for purposes of calculating the credit is the county's lowest marginal income tax rate for the tax year.

Sales Tax

Data and Information Technology Services

House Bill 352 (passed), the Budget Reconciliation and Financing Act (BRFA) of 2025, expands the definition of taxable services under the State sales and use tax to include data or information technology services described under North American Industrial Classification System (NAICS) sectors 5132, 518, 519, and 5415. NAICS sector 5132 includes software publishing services and NAICS sectors 518, 519, and 5415 include, respectively, (1) computing infrastructure providers, data processing, web hosting, and related services; (2) web search portals, libraries, archives, and other information services; and (3) computer systems design and related services. The BRFA imposes a 3.0% sales and use tax on these services and the revenue generated is

distributed to the General Fund. The tax is estimated to generate \$482 million in general fund revenues in fiscal 2026.

The BRFA of 2025 also exempts from the sales and use tax on data and information technology services the sale of cloud computing services to a qualified cybersecurity business and sales to or by a qualified company in an emerging technology development area, which encompasses quantum computing research and development at the University of Maryland, College Park Campus.

Cannabis

The BRFA of 2025 increases the State sales and use tax rate for cannabis beginning in fiscal 2026 from 9% to 12% and distributes the revenue attributable to the higher rate to the General Fund.

House Bill 619 (passed) exempts from the State sales and use tax the sale of cannabis between a licensed cannabis business and a registered cannabis nursery.

Exemptions

The BRFA of 2025 repeals State sales and use tax exemptions for sales of (1) photographic and artistic material used in advertising; (2) custom computer software; (3) specified “snack food” sold through a vending machine; and (4) 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 278/House Bill 691 (both passed) expand the State sales and use tax exemptions for sales to military veterans organizations and sales of food or meals served by military veterans organizations to include nationally organized and recognized veterans organizations of the commission corps of the Public Health Service and the National Oceanic and Atmospheric Administration.

Interest on Refunds

The BRFA of 2025 alters the annual interest rate paid for State sales and use tax refunds resulting from a final decision in the matter of *Potomac Edison Company vs. Comptroller of the Treasury* 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.

Miscellaneous Taxes

Tax Administration

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. *Senate Bill 605/House Bill 546 (both passed)* establish an appeals process for persons who are subject to the DAGR tax and receive a notice of assessment from the Comptroller. As a result, the bills make the administration and appeals process for the DAGR tax the same as for other taxes collected by the Comptroller. The bills apply to assessments of the DAGR tax made after December 31, 2025.

Transportation Taxes

Subject to specified exemptions, the vehicle excise 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. *House Bill 352 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2025, repeals the exemption for rental vehicles from the vehicle excise tax and sets the vehicle excise tax rate for rental vehicles at 3.5% of the vehicle's fair market value. The BRFA also increases the vehicle excise tax rate from 6% to 6.5% of the fair market value of a vehicle that is not a rental vehicle. *Senate Bill 281 (passed)* establishes a limited exemption to the vehicle excise tax for a loaner vehicle owned by a licensed dealer and provided to a customer whose car is not in use due to repair, maintenance, or other service performed by the dealer.

Miscellaneous Local Taxes

Accommodations Taxes

Accommodations intermediaries and short-term rental platforms are required to pay the State sales and use tax for overnight lodgings, and the Comptroller is tasked with collecting the sales tax revenues from these entities. Meanwhile, local hotel rental taxes are imposed in and collected by all counties in Maryland. A few municipalities are also authorized to impose a hotel rental tax or to collect the county tax within their jurisdictions.

Senate Bill 979 (passed) establishes a centralized method of collecting the local hotel rental tax from accommodations intermediaries by requiring these entities to remit the tax to the Comptroller. This requirement applies to accommodations intermediaries with at least (1) \$100,000 in booking transactions or sales or (2) 200 or more booking transactions or sales. The bill requires the Comptroller to establish a process for distributing the local hotel rental taxes paid by accommodations intermediaries to county and municipal governments. The bill also authorizes the Comptroller to charge county and municipal governments a reasonable administrative cost

recovery fee, not to exceed 1.5% of the hotel rental tax revenue collected each month on behalf of a county or a municipality from an accommodation’s intermediary.

In addition, the bill increases the rate of interest on unpaid hotel rental tax in Garrett County from 0.5% to 1%. The bill also authorizes Howard County to increase the county hotel rental tax rate from 7% to 8% and requires any revenue from the hotel rental tax in excess of 7% to be distributed to the Howard County Tourism Council. Lastly, the bill reduces the time period in Talbot County before a hotel must pay a penalty for a late payment of the county hotel rental tax from 120 days to one month.

Development Impact Fees

Senate Bill 814/House Bill 698 (both passed) require, by July 1 each year, counties that impose development impact fees, surcharges, or excise taxes to annually report information regarding the collection and use of those fees, surcharges, and excise taxes to the Maryland Department of Planning (MDP). By July 1, 2026, the counties must also submit a report to MDP identifying any local laws that authorize the collection and expenditure of development impact fees, surcharges, or excise taxes. After July 1, 2026, the counties must submit a report to MDP each time the county enacts or amends a local law that authorizes the collection and expenditure of development impact fees, surcharges, or excise taxes.

Currently, in Anne Arundel County, only the development by nonprofit organizations that have been in existence for at least three years is eligible for an exemption or credit against the county development impact fee. *Senate Bill 572/House Bill 453 (both passed)* enable Anne Arundel County to grant additional exemptions and credits.

Part C

State Government

State Agencies, Offices, and Officials/Regulations

State Agencies and Commissions

Department of Social and Economic Mobility

House Bill 1253 (passed) establishes the Department of Social and Economic Mobility (DoSEM) as a principal department in the Executive Branch. The head of DoSEM is the Secretary of Social and Economic Mobility, who is appointed by the Governor with the advice and consent of the Senate. DoSEM consists of three units (corresponding to the three offices transferred to the new department under the bill):

- the Office of Minority Business Enterprises (still referred to as OMBE) from the Maryland Department of Transportation;
- the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA); and
- the Office of Social Equity (still referred to as OSE) from the Maryland Cannabis Administration.

Employees transferred under the bill are transferred without any change in pay and retain all rights, status, and merit system and retirement status they may have on the date of transfer.

The purpose of DoSEM is to:

- provide support for units of State government, individuals, and businesses for the maintenance of social equity policies in the State;
- monitor trends in social equity programs and policies across the nation;
- propose new and innovative approaches to social equity programs;

- compile and produce reports and recommendations related to social equity;
- ensure the fulfillment of the roles and responsibilities of the entities and social equity programs in the State for which it is the successor;
- track the performance of social equity programs and small or disadvantaged business assistance programs;
- promote and encourage full participation in the regulated cannabis industry by individuals from communities that have previously been disproportionately impacted by the war on drugs, as specified;
- support small or disadvantaged businesses in the State through all duties assigned to GOSBA; and
- carry out OMBE's duties, including duties assigned to support small or disadvantaged businesses.

DoSEM is required to connect a person with certain State, federal, and local programs that the person may be eligible for and provide State agencies with assistance related to DoSEM's purposes. State agencies are required to refer persons to DoSEM and utilize standards set by DoSEM related to social equity.

House Bill 1253 also creates the DoSEM Special Fund; the stated purpose of the fund is to pay the costs of the operation of OSE and OMBE in the department. The Governor must include in the annual budget bill an appropriation from the Transportation Trust Fund to the fund equal to the amount needed to cover OMBE's operating and administrative expenses. Also, revenues collected from the sales and use tax imposed on the sale of adult-use cannabis must be deposited into the fund in an amount necessary to cover OSE's operating and administrative expenses.

The fiscal 2026 budget includes \$2.2 million in general funds for the establishment of the department, which includes nine new positions.

Department of Planning

Senate Bill 236/House Bill 272 (Chs. 61 and 62) make various changes to State law relating to (1) election precinct boundary data; (2) county water supply, sewerage, and solid waste disposal plans; (3) population projections; (4) real property information; (5) obsolete reporting requirements; (6) capital facilities planning information and access; (7) authorized funding for regional planning projects; and (8) geographic classification standards.

The changes in the Acts generally repeal obsolete provisions, conform the laws to existing practices, alter existing requirements regarding the reporting of information to the Maryland Department of Planning, and repeal requirements relating to local population projections and property owned by local governments or other non-State-owned public property.

Maryland Reparations Commission

Senate Bill 587 (passed) establishes the Maryland Reparations Commission to (1) study and make recommendations relating to appropriate benefits to be offered to individuals impacted by historical inequality; (2) submit a preliminary report of its findings and recommendations to the Governor and the General Assembly by January 1, 2027; and (3) submit a final report of its findings and recommendations to the Governor and the General Assembly by November 1, 2027.

The commission must examine (1) reparations payments made and benefits offered in the United States by the federal government, states, cities, religious institutions, and colleges and universities; (2) types of benefits appropriate for reparations, as specified; (3) the history of slavery in Maryland and the number of individuals whose ancestors were enslaved in the State; (4) inequitable government policies, the size of the impacted populations, and how public and private institutions benefited from these policies; and (5) any other topic deemed appropriate by the commission.

Recommendations made by the commission must include (1) common procedures for evaluating evidence of the lineage of potential recipients; (2) information necessary to be included in any application to verify lineage and receive reparations; (3) eligibility requirements for applicants, if any, including appropriate methods of determining eligibility; (4) a process for approving applications for benefits; (5) an estimate of the costs associated with awarding any type of reparations recommended by the commission; and (6) if monetary compensation is a type of reparation recommended by the commission, the amount of monetary compensation recommended, potential sources of funding, the feasibility of creating and administering a reparations fund, and appropriate methods of distributing the recommended compensation, as specified.

Equal Access to Public Services

House Bill 1473 (passed) expands existing requirements for specified State departments, agencies, and programs regarding efforts to provide equal access to public services for individuals with limited English proficiency and requires the Governor’s Office of Immigrant Affairs and the Department of Disabilities to convene a Maryland Language Advisory Group (MLAG).

Among other requirements, certain State entities must develop a language access plan and take reasonable steps to provide equal access to public services for individuals who need language assistance, including any oral, written, and sign language services. State entities identified by the bill must update the language access plan every two years. By September 30 each year, each State entity identified by the bill must submit a report to MLAG containing information regarding the State entity’s activities in providing equal access to public services and translation of vital documents into certain languages.

MLAG must make findings and recommendations on oversight, monitoring, investigation, and enforcement of certain laws related to the provision of equal access to public services for individuals who need language assistance. MLAG is also required to solicit input from various

stakeholders and submit an annual report of its findings and recommendations to the General Assembly.

Nonprofit Navigator

Senate Bill 365/House Bill 541 (both passed) are emergency bills that establish a nonprofit organizations navigator within the Department of Commerce. The nonprofit organizations navigator must (1) provide technical assistance to nonprofit organizations in applying for State grant programs; (2) work with nonprofit organizations and units of State government to resolve procedural complexities and delays in State grant-making processes; and (3) collect and share information on opportunities for federal, State, and local grants with nonprofit organizations. The nonprofit organizations navigator must also be a member of the Maryland Efficient Grant Application Council. The bills specify that it is the intent of the General Assembly that the navigator position be filled by July 1, 2025.

By January 1, 2027, the Department of Commerce must report to the Senate Finance Committee and the House Health and Government Operations Committee on the following information for fiscal 2026: (1) the number of nonprofit organizations that received technical assistance; (2) the total number of grant applications completed and submitted as a result of receiving technical assistance; (3) the total amount of grant funds awarded to nonprofit organizations as a result of receiving technical assistance; and (4) any findings and recommendations regarding implementation of the bill's provisions establishing the navigator position. The bills terminate on June 30, 2027.

Maryland Corps Program Service Year Option Pathways

The Maryland Corps Program was established by Chapter 654 of 2016 and substantially restructured by Chapter 37 of 2022, but it received no funding and, thus, was not operational through fiscal 2022. Chapter 99 of 2023 again restructured the program, placing it within the jurisdiction of the Department of Service and Civic Innovation (DSCI) and establishing two pathways: the Young Adult Service Year Option pathway and corresponding special fund and the Maryland Service Year Option pathway and corresponding special fund. Although the two pathways share some features, they have slightly different purposes and eligibility requirements.

Senate Bill 248/House Bill 33 (Chs. 93 and 94) (1) alter provisions regarding Maryland Corps participants, including that participants be paid at least the higher of the applicable county or State minimum wage and that the completion stipend be awarded in cash; (2) change eligibility requirements for participants in the Maryland Corps Program; (3) expand DSCI's flexibility in using Maryland Corps funds; (4) repeal the obsolete Executive Fellows Program within DSCI; and (5) make other clarifying and conforming changes to DSCI's statutory authority and responsibilities.

Protecting Opportunities and Regional Trade Act

Chapters 2 and 3 of 2024 (“Maryland Protecting Opportunities and Regional Trade Act”) were enacted in response to the March 2024 collapse of the Francis Scott Key Bridge. Chapters 2 and 3 of 2024 require the Attorney General to pursue all available options, including filing actions against the applicable parties, to recover for the State all possible economic damages arising from the collapse of the bridge and related closure of the Port of Baltimore, and to submit monthly status reports to the General Assembly.

On September 24, 2024, the Attorney General, on behalf of the State and all its agencies, filed a lawsuit against the owners of the motor vessel Dali for causing the collision with the Francis Scott Key Bridge on March 26, 2024, which destroyed the bridge and resulted in the death of six men and injuries of two others. As detailed in the complaint, the resulting wreckage from the collision fell into the Patapsco River, blocking the Fort McHenry Channel and interrupting all commercial vessel traffic into or out of the Port of Baltimore.

Senate Bill 285 (passed) reduces from monthly to every six months, the frequency by which the Attorney General must report to the General Assembly on the status of pursuing and recovering economic damages arising from the closure of the Port of Baltimore and the collapse of the Francis Scott Key Bridge.

Federal Immigration Enforcement and Data Privacy

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.

Chapter 18 of the 2021 special session modified the Public Information Act (PIA) to require an officer, an employee, an agent, or a contractor of the State or a political subdivision to deny inspection of specified records, and deny inspection using facial recognition searches, by any federal agency seeking access for the purpose of enforcing federal immigration law unless provided with a valid warrant. In addition, a person who receives specified personal information under PIA may not disclose the information to a federal agent or federal agency for the purpose of federal immigration enforcement unless presented with a valid warrant.

House Bill 1222 (passed) requires certain State entities operating at sensitive locations to deny access to the nonpublic portion of the sensitive location to an individual seeking to enforce

federal immigration law unless the individual presents a valid federal warrant or exigent circumstances exist. The bill also requires the Attorney General to develop guidance relating to immigration enforcement at sensitive locations and requires public schools, public libraries, and State and local governments that operate at a sensitive location to implement a policy that is consistent with the guidance issued by the Attorney General.

Additionally, *House Bill 1222* requires State and local governments to develop procedures that prevent sale or redisclosure of personal records and geolocation data made available by the governmental entity in a way that harms the privacy of residents of the State. The procedures must consider possible contractual limitations that an entity may place on persons who receive the data, the threat to privacy posed by data brokers, the way in which the data may be used for purposes other than those it was created for, and discouraging the development of a secondary commercial market for the data.

Military and Veterans

Veteran Benefits and Assistance

Honorable Discharge Classification

Senate Bill 491/House Bill 699 (both passed), with respect to any State program of benefits, rights, or privileges applicable to a veteran under Maryland law, alter the definition of “honorable discharge” to include a discharge that is less than honorable if the Department of Veterans and Military Families (DVMF) determines a discharge should be upgraded based on the criteria established in 38 C.F.R. § 3.12 (“benefit eligibility based on character of discharge”). This section of federal regulation provides for a “compelling circumstances exception” for a less than honorable discharge after an examination of specified factors that may generally mitigate certain forms of misconduct or an absence without official leave.

Maryland Veterans Trust

Senate Bill 246/House Bill 228 (both passed) expand the purpose of the Maryland Veterans Trust to include providing monetary and other assistance to members of the Maryland National Guard and their families and authorize the Maryland Veterans Trust to expend money from the Maryland Veterans Trust Fund to provide grants or loans to members of the Maryland National Guard and their families.

Uniform Definitions

The General Assembly passed several bills that generally establish uniform definitions related to the military throughout the Annotated Code of Maryland that align with certain definitions in federal law, including “active duty,” “active service member,” “armed forces,” “reserve component,” “service member,” “uniformed services,” and “veteran.” While numerous alterations within the legislation represent only stylistic or technical changes, there are substantive changes. Generally, these changes expand access to certain privileges, benefits, and programs to

all members of the uniformed services, including members of the National Oceanic and Atmospheric Administration and Public Health Service.

Notable changes include, in:

- ***Senate Bill 275/House Bill 448 (both passed)***, definitional changes to provisions related to election law, employment and housing discrimination, hiring preferences for veterans homes, and eligibility for burial in a veterans cemetery;
- ***Senate Bill 276/House Bill 600 (both passed)***, definitional changes to provisions relating to education, including teacher licensure, credit that may be applied to licensing requirements for emergency medical services providers, and certain scholarships;
- ***Senate Bill 277/House Bill 466 (both passed)***, definitional changes to provisions relating to health and housing, including fees for vital records, services provided by the Developmental Disabilities Administration, expedited health occupations licensure, certification, or registration, disciplinary proceedings, and health care facilities;
- ***Senate Bill 278/House Bill 691 (both passed)***, definitional changes to provisions relating to State personnel law and taxes, including reemployment and reinstatement rights, income tax abatement, and property tax relief, starting in certain taxable years;
- ***Senate Bill 279/House Bill 895 (Chs. 5 and 6)***, definitional changes to provisions relating to employment, insurance, business, and labor provisions, including exemptions from license renewal fees and expedited business licenses, the use of uniformed services identification or pictures of uniformed services members, eligibility under specified loan programs, and certain provisions of the family and medical leave insurance program;
- ***Senate Bill 280/House Bill 1060 (both passed)***, definitional changes to provisions relating to applying certain judicial, family law, and public safety provisions, including those related to certain age requirements for employment in a correctional facility, jurisdiction over a child in need of assistance, and court records fees;
- ***Senate Bill 281/House Bill 475 (both passed)***, definitional changes to provisions relating to transportation and motor vehicle laws, including special registration plates, license expirations or renewals, and emissions inspection exemptions; and
- ***Senate Bill 282/House Bill 494 (both passed)***, definitional changes to provisions relating to the free entry to State parks, and hunting and fishing, including certain fishing and hunting license exemptions and the expansion of certain grant programs to additional service members.

Military Families

Communications, Outreach, and Advocacy

Senate Bill 309 (passed) expands the Communications, Outreach, and Advocacy Program in DVMF to include providing services to (1) service members and (2) the families of veterans and service members. Service members include individuals who are members of the uniformed services or a reserve component of the uniformed services. The Secretary of Veterans and Military Families must include in their annual report a general assessment of communication methods utilized in support of the program. The bill also alters definitions relating to the military similarly to those in the legislation discussed above.

Service Animal Program

Senate Bill 182 (passed) expands eligibility for the Maryland Veterans Service Animal Program to include a spouse or dependent of an eligible veteran.

Identification Cards

Senate Bill 48 (passed) authorizes the Department of General Services (DGS) to include a notation on an identification card indicating the holder is a veteran if the individual presents specified documentation to DGS. An identification card under the bill refers to a security card issued by DGS to a State employee or a certain other individual authorized by the Secretary of General Services.

DGS may limit the notation to specific categories of identification card holders. If DGS provides such an option, DGS must include on the application an option for the applicant to (1) indicate that the applicant is a veteran and (2) consent to being contacted by certain State agencies regarding the individual's eligibility for State or federal veterans' benefits. Subject to specified provisions of the PIA and on request by an Executive Branch agency, DGS must transmit to the agency appropriate information about each identification card holder who has given consent to be contacted.

Loans, Grants, and Funds

Catastrophic Event Account

The Catastrophic Event Account, which is within the State Reserve Fund and administered by the Department of Budget and Management, enables the State or a local government to respond quickly to a natural disaster or catastrophe that could not be addressed within existing State appropriations. It may also be used for federal employee financial hardship in the event of a full or partial federal government shutdown due to a lapse in federal appropriations.

House Bill 1424 (passed) is an emergency bill that expands the purposes of the Catastrophic Event Account and the Federal Government Shutdown Employee Assistance Loan

Fund (renamed as the Federal Government Employee Assistance Loan Fund, or FGEALF) so that funds may be used to provide financial assistance to former federal employees. Funds in the Catastrophic Event Account and FGEALF may be used to provide financial assistance to former federal employees facing financial hardship from the closure, relocation, or mass layoff of a unit of the federal government, or other similar circumstances. Accordingly, funds in the Catastrophic Event Account may be used to assist a unit of State or local government in connection with a closure, relocation, or mass layoff of a unit of the federal government.

FGEALF has been altered so that it may only be used to provide no-interest loans to State residents who *either* (1) are federal employees, required to report to work, and not being paid because of a full or partial federal government shutdown due to a lapse in appropriations after January 1, 2025, *or* (2) in the immediately preceding six months (and on or after January 1, 2025) were terminated from employment by the federal government – due to the closure, relocation, or mass layoff of a unit of the federal government, or other similar circumstances beyond the employees’ control – and are experiencing financial hardship as determined by the Maryland Department of Labor (MD Labor). MD Labor may forgive a loan and must establish repayment procedures if repayment is required. MD Labor may establish other criteria to best assist federal employees facing financial hardship. MD Labor must also conduct research and analysis on foreclosure activity in the State, particularly as it relates to federal workers, and report to the General Assembly by December 31, 2025.

After providing the Legislative Policy Committee with at least seven days to review and comment, the Governor is authorized to transfer up to up to \$5.0 million from the Revenue Stabilization Account to FGEALF and \$1.5 million from the Revenue Stabilization Account to the expenditure accounts of the Attorney General to fund certain civil or criminal suits or actions, as described below.

House Bill 1424 also expands, under the Maryland Defense Act, the Attorney General’s authority to investigate, commence, and prosecute or defend any civil or criminal suit or action that is based on the federal government’s action or inaction that threatens the public interest and welfare of the residents of the State. More specifically, the authority is extended to protecting State residents who (1) are federal government employees who are not being paid because of a full or partial federal government shutdown due to a lapse in appropriations; (2) were federal employees who, on or after January 1, 2025, were terminated from federal employment due to the closure, relocation, or mass layoff of a unit of the federal government, or other similar circumstances beyond the employees’ control or separated from employment by the federal government as a result of a voluntary separation incentive payment; (3) are inappropriately denied federal benefits that they have earned, including Social Security benefits, Medicare, and Veterans Affairs benefits; or (4) are inappropriately denied federal entitlements, including Medicaid. The bill also increases a related mandated appropriation for the Attorney General; specifically, the Governor must include an appropriation of at least \$2.5 million (instead of \$1.0 million) in the annual budget for the Attorney General’s authorized activities and for the Office of the Attorney General (OAG) to employ attorneys (instead of five attorneys as specified under current law).

Special fund expenditures increase by \$6.5 million in fiscal 2025 as authorized fund transfers are made; special fund revenues increase correspondingly, with expenditures made the following year. Special fund expenditures and revenues increase by \$10.0 million in fiscal 2026 reflecting further capitalization of FGEALF. All special funding made available in fiscal 2025 and 2026 – \$15.0 million for FGEALF and \$1.5 million at OAG – is assumed to be expended in fiscal 2026. General fund expenditures increase by \$1.7 million for MD Labor in fiscal 2026 only, and by \$1.5 million annually beginning in fiscal 2027 for OAG.

Additionally, the bill establishes the Expedited Hiring Program in the Department of Budget and Management (DBM) for the purpose of hiring eligible applicants for vacant positions in State government within 40 days after the start of the recruitment. Eligible applicants are those who were federal government employees, left federal service after January 15, 2025, and have relevant expertise or experience to meet the requirements for the vacant positions. The program must also develop guidance for State agencies on aligning job titles and position descriptions with the equivalent federal positions, conduct marketing and recruitment activities, rate applicant qualifications, communicate with applicants throughout the hiring process, develop a process to refer applicants to other vacant State positions, and explore opportunities to expand the program to support hiring by interested county governments. The fiscal 2026 budget appropriates \$2.0 million to the Dedicated Purpose Account in fiscal 2025 specifically for the expedited hiring of former federal employees, and DBM intends to use those monies to implement the bill.

House Bill 865 (passed) authorizes funds appropriated to the Catastrophic Event Account to be transferred to the State Disaster Recovery Fund within the Maryland Department of Emergency Management if (1) the balance of the fund has been depleted due to use or transfer or (2) the estimated costs for providing adequate disaster relief for a natural disaster or catastrophic situation are in excess of the fund's balance. The bill also reduces, from 15 days to 10 days, the length of the Legislative Policy Committee's review and comment period before the Governor may transfer funds from the Catastrophic Event Account by budget amendment.

African American Heritage Preservation

House Bill 1010 (passed) alters the African American Heritage Program (AAHP) Grant Fund to consist of grants and donations to the fund as well as other sources. The bill authorizes the Secretary of Planning to award an AAHP Noncapital Grant, which is defined as a grant awarded for the purpose of preserving or sharing African American history or culture in the State if the grant is solely funded by money received by the AAHP Grant Fund through grants and donations. If, after the award of all eligible AAHP Noncapital Grants, there is additional money in the AAHP Grant Fund received from grants and donations, the Secretary may award a grant, funded by that money, for a capital AAHP Project.

Reimbursement of Indirect Costs

Chapter 734 of 2018 required that the terms of a grant or contract for the provision of services by a nonprofit organization that is funded either wholly with State funds or with a combination of State and other nonfederal funds allow for reimbursement of indirect costs. Under Chapter 734, indirect costs must be reimbursed at the rate that the nonprofit organization has

negotiated and received either (1) under a direct federal award or (2) from a nonfederal entity based on specified federal cost principles. If the nonprofit organization has not negotiated and received an indirect cost rate under a direct federal award, it must be reimbursed at a rate of at least 10% of specified costs. The requirements of Chapter 734 apply if State funds are transferred to the nonprofit organization either directly by the State or through a third party.

Senate Bill 127/House Bill 300 (both passed) are emergency measures that alter the reimbursement rate for a nonprofit organization that has not negotiated and received a specified indirect cost rate from at least 10% of specified costs to the greater of the *de minimis* rate established in specified federal regulations (currently 15%) or 15%.

Elections

Voting Rights – Language Assistance Program

Section 203 of the federal Voting Rights Act of 1965 requires states and political subdivisions to provide language assistance during elections to a language minority group when the number of citizens of voting age in the language minority group meets certain thresholds (generally, more than 5%, or more than 10,000, of the citizens of voting age of the state or political subdivision are members of the language minority group and are limited-English proficient) and the illiteracy rate of the citizens in the language minority group is higher than the national illiteracy rate. The Act requires that any election materials provided in English must also be provided in the minority language.

Senate Bill 685/House Bill 983 (both passed) establish a Language Assistance Program, in which the State Board of Elections (SBE) must identify counties in which there is a significant need for language assistance for voters in a language other than English. SBE is required to determine that a significant need for language assistance exists in a county if more than 2%, or more than 4,000, of the citizens of voting age in the county use a single shared language other than English and have limited English proficiency. Each local board of elections that is required to participate in the program pursuant to SBE's determinations must, with oversight from SBE, provide specified language services to voters in each designated language (each language for which the above threshold is met in the county). At each early voting center and Election Day polling place, a voter who has a need for language assistance in a designated language must have the option to communicate with the election judges through a translator (which can be provided through licensed translation software services). Signs must be posted in each early voting center and Election Day polling place notifying voters that language assistance and interpretation services are available. The local board must also provide online voting materials in each designated language. Finally, the local board must make reasonable efforts to recruit bilingual election judges to provide assistance to voters.

In-person Voting – Election Judges

Chapter 157 of 2023 established that a local board of elections must pay an election judge at least \$50 for each training course the election judge completes. *House Bill 586 (passed)* requires the local board to pay an election judge for each training course the election judge completes only after the election judge has served an Election Day or early voting day. The bill also authorizes a public school student that serves as an election judge to either (1) earn service-learning credit or (2) receive election judge compensation.

Generally, each polling place must have an equal number of election judges from the majority party and the principal minority party, though existing law contains ambiguity regarding the circumstances under which it is permissible for a polling place to have more judges from one party than the other. *Senate Bill 308 (passed)* requires each polling place, to the extent practicable, to have an equal number of election judges, including chief election judges, from the majority party and the principal minority party. If an election director designating two chief judges for a polling place is unable to designate one chief judge from the majority party and one chief judge from the principal minority party at least 45 days before the start of early voting, the election director must designate one chief judge from the majority party or principal minority party and one chief judge who is not registered with either party.

Mail-in Voting

A voter may vote by mail-in (absentee) ballot by submitting a request in writing (there are State and federal forms that can be used) or online through the SBE website, and a voter may request to be added to the permanent mail-in ballot list and receive a mail-in ballot each time there is an election without having to submit further requests. As of March 31, 2025, there are 590,599 registered voters on the permanent mail-in ballot list. *Senate Bill 93 (passed)* requires a local board of elections to send a written notice regarding a request for a State-approved mail-in ballot application with a specimen ballot and any other mailing to voters or eligible voters to further awareness of the option of mail-in voting. A local board is not required to send the notice to a voter on the permanent mail-in ballot list, more than once per election, or for a vote-by-mail election.

Senate Bill 257/House Bill 199 (both passed) alter the timing of when SBE must send a written communication to voters on the permanent mail-in ballot list, prior to an election, confirming to the voter that they are on the list and confirming their address and the method by which they wish to receive a mail-in ballot. The bills also provide that when SBE is unable to contact a voter on the permanent mail-in ballot list using the method of communication chosen by the voter, SBE must attempt to contact the voter using another method.

Postelection Procedures

Following each statewide election, SBE and the local boards of elections conduct certain audits of the accuracy of the voting system's tabulation of votes. *Senate Bill 313/House Bill 426 (both passed)* require SBE, in collaboration with each local board, to audit the accuracy of the

voting system’s tabulation of votes in each county by conducting a risk-limiting audit of at least one statewide contest and any other contests selected for audit by SBE. A local board may conduct a risk-limiting audit of a local contest at its discretion. SBE, in collaboration with the local boards, may conduct a risk-limiting audit following a special general election.

“Risk-limiting audit” is defined as a postelection audit procedure that employs statistical methods to ensure a large, predetermined minimum chance of requiring a full manual count of voter-verifiable paper records in an audited contest if a full manual count of the voter-verifiable paper records would find a different outcome than the outcome determined by the electronic count. A risk-limiting audit must (1) manually examine randomly chosen individual voter-verified paper records or batches of voter-verified paper records until the risk limit is met or the correct election outcome is established; (2) be completed before the Board of State Canvassers transmits a certified statement of the election results to SBE; and (3) be observable by the public to the maximum extent practicable.

The bills modify an existing requirement that an automated software audit of all ballots cast in an election be conducted after each statewide election, so that the automated software audit is authorized instead of required. An “automated software audit” is defined as an audit of electronic images of ballots cast in an election using software that is independent of the voting system. The bills also repeal an existing requirement that SBE conduct a specified manual audit of voter-verifiable paper records following each statewide general election and an authorization for SBE to complete a manual audit of voter-verifiable paper records following each statewide primary election.

Under federal and State law, a voter whose eligibility to cast a ballot is in question may cast a provisional ballot. After each election, the board of canvassers (a local board of elections after it organizes itself for the purpose of canvassing) determines whether each provisional ballot is counted, according to criteria in the law. *House Bill 839 (passed)* establishes that an individual is qualified to vote a provisional ballot if (1) the provisional ballot was cast because the voter claimed a different political party affiliation from the political party affiliation on record for the voter and (2) the voter made a selection in a nonpartisan board of education contest on the ballot. In this situation, the bill requires the local board to count only the votes cast by the voter in a nonpartisan board of education contest.

Local Boards of Elections

Under existing law, local boards of elections submit early voting centers and polling place plans to SBE for approval, and submit ballot drop box locations for approval by the State Administrator of Elections. The statutory process varies for each of these submissions. *Senate Bill 259 (passed)* requires local boards to submit a consolidated election plan to SBE for approval that includes an early voting center plan, a polling place plan, and a ballot drop box plan. By consolidating these plans into one, the bill generally establishes greater uniformity in the process for review and approval of early voting centers, polling places, and ballot drop boxes. The bill also establishes procedures for public notice and comment when a local board adopts an election plan. The local board must submit an election plan to SBE for approval at least

seven months before each statewide primary election. Before SBE votes on the election plan, it must be reviewed by the State Administrator.

In addition, the bill requires a local board to submit certain information if its polling place plan would reduce the number of separate buildings used as polling places below the number used in a specified statewide general election (specified in relation to statewide redistricting that occurs every 10 years), rather than below the number of separate buildings used as polling places in the 2018 general election, as required under existing law. Finally, the bill requires the State Administrator to review, rather than approve, ballot drop box locations.

Senate Bill 337/House Bill 412 (both passed) require each local board to post a meeting agenda and other specified materials on its website at least 48 hours before each open meeting, unless the meeting is being held due to an emergency, natural disaster, or other unanticipated situation. In addition, each local board must provide live video streaming of each open meeting (with certain exceptions) and maintain complete and unedited archived video recordings of the meetings for a minimum of five years.

Gubernatorial Primary Election Date

Under existing law, in the year in which the Governor is elected, a statewide primary election is held on the last Tuesday in June (which, in 2026, is the fifth Tuesday in June). *Senate Bill 645/House Bill 945 (both passed)* alter the date of the gubernatorial primary election to be the fourth Tuesday in June.

Special Elections

Charter counties are authorized to conduct a special election to fill a vacancy in a county council or in the office of chief executive officer or county executive. *Senate Bill 262/House Bill 75 (both passed)*, emergency bills, require that the date of a special election to fill a vacancy in a county council or in the office of chief executive officer or county executive (1) be at least 90 days after the adoption of the resolution of the county council establishing the date of the special election and (2) not be within 120 days of a regularly scheduled election. *Senate Bill 262* additionally specifies that the special election may be held concurrently with a regularly scheduled election.

The bills also establish that the State Administrator of Elections must conduct a special election in accordance with State law and regulations if the State Administrator determines that a conflict exists between a county charter or other county law and the provisions of the Election Law Article or the Code of Maryland Regulations.

Finally, the bills alter provisions governing special elections conducted by mail. Specifically, a local board of elections is not required to mail specimen ballots to registered voters in those elections. A voter may return a vote-by-mail ballot through a ballot drop box. In addition, a local board must send a vote-by-mail ballot to a voter at least 30 days before the date of the special election, rather than at least 14 days before the election.

Political Parties

Any group of registered voters may form a new political party by filing a petition (signed by at least 10,000 registered voters) with SBE and adopting and filing an interim constitution and bylaws. A petition for the formation of a new political party may be filed at any time except during specified time periods before and after elections. *Senate Bill 267/House Bill 41 (both passed)* expand the time period before presidential and gubernatorial general elections during which a petition to form a new political party, or any additional signatures to such a petition, may not be filed. The bills expand the time period by moving the beginning of the period from the first Monday in August before the general election to the first Monday in July. In addition, the bills prohibit signatures that were previously submitted with a petition to form a new political party that failed to meet State law requirements from being resubmitted with a subsequent petition.

Municipal Elections

Each municipality is responsible for conducting its own elections, although SBE or a local (county) board of elections may provide limited assistance with a municipal election at the request of the municipality. In addition, State law provides a process for a municipality to request to have a municipal election included on the State ballot if certain conditions are met. *House Bill 322 (passed)*, an emergency bill, authorizes the State Administrator of Elections to enter into a memorandum of understanding (MOU) with a municipality to support the administration of the municipality's elections. The State Administrator may lease a voting system or any other equipment used to administer an election to the municipality for use in a municipal election in accordance with the MOU. The State Administrator must determine the terms and conditions of the lease and distribute the proceeds to the Fair Campaign Financing Fund (which holds funds for public campaign financing of gubernatorial tickets under the Public Financing Act). The bill also repeals the authority of the local (county) boards to lease a voting system to any governmental or nongovernmental entity within the county.

Additionally, the bill alters the provisions that govern the inclusion of municipal offices and questions on the State ballot by (1) altering the deadline by which a municipality must file a request with SBE for inclusion on the State ballot from 18 months before the candidate filing deadline to 9 months before the deadline and (2) requiring the municipality's deadlines and procedures regarding voter registration and voting to be consistent with deadlines and procedures established by SBE for State and county elections.

Campaign Finance

Political action committees and certain other entities or individuals operate independent of candidates to raise and spend money to support or oppose candidates, political parties, and ballot questions. *Senate Bill 633 (passed)* requires such persons (entities or individuals), that operate independent of any candidate but solicit contributions or donations for the benefit of a candidate or a political party and use a candidate's name, image, or likeness in the solicitation, to clearly and conspicuously include a specified disclaimer on the solicitation that indicates that the solicitation is not approved by the candidate. The bill also requires such a person, if the person solicits for

what appears to be an electoral or a political purpose, to disclose in a clear and conspicuous manner on each solicitation the five recipients to which the person made the largest expenditures or disbursements during the immediately preceding calendar quarter and the total amount of expenditures or disbursements made to each recipient.

In addition, the bill authorizes the State Administrator of Elections, or the State Administrator's designee, to investigate potential violations of the bill's requirements. At the conclusion of an investigation, SBE must issue a public report of its findings and may (1) prohibit a violator from soliciting contributions or donations for a period of time or (2) impose a civil penalty of up to \$10,000.

Ethics

House Bill 932 (passed) requires the Governor, within six months of taking the oath of office, to (1) place all of the Governor's interests in a blind trust except those exempted by the State Ethics Commission (SEC) or (2) divest interests that SEC determines may pose a conflict of interest. The bill also requires the Governor annually to certify compliance with the bill's requirements and requires SEC to adopt regulations that establish standards and requirements for exempting interests from the blind trust requirement. SEC is further required to publish on its website any blind trust agreement, nonparticipation agreement, and supporting documents regarding the Governor's interests. **House Bill 932** additionally requires business entities in which the Governor or specified "restricted individuals" hold interests to disclose those interests to SEC if the business seeks to obtain a State grant, competitive award, or contract. Finally, the bill establishes a fine for noncompliance by the Governor and penalties for business entities that fail to comply with the disclosure requirements.

The Maryland Public Ethics Law requires local boards of education to adopt conflict of interest and financial disclosure provisions for members of the school board that are equivalent to or exceed the State provisions for officials and employees. **Senate Bill 109 (passed)** requires that, by October 1 of each year, school boards in the State, including the Baltimore City Board of School Commissioners, certify to SEC that they are in compliance with these requirements.

The Maryland Public Ethics Law requires SEC to provide a training course on the Maryland Public Ethics Laws to certain State officials, public officials, and State employees. **Senate Bill 251/House Bill 230 (Chs. 73 and 74)** remove the requirement that the ethics training courses be at least two hours and clarify that the training courses can be provided online or in person. The Acts further clarify that required financial disclosure statements by officials and candidates for office as State officials include the name and address of any source of compensated employment.

Procurement

Procurement Reform

Comprehensive procurement reform was last implemented in 2017 with the enactment of Chapter 590, which among other things, centralized the procurement process for most agencies under the Department of General Services (DGS) and created the position of Chief Procurement Officer (CPO) for the Executive Branch. *House Bill 500 (passed)*, the Procurement Reform Act of 2025, expands the responsibilities of the CPO and the Special Secretary for the Office of Small, Minority, and Women Business Affairs to expedite the review and implementation of State contracts. Among the changes, CPO is given authority to approve agencies' use of intergovernmental cooperative purchasing agreements, and oversight over the Employment Works Program is transferred to the Special Secretary from DGS.

The bill authorizes primary procurement units to limit or revoke a unit's ability to conduct small procurements if the unit fails to adhere to small procurement regulations. It delegates authority over transportation-related services and supplies, including information technology supplies and services, to the Maryland Department of Transportation (MDOT). The bill requires the Department of Information Technology to establish a technical procurement team, and it also mandates that bidders or offerors provide oral presentations for specified procurements.

Contracts valued between \$50,000 and \$500,000 must be reserved for small businesses under the Small Business Reserve (SBR) program. *House Bill 500* expands this program by requiring that all contracts up to \$1.0 million be set aside for SBR. Further, the bill reduces the amount of time within which the State must pay vendors under SBR from 30 days to 15 days from the receipt of a proper invoice. The bill revises requirements and procedures for task orders issued under master contracts.

House Bill 500 modifies aspects of the Minority Business Enterprise (MBE) program and creates a new Veteran-owned Small Business Enterprise (VSBE) Preference Program for procurements by the Department of Veterans and Military Families and the Military Department. The bill authorizes units to require bidders and offerors to submit workforce diversity plans and supplier diversity plans prior to the award of a contract over specified amounts. It also authorizes procurement units to modify the MBE and VSBE participation goals on a contract before or after contract execution, as specified. Additionally, the bill alters the circumstances under which a bidder or offeror may correct a deficiency in their MBE or VSBE participation schedule, and outlines procedures for making the correction.

The bill requires that specified contracts not categorized as public work contracts use apprentices or interns and establishes fines for failure to comply. The bill establishes a Good Labor Practices evaluation factor to provide an advantage for competitive sealed proposals from businesses that institute good labor practices, as specified, and provides penalties for violations of the provisions. The bill also provides for penalties related to failure to meet Good Labor Practices. Lastly, the bill requires the Procurement Advisor to the Board of Public Works (BPW) to conduct

a study on the economic impacts of instituting an in-State preference program for Maryland vendors for all State procurements.

General Administration and Oversight

Senate Bill 194/House Bill 73 (Chs. 75 and 76) raise the size limit for real property leases exempt from State procurement law from 2,500 square feet to 5,000 square feet and decrease the number of days that DGS must advertise a need for the State to rent building space from 30 days to 20 days before proposals for a lease are due. The Acts also make changes to advertising requirements for proposed leasing opportunities.

For several years, MDOT has used BidX, a third-party electronic procurement system, to conduct its procurement operations. BidX is free to MDOT but charges potential bidders and offerors a monthly subscription fee for access to bidding opportunities in 39 states, including opportunities through MDOT. State law authorizes agencies using electronic means to conduct a procurement to charge a reasonable fee for these services to any bidder, proposer, or contract awardee; fee revenues are deposited in the Operations Revenue Fund. To avoid confusion regarding the monthly subscription fee paid by vendors for access to BidX, **Senate Bill 196/House Bill 284 (Chs. 53 and 54)** clarify that only fees collected for the use of electronic procurement systems that are *due to the State* must be deposited into the Operations Revenue Fund.

Senate Bill 3/House Bill 850 (both passed) establish the Workgroup on the Creation of a Data Dashboard for Public Work Contracts and Apprentices to study and make recommendations regarding the most efficient and cost-effective method to create a publicly available dashboard that disaggregates information regarding public work contracts with the State.

Procurement Preferences

State law establishes a number of requirements for units of State government to give preference to certain types of entities or products when conducting purchasing. The State or a State-aided entity must buy supplies and services, if available, from Maryland Correctional Enterprises, Blind Industries and Services of Maryland (BISM), or a community service provider or an individual with disability-owned business under the Employment Works Program (if not required to buy from another unit), in that order of priority. Maryland also has preferences for small, minority-owned, veteran-owned, and disabled veteran-owned businesses as well as for certified local farm enterprises. Several other purchasing preferences exist, including a reciprocal preference for resident bidders competing with bidders from outside the State. Other procurement preferences relate to products made from recycled paper and other recycled material, low noise supplies, coal operated heating systems, biofuels, mercury-free products, locally grown foods, steel, conflict minerals, and manufactured goods.

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 MBE program is scheduled to terminate July 1, 2025. *Senate Bill 829/House Bill 991 (both passed)* extend the termination date for the MBE program by one year, to July 1, 2026, extend the due date for the related disparity study also by one year, to September 30, 2025, and make corresponding adjustments to the termination and due dates for MBE contracting requirements and related disparity analyses.

Senate Bill 177/House Bill 56 (both passed) require BPW to raise the percentage price preference for providers of food from certified local farms bidding on school food contracts from 5% to 10%. In addition, BPW must adopt regulations authorizing schools and facilities in the State to conduct an individual procurement that is limited to responses from certified local farms. In an effort to connect local food vendors with local school systems, the bills also require the Maryland State Department of Education (MSDE), in coordination with the Maryland Department of Agriculture and DGS, to establish a program focused on that effort, pending available funding. The program must include a centralized platform to facilitate the procurement of food by local school systems, and MSDE must report annually on the procurement of local food.

Senate Bill 653/House Bill 819 (both passed) authorize the Maryland Stadium Authority, Morgan State University, St. Mary’s College of Maryland, and Baltimore City Community College to establish a procurement evaluation factor of up to 10%, subject to approval by BPW, for offerors that use an employee stock ownership plan – a type of retirement plan under § 401(A) of the Internal Revenue Code in which the company contributes shares of its stock to employees. The evaluation factor applies to “covered” contracts that are less than \$80 million and solicited on or before June 30, 2030.

Senate Bill 795/House Bill 508 (both passed) add “packaged” and “repackaged” janitorial products to the list of products that a prime contractor on a maintenance contract with the State must purchase from BISM.

Contract Awards and Modification

State law specifies provisions that are not permitted in State contracts and are considered void and unenforceable if included. *Senate Bill 453/House Bill 507 (both passed)* clarify that the existing prohibition against including a contract provision that limits the State’s ability to recover the cost of a replacement contractor is limited to the State’s ability to recover the difference in the cost of a replacement contractor to perform the services not performed by the original contractor, to the extent that the sum of the amount paid to the replacement contractor and the amount paid to the original contractor exceed the costs provided for in the contract with the original contractor. Further, the bills clarify that the prohibition against a State contract including a provision that requires the State to agree to limit the liability for any direct loss to the State for bodily injury, death or damage to property of the State caused by the negligence, intentional or willful

misconduct, fraudulent act, recklessness, or other legally actionable misconduct of a person or a person's employees or agents applies only to real property or tangible personal property.

Personnel

Impact of Budget Actions on State Employees

As introduced, the fiscal 2026 budget included \$12.5 billion in employee costs, representing approximately 18.6% of the State budget. As passed, the fiscal 2026 budget includes \$12.3 billion in total personnel funds, including \$95.6 million for a 1% general salary increase effective July 1, 2025, and \$142.9 million for increments for State employees in bargaining units. The legislature reduced statewide personnel funding in fiscal 2026 due to (1) vacancy savings to reflect a turnover expectancy of 9.5% (\$139.5 million) and (2) abolishment of 150.5 miscellaneous regular positions (\$16.5 million).

Hiring Federal Employees

As part of an effort to reduce the size of the federal workforce, thousands of federal workers have been laid off since President Donald J. Trump took office on January 20, 2025. [*House Bill 1424 \(passed\)*](#) establishes the Expedited Hiring Program in the Department of Budget and Management (DBM) for the purpose of hiring former federal employees for vacant skilled and professional service positions in the State Personnel Management System. The Secretary of Budget and Management may contract with another entity to assist with the implementation of the program, subject to available funding. An appointing authority may recruit for a vacant skilled and professional service position in accordance with the bill and must aim to complete the recruitment for the position within 40 days. An eligible applicant is an individual applying for a vacant position in State government who (1) self-certifies (and provides documentation on request) having served in the federal government, as specified, and left federal service after January 15, 2025, and (2) has relevant federal expertise or experience to meet the requirements, based on the position description, for the vacant State position. The fiscal 2026 budget appropriates \$2.0 million to the Dedicated Purpose Account in fiscal 2025 specifically for the expedited hiring of former federal employees, and DBM intends to use those monies to implement the bill.

Compensation and Benefits

Paid Family and Medical Leave

Chapter 48 of 2022 established the Family and Medical Leave Insurance (FAMLI) Program. The program generally provides up to 12 weeks of paid leave to a covered individual who is taking leave from employment due to caring for or bonding with certain family members, the individual's own serious health condition, or a qualifying exigency arising out of a family member's military deployment. The weekly benefit is based on an individual's average weekly wage and is indexed to inflation. Employers may opt out of the FAMLI Program if they provide comparable paid leave benefits to their employees.

Separate from the FAMLI Program, Chapter 752 of 2018 provides up to 60 days of paid parental leave to an employee in the Executive Branch of State government who is the primary caregiver responsible for the care and nurturing of a child to care for the child immediately following either the child's birth or the adoption of a child who is younger than age six. In fall 2024, DBM engaged in collective bargaining regarding the FAMLI Program with exclusive representatives of State employees. The parties reached agreement that paid family and medical leave (PFML) is available beginning July 1, 2026, without eligibility and contribution requirements, in exchange for eliminating the paid parental leave program.

House Bill 1503 (passed) repeals the existing paid parental leave program for Executive Branch employees on July 1, 2026. Instead, the bill establishes new PFML benefits beginning on July 1, 2026, for Executive Branch employees that generally mirror the benefits available under the FAMLI Program. The Secretary of Budget and Management or the governing body of a public institution of higher education must adopt regulations governing PFML benefits, which include conditions and procedures for requesting and approving PFML to the extent that the regulations do not conflict with the bill. The bill applies to all State employees, including temporary employees, in the Executive Branch. State expenditures (all funds) decrease significantly, likely more than \$26.3 million in fiscal 2026 (\$35 million on an annual basis), from the State not paying employer contributions for FAMLI. The State intends to provide PFML benefits on a pay-as-you-go basis.

Death Benefits

The Department of Public Safety and Correctional Services is required to pay a death benefit to the surviving spouse, child, dependent parent, or estate of specified individuals who are killed or die in the performance of duties. **Senate Bill 396 (passed)** requires that the State pay public safety death benefits to the surviving family of specified law enforcement personnel who commit suicide. In addition, the bill makes local 9-1-1 specialists eligible for public safety death benefits.

Public Employee Relations

Chapter 114 of 2023, the Public Employee Relations Act, established the Public Employee Relations Board (PERB) to oversee collective bargaining for all public employees, including State employees, certificated and noncertificated school employees, and employees of community colleges.

Senate Bill 231 (passed) requires PERB to appoint up to three deputy directors who are attorneys, as specified by the bill, instead of three deputy directors that have specialized responsibilities. The bill allows an exclusive representative to meet with a new employee by video or similar technology under any circumstances, repealing the condition of a public health concern for virtual meetings. The bill further repeals the minimum requirement of 10 days of voting for in-person voting for an exclusive representative of a bargaining unit, allowing PERB to designate the time period for in-person voting after consulting with the public employer and the employee organizations on the ballot.

Senate Bill 373/House Bill 599 (both passed) alter the collective bargaining process for uniformed fire employees of the Baltimore-Washington International Thurgood Marshall Airport Fire and Rescue Department by establishing binding arbitration in the event of an impasse in negotiations, though an arbitrator's decision related to wages is subject to the limitations of the State budget.

Pensions and Retirement

State Retirement and Pension System Administration

Budget Reconciliation and Financing Act of 2025

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 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 has 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 1 of the 2012 first special session also mandated a general fund appropriation of \$27.7 million each year for the Teacher Retirement Supplemental Grant for nine jurisdictions (Baltimore City and Allegany, Baltimore, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico counties). The grant was established to partially offset costs associated with a requirement, beginning in fiscal 2012, that local school systems pay a portion of employer contributions for teacher pensions.

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025, reduces, by \$97.7 million, beginning in fiscal 2026, the State share of annual employer pension contributions for members of TRS/TPS. The bill also establishes 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.

The bill also phases out, over two years, the annual mandated appropriation for teacher retirement supplemental grants to eight counties and Baltimore City, by reducing the mandated appropriation from \$27.7 million to \$13.8 million in fiscal 2026, and permanently repealing the mandate in fiscal 2027.

The bill also eliminates two supplemental funding requirements. The bill repeals, beginning in fiscal 2024, a requirement that the Governor include an appropriation to the Postretirement Health Benefits Trust Fund equal to one-quarter of the amount by which the unappropriated general fund surplus exceeds \$10.0 million in the second preceding fiscal year, up to a maximum of \$25.0 million. The bill further repeals, beginning in fiscal 2026, the \$50.0 million

annual supplemental contribution to the State Retirement and Pension System (SRPS) that is required to be paid until the system’s funding ratio reaches 85%.

Administrative Fees Repeal and SRPS Operations

Senate Bill 862/House Bill 1072 (both passed) alter the method for funding the operations of SRPS and the State Retirement Agency (SRA). The bills repeal a requirement that the State and participating local governmental employers pay administrative fees to SRPS that represent their *pro rata* share of administrative and operational costs for the system. Instead, the bills require that the normal contribution rate paid by employers – as recommended by the system’s actuary and certified by the SRPS Board of Trustees – include the amount necessary to cover SRPS’s administrative and operational expenses. Notwithstanding the legislation’s effective date, local governments must make their administrative fee payments for fiscal 2025 that are due on June 1, 2025. For fiscal 2026, the bills require that SRPS’s administrative and operational expenses be paid from the accumulation funds of the several systems.

Compensation and Staffing Committee

Senate Bill 810/House Bill 1028 (both passed) repeal the Objective Criteria Committee (OCC) of the SRPS Board of Trustees, and instead create a Compensation and Staffing Committee (CSC) of the board. OCC’s responsibilities, and some responsibilities of the board’s Investment Committee, are transferred to CSC. The bills also modify the conditions under which the Chief Investment Officer and Investment Division staff are paid incentive compensation.

Transfers Between Systems Workgroup

Senate Bill 457/House Bill 584 (both passed) require SRA to convene and staff a workgroup of stakeholders to study the requirements and processes for transfers of member service between State and local retirement and pension systems, and to make recommendations to improve the process of transfers. The workgroup must report its findings and recommendations to the Governor and the General Assembly by December 1, 2025.

Reemployment

Return to Service by Deferred Vested Formed Members

Senate Bill 612/House Bill 886 (both passed) allow members of the State Police Retirement System (SPRS), Correctional Officers’ Retirement System (CORS), and Law Enforcement Officers’ Pension System who were members on or before June 30, 2011, had a specified break in service, and return to employment to be subject to the same benefits as a member who did not have a break in service. Provisions providing the same benefits for members of the Employees’ Pension System (EPS) and TPS are already in effect.

Average Final Compensation Reemployment Offset Exemptions

Senate Bill 693/House Bill 1033 (both passed) exempt from a retirement benefit offset certain SRPS retirees who are reemployed with a participating employer and whose average final compensation (AFC) is less than the minimum annual salary on the standard State pay scale as of January 1 of the preceding calendar year (instead of less than \$25,000). The bills also exempt certain disability retirees who are reemployed with a participating employer from a temporary suspension of benefits if their AFC is less than the minimum annual salary on the standard State pay scale as of January 1 of the preceding calendar year.

Miscellaneous

Senate Bill 768/House Bill 1029 (both passed) clarify 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.

Senate Bill 692/House Bill 1034 (both passed) alter due dates for two annual reports prepared by SRA. The bills also clarify requirements for participation in the SPRS Deferred Retirement Option Program (DROP) by linking eligibility to years of employment rather than to years of service credit. A member of SPRS is eligible for DROP for a period not to exceed the lesser of 7 years or the difference between 32 years and the member's *employment*, rather than the difference between 32 years and the member's *eligibility service*.

Senate Bill 200 (passed) renames the State Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans to be the State Board of Trustees of the State Employees Supplemental Retirement Plans.

General Assembly

Groups with Legislative Membership

Each year, entities are created by the General Assembly to provide oversight and to conduct in-depth studies of public policy issues. The following bills create commissions, councils, task forces, and other groups that include members of the General Assembly in their membership (and in one case, members of the General Assembly are added to an existing board):

Artificial Intelligence

- *House Bill 956 (passed)* establishes a Workgroup on Artificial Intelligence Implementation;

Courts and Public Safety

- ***House Bill 315 (passed)*** establishes a Task Force to Study Fiduciary Adjudication in Maryland;
- ***Senate Bill 775/House Bill 1027 (Chs. 17 and 18)*** establish a Workgroup to Study Implementation of an Expanded 3-1-1 Nonemergency System;

Education

- ***House Bill 879 (passed)*** establishes a Task Force to Improve Attendance and Reduce Chronic Absenteeism in Schools;
- ***House Bill 1143 (passed)*** establishes a Maryland Collaborative to Improve Children’s Oral Health Through School-Based Programs;

Health

- ***House Bill 718 (passed)*** establishes a Maryland Health Insurance Coverage Protection Commission;
- ***Senate Bill 776/House Bill 995 (both passed)*** establish a Workgroup to Study the Rise in Adverse Decisions in the State Health Care System;
- ***Senate Bill 547 (passed)*** establishes a Commission to Study Health Insurance Pooling;
- ***House Bill 1131 (passed)*** requires the Maryland Office of Overdose Response to convene a workgroup to study access to buprenorphine in the State;
- ***House Bill 1244 (passed)*** establishes a Maryland Developmental Disabilities Administration Waiver Advisory Council;
- ***Senate Bill 691/House Bill 333 (both passed)*** establish a Healthcare Ecosystem Stakeholder Cybersecurity Workgroup;
- ***Senate Bill 156/House Bill 334 (both passed)*** establish a Workgroup on Newborn Home Visiting Services in the State;

Labor

- ***Senate Bill 3/House Bill 850 (both passed)*** establish a Workgroup on the Creation of a Data Dashboard for Public Work Contracts and Apprentices;

- *Senate Bill 431 (Ch. 2)* establishes a Registered Apprenticeship Development Advisory Board;

Natural Resources, Recreation, and the Environment

- *House Bill 731 (passed)* establishes a Maryland Connectivity Coalition;
- *House Bill 971 (passed)* establishes an Anne Arundel County Crownsville Hospital Memorial Park Advisory Committee;
- *Senate Bill 315/House Bill 344 (Chs. 47 and 48)* add General Assembly members to the Board of Directors of the Maryland Environmental Service, as nonvoting members of the board;

State Government

- *Senate Bill 587 (passed)* establishes a Maryland Reparations Commission;

Transportation

- *House Bill 517 (passed)* establishes a Workgroup on the Reorganization of the Maryland Transit Administration; and
- *House Bill 1098 (passed)* requires the Maryland Insurance Administration to establish a workgroup to study automobile insurance affordability.

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 Labor

- *Senate Bill 261/House Bill 63 (Chs. 83 and 84)* extend the termination date for the State Board of Public Accountancy by five years to July 1, 2030;

Maryland Department of Health

- *Senate Bill 217/House Bill 256 (Chs. 31 and 32)* extend the termination dates for (1) the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists, and the State Board of Massage Therapy Examiners, by five years to July 1, 2031; (2) the State Board of Pharmacy by five years to July 1, 2030; and (3) the State Board of Professional Counselors and Therapists (including the Behavior Analyst Advisory Committee within the board) by two years to July 1, 2028;
- *House Bill 19 (passed)* extends the termination date for the State Board of Nursing and certain provisions administered by the board that govern regulation of licensed direct-entry midwives and electrologists (including provisions that establish the Direct-Entry Midwifery Advisory Committee and the Electrology Practice Committee within the board), by five years to July 1, 2030; and
- *Senate Bill 854/House Bill 838 (both passed)* also extend the termination date of provisions administered by the State Board of Nursing that govern regulation of licensed direct-entry midwives (including provisions that establish the Direct-Entry Midwifery Advisory Committee) by five years to July 1, 2030.

Information Technology/Cybersecurity

Information Technology Project Management and Oversight

In response to a legislative audit that identified significant deficiencies in the Department of Information Technology's (DoIT) oversight of major information technology (IT) development projects, Chapter 497 of 2024 modified and enhanced DoIT's formal authority and oversight over major IT development projects. The Act also modified the special fund used to provide funding for these projects and renamed the fund to the Information Technology Investment Fund (ITIF). Under Chapter 497, a project is eligible for funding through ITIF if the project is estimated to cost at least \$5.0 million and other specified criteria are met. *Senate Bill 705/House Bill 738 (both passed)* make additional modifications and enhancements to the statutory framework governing the funding, management, and oversight of major IT development projects for State agencies.

Broadly, and among other changes, the bills (1) define and expand the responsibilities of DoIT related to the oversight of major IT development projects; (2) establish multiple new offices within DoIT with responsibilities related to project oversight and management and collaboration with State agencies for improved service delivery; (3) establish the Information Technology Advisory Board within the Department of Legislative Services as an expert advisory entity to the

Legislative Policy Committee; (4) repeal the Modernize Maryland Commission; (5) establish, modify, and/or repeal various study and reporting requirements related to major IT development project oversight and management; and (6) authorize the use of funding from ITIF and the transfer of certain staff to DoIT for fiscal 2026 to implement the bills.

Cybersecurity

Chapters 241, 242, and 243 of 2022 significantly expanded and enhanced the State's regulatory framework for State and local government cybersecurity. Among other things, the Acts required additional funding for cybersecurity, established leadership positions in State government for cybersecurity, codified existing cybersecurity requirements from a previous executive order, and require State and local governments to perform cybersecurity preparedness assessments. The framework established by Chapters 241, 242, and 243 has been enhanced and/or modified each year, and this trend continues for the 2025 legislative session.

State Agency Responsibility

Though every State agency has some responsibility for cybersecurity policies and actions under Chapters 241, 242, and 243, DoIT and the Maryland Department of Emergency Management (MDEM) share the State's greatest responsibilities. *Senate Bill 244/House Bill 235 (both passed)* make various clarifying and administrative changes to the regulatory framework governing State and local cybersecurity, generally clarifying and distinguishing the responsibilities between DoIT and MDEM.

Maryland Cybersecurity Council

The Maryland Cybersecurity Council (MCC) must work with the National Institute of Standards and Technology and other federal agencies, private sector businesses, and private cybersecurity experts to promote cybersecurity in the State by conducting risk assessments of local infrastructure sectors, assist public and private entities in complying with federal cybersecurity guidance, and recommend a State strategic plan and legislative changes. MCC features dozens of experts and stakeholders representing State and local government, private industry, and nonprofit entities. *Senate Bill 294/House Bill 376 (both passed)* alter the membership and organizational structure of MCC as well as expanding its duties and responsibilities.

Local Government

Among various other requirements, Chapters 241 and 242 both required counties, local school systems, and local health departments to consult with a local emergency manager to maintain a cybersecurity preparedness and response plan; however, the requirements were slightly different in each Act. These two overlapping requirements created confusion about whether county governments need to treat the mandates distinctly or as one requirement. *Senate Bill 239/House Bill 209 (both passed)* repeal one of the redundant sections to eliminate the repetition and the ensuing confusion. The other requirement remains in place without substantive change.

Healthcare Ecosystems

Senate Bill 691/House Bill 333 (both passed) establish the Healthcare Ecosystem Stakeholder Cybersecurity Workgroup to develop strategies to (1) prevent cybersecurity disruptions to healthcare ecosystem operations; (2) ensure the continuous delivery of essential healthcare ecosystem services; and (3) enhance recovery efforts of the healthcare ecosystem following a cybersecurity incident. The Maryland Health Care Commission and the Maryland Insurance Administration must staff the workgroup. By January 1, 2026, the workgroup must submit an interim report and by December 1, 2026, the workgroup must submit a final report to the Governor, the General Assembly, and the heads of specified units of State government.

Community Water and Sewerage Systems

A key focus of cybersecurity policy is protecting critical infrastructure, or physical and virtual systems that need to remain operational to protect security and public safety, economic security, or public health. The U.S. Department of Homeland Security considers water and wastewater systems to be critical infrastructure. To that end, *Senate Bill 871 (passed)* establishes various requirements for the Maryland Department of the Environment (MDE), DoIT, MDEM, and community water system (CWS) and community sewage system (CSS) providers, related to planning and preparing for cybersecurity attacks on CWS and CSS and the water and wastewater sector.

More specifically, and among other changes, the bill requires MDE to consult with DoIT to develop minimum cybersecurity standards CWS and CSS, requires CWS and CSS to plan for service disruptions caused by cyber incidents, and establishes a list of approved cybersecurity training programs for staff responsible for maintaining or operating water or wastewater facilities. The bill also requires DoIT to allow members of the State's water and wastewater sector to join the Maryland Information Sharing and Analysis Center and employ a person trained in the cybersecurity of operational technology to support efforts related to water systems and other critical infrastructure.

Part D

Local Government

Local Government – Generally

Municipalities

Annexation Resolutions

Senate Bill 245/House Bill 279 (Chs. 59 and 60) add the Maryland Department of Planning (MDP) to a list of entities to which a municipality that has annexed property must send a copy of the annexation resolution with the new boundaries. The annexation resolution must be sent to MDP within 10 days after the resolution takes effect, and MDP must keep the resolution on record and make it available for public inspection during regular business hours.

Audit Reporting Requirements

Senate Bill 962 (passed) establishes an annual audit exemption for a municipality in any fiscal year in which municipal annual revenues are less than \$100,000. A municipality that qualifies for an audit exemption under the bill is still required to file an annual *Uniform Financial Report* (UFR) with the Department of Legislative Services. If a UFR filed by a municipality that qualifies for an audit exemption under the bill indicates a financial or accounting irregularity or concern, the Joint Audit and Evaluation Committee may request or require the municipality to conduct a review or audit of its financial records.

Enforcement of Ordinances and Resolutions

Senate Bill 820 (passed) increases, from \$1,000 to \$5,000, the maximum fine that may be imposed by a municipality for the enforcement of a misdemeanor or municipal infraction, as specified.

Counties and Municipalities

Land Use and Planning and Zoning

Senate Bill 891/House Bill 1466 (both passed) establish that it is the policy of the State to promote and encourage the creation of accessory dwelling units (ADU) on land with a single-family detached dwelling unit as the primary dwelling unit in order to meet the housing needs of the citizens of Maryland. *Senate Bill 891/House Bill 1466* also (1) require adoption of specified local laws authorizing ADUs; (2) prohibit a restriction on use of a property from unreasonably limiting the ability of an owner to develop or offer for rent an ADU; and (3) authorize homeowners associations to treat an ADU as a separate lot for purposes of voting and assessments. Except as specified, the bills do not alter or abrogate any zoning power or related authority granted to a local jurisdiction under Title 4 (“Zoning”) of the Land Use Article; however, local jurisdictions must establish policies that further the intent of the bills.

Senate Bill 266/House Bill 286 (Chs. 63 and 64) replace the 12 “visions” – that a local planning commission must implement through a comprehensive plan and that make up the State Economic Growth, Resource Protection, and Planning Policy – with 8 “planning principles.” The Acts further establish – with respect to implementation of the planning principles through a comprehensive plan – that the collective intent of the planning principles is to create sustainable communities and to protect the environment in order to foster a high quality of life for all residents of the State. To accomplish these goals, the Acts establish that residents should be active partners in the planning and implementation of community initiatives and sensitive to their responsibilities as stewards in balancing and achieving community goals.

House Bill 785 (passed), in addition to prohibiting certain actions by common ownership communities, generally prohibits a local jurisdiction from limiting the number of children for which a family child care home or large family child care home provides family child care to a number below the number authorized by the Maryland State Department of Education.

Personnel

House Bill 1080 (passed) authorizes county or municipal governments to provide disaster service leave with pay, on request, if (1) the employee is certified by the American Red Cross as a disaster service volunteer and the American Red Cross requests the services of the employee during certain disasters designated at level II or above or (2) the employee is a member of the Civil Air Patrol, U.S. Coast Guard Auxiliary, Maryland Voluntary Organizations Active in Disaster, a volunteer emergency medical services department, a volunteer fire department, a volunteer rescue company or volunteer rescue squad, or a community emergency response team. Under the bill, eligible employees may use up to 30 days of disaster service leave in any 12-month period only after obtaining approval from their local governmental unit. *House Bill 1080* also authorizes local government employers to provide leave with pay for jury service, attendance at employee organizational events, uniformed services training (as defined in federal law), court testimony, or administrative leave, as specified.

Senate Bill 872/House Bill 1443 (both passed) authorize counties and municipalities to grant hiring and promotion preferences to (1) an eligible veteran; (2) the spouse of an eligible veteran who has a service-connected disability; (3) the spouse of an eligible service member; or (4) the surviving spouse of a deceased eligible veteran. Any such preference, if awarded, does not violate any State or local equal employment opportunity law. *Senate Bill 872/House Bill 1443* further authorize counties or municipalities that use selection tests to hire or promote employees to award 10 credit points on the test, or their equivalent, to the same individuals. A county or municipality that elects to offer hiring or promotion preferences or credits under the bills may adopt a local law granting the preferences or credits before implementing the preferences or credits.

Notice Requirements

Senate Bill 513 (passed) alters a statutory provision regarding the notice that a local government must provide when it intends to execute and record a restrictive covenant modification to an unlawfully restrictive covenant. In addition to repealing the requirement for the notice to be sent by first class mail, the bill authorizes notice to be (1) published once per week for four successive weeks in one or more newspapers of general circulation in the county or municipality where the property is located and (2) posted on the official website of the county or municipality where the property is located.

Preventive Cancer Screening for Professional Firefighters

Senate Bill 374/House Bill 459 (both passed) require a county that offers a self-insured employee health benefit plan to provide to each firefighter employed by the county coverage for preventive cancer screenings in accordance with the latest screening guidelines issued by the International Association of Fire Fighters. The recommendations currently include specified screenings for bladder, breast, cervical, colorectal, lung, oral, prostate, skin, testicular, and thyroid cancers. The bills prohibit a county from imposing a copayment, coinsurance, or deductible on such coverage. Additionally, each county subject to the bills must collect and submit specified data to the Maryland Health Care Commission, which must consider the data and study and report on the impact of expanding coverage for preventive cancer screenings for firefighters to the commercial insurance market by December 1, 2028.

Senate Bill 374/House Bill 459 also establish that a county may satisfy the preventive cancer screening requirement by applying for a grant through an existing program, which is currently funded at \$100,000 a year. Accordingly, a county that applies for a grant but does not receive an award under that program appears to have no further obligation to provide the screenings.

Bi-county Agencies

Maryland has three bi-county agencies that operate within and on behalf of the residents of both Montgomery County and Prince George's County – the Washington Suburban Sanitary

Commission (WSSC), the Maryland-National Capital Park and Planning Commission), and the Washington Suburban Transit Commission.

Washington Suburban Sanitary Commission

Commission Membership, Reporting, Billing, and Planning

House Bill 1195 (*passed*) alters the membership and operations of WSSC. Specifically, the bill requires the Director of the Montgomery County Department of Environmental Protection, or the director's designee, to serve as one of the WSSC commissioners appointed from Montgomery County. The individual (1) is not required to be a registered voter of Montgomery County; (2) does not receive any additional compensation for duties performed as a commissioner; and (3) is exempt from the term limits set for other commissioners under statute. The bill also requires that, by November 1, 2025, WSSC submit a long-range financial plan, developed with an independent advisor, along with updated financial policies to the county councils of Montgomery and Prince George's counties and to the General Assembly. The plan and financial policies must be updated periodically and must include stress testing based on industry standards, assess economic impacts on financial solvency, and be published on the commission's website.

House Bill 1195 also updates WSSC's reporting requirements by mandating the publication of documents related to bond ratings, specified data on the Refund Hearing and Dispute Resolving Boards, and stress testing for long-range financial plans, all of which must be posted on WSSC's website without including any personally identifiable information. In addition, by June 1, 2026, and every three years after, the WSSC Office of the Inspector General (OIG) must undergo an external peer review to assess its quality control system and independence from WSSC, with results submitted to the county delegations, councils, and WSSC and published on WSSC's website. The bill further requires that the office review WSSC's efficiency, sustainability, and operations, including benchmarking, capital program effectiveness, police force use, access to government assistance, and coordination with other utilities and agencies.

The bill expresses the General Assembly's intent for WSSC to bill customers on a fixed periodic basis, such as monthly or quarterly, without the use of estimated billing, and requires that OIG's budget authorization be approved independently, without WSSC staff involvement. Further, by November 1, 2025, WSSC is required to report to the General Assembly on upcoming procedural changes to improve customer engagement for high bills, with full implementation reported by November 1, 2026. Annually thereafter, WSSC must report to the county councils on the number of customers with high bills and publish the changes on its website and in customer notifications.

The bill requires WSSC to collaborate with the State Department of Assessments and Taxation and other stakeholders to evaluate the *ad valorem* taxes needed to support WSSC debt, with a report due to the Montgomery and Prince George's county councils and delegations by December 1, 2026. Finally, **House Bill 1195** requires WSSC to hire a consultant to conduct, in consultation with the Department of Legislative Services, an independent evaluation of its

efficiency and sustainability, including a review of its budgetary process and annual rate setting. The evaluation must be reported to various entities by October 1, 2027, and published on WSSC's website.

System Development Charge

Current law allows for several exemptions to the WSSC system development charge, including full or partial exemptions for public-sponsored or affordable housing, revitalization projects, and properties used for community services, child care, or programs for the developmentally disabled. In addition, county councils may grant exemptions for certain residential properties in retirement communities or those used for biotechnology research or manufacturing, based on specified conditions. *House Bill 1230 (passed)* requires, for properties in Montgomery County, the Montgomery County Council and Prince George's County Council to grant full or partial exemptions from the system development charge for revitalization projects and properties used for youth services, child care, after-school care, or services for the developmentally disabled. The bill also requires exemptions for residential properties in planned retirement communities, elderly housing, and for properties used for manufacturing or biotechnology research, all within Montgomery County. By October 1 each year, both Montgomery and Prince George's counties are required to report the number and dollar amount of exemptions granted, as well as details on publicly sponsored and affordable housing projects and units granted exemptions.

Maryland-National Capital Park and Planning Commission

Prince George's County

Board of Appeals Membership: The Prince George's County Council serves as the district council, responsible for adopting and amending zoning laws and maps, while a three-member board of appeals oversees appeals within the regional district located in Prince George's County. *House Bill 1065 (passed)* clarifies that the Prince George's County Council must appoint at least three members to the board of appeals in the county, and that a simple majority of board members, instead of at least two members, must concur in any resolution.

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 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. *House Bill 1470 (passed)* requires the Prince George's County Department of Permitting, Inspections, and Enforcement to record a lien within 90 days after issuing a notice for tree-cutting violations in the Critical Area on certain parcels of land in the county to ensure current owners are liable for violations of prior owners. If the lien is not recorded, liability remains with the previous owner. The bill applies retroactively to violations occurring on or before November 7, 2018, requiring liens to be released and costs reimbursed for good-faith purchasers. *House Bill 1470* further establishes that the Prince George's County government must vacate any administrative

enforcement actions taken for such a violation, including the release of a lien recorded on the property that is the subject of the violation, and must reimburse a current property owner for specified costs.

Montgomery County

In Montgomery County, the legislative body of a municipality or governed special taxing district may currently impose stricter building requirements than what is required by a State, regional, or county unit on single-family homes for specified reasons and for specified projects. *House Bill 1167 (passed)* updates provisions allowing municipalities or special taxing districts in Montgomery County's Regional District to impose stricter building requirements on specified residential buildings with up to four units, regardless of zoning, while ensuring that, for specified residential buildings with two to four dwelling units, they are no stricter than requirements for single-unit houses.

Multiple Bi-county Agencies

Open Meetings Act – Live Streaming

The Montgomery County Planning Board and WSSC are required to livestream, by video or audio, open meetings and to provide unedited archived recordings on their websites. *House Bill 1064 (passed)* establishes that, if no organizational business is conducted, project site visits and educational field tours are not considered open meetings and are exempt from livestreaming requirements.

Part E

Crimes, Corrections, and Public Safety

Criminal Law

Crimes Involving Animals

Abuse or Neglect

Maryland law prohibits various actions related to animal abuse or neglect. *Senate Bill 80 (passed)* prohibits abuse or neglect of an animal that results in (1) the death of a domestic animal or (2) the need to euthanize a domestic animal or livestock based on the recommendation of a licensed veterinarian, validated by a second licensed veterinarian. A violator is guilty of a misdemeanor and subject to imprisonment for up to one year and/or a fine of up to \$5,000. The bill also authorizes a court, as a condition of sentencing, to (1) order a defendant to participate in and pay for psychological counseling and pay costs of removing, housing, treating, or euthanizing the animal and (2) prohibit the defendant from owning, possessing, or residing with an animal for a period of time determined by the court.

Keeping Roosters

Beginning January 1, 2027, *Senate Bill 375/House Bill 513 (both passed)* prohibit, with specified exceptions, a person who keeps individually maintained roosters from restraining their movement with an enclosure or tether. The bills may be enforced by any State or local law enforcement officer or a local animal control authority for the jurisdiction where the violation occurs. A violator is subject to (1) for a first offense, a warning; (2) for a second offense, a civil penalty of up to \$500 per rooster; and (3) for a third or subsequent offense, a civil penalty of up to \$1,000 per rooster.

Crimes Involving Drugs, Paraphernalia, and Firearms

In general, existing State statute prohibits a person from possessing or distributing drug paraphernalia and controlled paraphernalia. *House Bill 260 (passed)* reduces the penalties for

offenses involving drug paraphernalia and controlled paraphernalia and repeals the prohibition on a person using controlled paraphernalia to administer a controlled dangerous substance.

House Bill 413 (passed) (1) establishes reduced penalties for various cannabis-related violations of the prohibitions on being a “volume dealer” under § 5-612 of the Criminal Law Article and a “drug kingpin” under § 5-613 of the Criminal Law Article; (2) authorizes specified individuals incarcerated for violations of §§ 5-612 and 5-613 to file an application for a modification or reduction of a mandatory minimum sentence; (3) modifies penalties and crime classifications for specified firearms offenses; and (4) authorizes a person at least age 21 to manufacture a personal use amount of cannabis products or concentrated cannabis. The bill also specifies that with the exception of a violation involving cannabis, a violation of the volume dealer statute is a felony.

Public Service Answering Points

The State’s 9-1-1 system operates primarily through public service answering points (PSAP). A PSAP is a 24-hour communications facility that (1) first receives 9-1-1 requests for emergency services in a 9-1-1 service area and (2) appropriately dispatches public safety services, transfers 9-1-1 requests, or transmits incident data. **Senate Bill 81/House Bill 445 (both passed)** prohibit a person from violating § 7-302 of the Criminal Law Article, the prohibition on unauthorized access to computers and related material, with the intent to interrupt or impair the functioning of a PSAP. A violator is guilty of a felony punishable by imprisonment for up to five years and/or a maximum fine of \$25,000.

Organized Retail Theft

Senate Bill 11/House Bill 179 (both passed) establish the felony offense of organized retail theft of property with an aggregate value exceeding \$1,500. The bills also clarify the venue for prosecuting cases involving multiple thefts in multiple counties committed by the same person under a single scheme or continuing course of conduct and require the court (upon the State’s Attorney’s request) to make a finding of fact (after specified dispositions for certain offenses) as to whether a crime constitutes organized retail theft. The maximum penalties that may be imposed for a violation vary based upon the value of the property involved. A conviction for organized retail theft merges into a conviction under the general theft statute (§ 7-104 of the Criminal Law Article) for the purposes of sentencing where the two convictions arise from the same acts or transactions.

Boating

In addition to any other duties imposed by law, the operator of a vessel involved in a collision, accident, or other casualty must render all practical and necessary assistance to affected persons in order to save the persons from danger caused by the accident to the extent that the operator can do so without serious danger to the operator’s own vessel or persons aboard. **Senate Bill 123 (passed)** requires the operator of a vessel involved in a collision, accident, or other

casualty that results in bodily injury to or the death of another person to stop the vessel as close as possible to the scene of the accident for the operator to comply with existing statutory requirements to render assistance and provide specified information.

The bill establishes criminal penalties for failure to stop as required and establishes a specific criminal penalty for failure to comply with the existing duty to render aid and provide identifying information at the scene of a boating accident.

Burning

In general, State statute prohibits a person from willfully and maliciously setting fire to or burning the personal property of another and setting fire to or burning property of any kind with the intent to defraud another. *Senate Bill 334/House Bill 943 (both passed)* prohibit a person from committing a “crime of malicious or fraudulent burning” that results in the death of or serious physical injury to a firefighter. A violator is guilty of a felony and subject to imprisonment for up to 10 years.

Human Remains

House Bill 674 (passed) prohibits a person, with the intent to conceal a crime, from knowingly and willfully dismembering, destroying, removing, burying, disposing of, or obliterating any portion of human remains. The bill also prohibits aiding or abetting another person in committing such an act. A violator is guilty of a felony and subject to imprisonment for up to five years.

Video Surveillance

Senate Bill 348/House Bill 437 (both passed) expand the prohibition on conducting or procuring another person to conduct visual surveillance with prurient intent of an individual by adding (1) a residence and (2) another place of private use or accommodation to the list of protected locations in the definition of a “private place.” The bills also clarify that nonconsensual visual surveillance of the “private areas of an individual” by use of a camera, as specified, is prohibited regardless of the location of the individual.

Senate Bill 92/House Bill 236 (both passed) expand § 3-803 of the Criminal Law Article (harassment) to prohibit an individual from conducting visual surveillance of an area of another person’s residence where the other person has a reasonable expectation of privacy, as otherwise specified in statute. A violator is subject to the existing statutory penalty for violations of § 3-803. The bills also prohibit the harassment statute from being construed in a manner that infringes on any right guaranteed under the U.S. Constitution or the Maryland Declaration of Rights.

Revenge Pornography

Maryland law prohibits a person from knowingly distributing a visual representation of another identifiable person that displays the other person with intimate parts exposed or while engaged in an act of sexual activity (1) with the intent to harm, harass, intimidate, threaten, or coerce the other person; (2) under circumstances in which the person knew that the other person did not consent to the distribution or with reckless disregard as to whether the person consented to the distribution; and (3) under circumstances in which the other person had a reasonable expectation that the image would remain private. *Senate Bill 360 (passed)* defines “visual representation” of an identifiable person for purposes of the existing prohibition as an unaltered image of the person or an image created with or without using other existing depictions of the person that is indistinguishable from the person, from the perspective of an ordinary person. “Visual representation” includes a computer-generated image but does not include a drawing, sculpture, cartoon, or painting. The bill also authorizes a person to bring a civil action for defamation per se or invasion of privacy against any person who distributed a visual representation in violation of the criminal prohibition.

Criminal Procedure

Crime Victims

U Nonimmigrant Status Petitions

Federal law allows individuals without legal status in the United States who are victims of criminal activity to file for U Nonimmigrant Status. The status is set aside for victims of crimes who have suffered substantial mental or physical abuse due to the criminal activity and who are willing to assist law enforcement agencies or government officials in the investigation of that activity. In order to file for the status, the individual must provide a certification from a federal, state, or local law enforcement official stating that the individual has been helpful.

For purposes of filing a petition for U Nonimmigrant Status, a victim or the victim’s parent, guardian, or next friend may request a certifying official to certify victim helpfulness if the victim (1) was a victim of a qualifying criminal activity and has been helpful to the certifying entity in the detection, investigation, or prosecution of that qualifying criminal activity; (2) was younger than age 16 on the date that an act that constitutes an element of a qualifying criminal activity first occurred and the victim’s parent, guardian, or next friend has been helpful to the certifying entity; or (3) is incapacitated or incompetent and the victim’s parent, guardian, or next friend has been helpful to the certifying entity in the detection, investigation, or prosecution of that qualifying criminal activity.

Senate Bill 608 (passed) expands who may request a certification of victim helpfulness to include the victim’s attorney, a victim advocate, or another representative of the victim. The bill further provides that there is no statute of limitations for when a qualifying criminal activity

occurred relative to the request for certification of victim helpfulness. In general, a certifying entity must respond to a request for certification of victim helpfulness within 45 days after receiving the request. However, if the victim is the subject of removal, exclusion, or deportation proceedings or subject to a final order of removal, exclusion, or deportation, the certifying entity must respond to a request for certification of victim helpfulness within seven days of receiving the request. If a certifying entity does not certify that an individual has been helpful within the required 45 days or determines that an individual does not qualify for a certification of victim helpfulness, the certifying entity must provide a written explanation to the victim setting forth the reasons why the evidence available does not support issuance of the certification. The bill also requires that a certifying entity develop protocols to assist petitioners with limited English proficiency to proceed under the provisions of the bill.

Court Procedures

Motions to Reduce Sentence

Maryland Second Look Act: Chapter 61 of 2021, also known as the Juvenile Restoration Act (JRA), allows 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. 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, 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.

House Bill 853 (passed) expands application of the JRA to allow an individual to file a motion to reduce the duration of the individual's sentence if the individual (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 bill also expands provisions of the JRA to provide that (1) a victim or victim's representative may submit a victim impact statement to the court regarding the proposed sentence reduction; (2) the court must order an individual who is released to stay away from and refrain from contact with a victim and a victim's family, unless the victim requests otherwise; and (3) the court may impose any other conditions necessary to promote victim safety and peace of mind.

Expungement

Expungement Reform Act: Section 10-105 of the Criminal Procedure Article authorizes an individual charged with the commission of a crime or a civil offense or infraction to file a petition for expungement of the records under certain circumstances. Similarly, § 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. Under both provisions, petitions for expungement are subject to specified waiting periods, which in most cases, begin after the satisfactory completion of the sentence or after the person satisfies the sentence or sentences imposed.

Senate Bill 432 (passed) (1) alters various statutory provisions relating to waiting periods for the filing of a petition to expunge a conviction under §§ 10-105 or 10-110 of the Criminal Procedure Article; (2) expands the list of misdemeanor convictions eligible for expungement under § 10-110 to include credit card theft and driving without a license; (3) expands the factors a court must consider for an expungement under §§ 10-105 and 10-110; and (4) prohibits the Maryland Judiciary Case Search from referring in any way to a charge resulting in *nolle prosequi* with required drug or alcohol treatment, a charge marked “stet” on the docket at least three years previously, and charges of possession of cannabis (in a case with electronic records) if the charge resulted in a conviction that was later pardoned by the Governor. Specifically, the bill provides that the applicable waiting period before an individual may file a petition for expungement begins after the “completion of the sentence.” Completion of the sentence means the time when a sentence has expired, including any period of probation, parole, or mandatory supervision.

Further, **Senate Bill 432** requires that, in determining whether a person is entitled to expungement under § 10-105, a court must consider (1) the person’s success at probation, parole, or mandatory supervision and (2) whether the person has paid any monetary restitution ordered by the court in the original proceeding or does not have the ability to pay the restitution. Similarly, for a petition for expungement filed under § 10-110, the bill alters the findings that a court must make before granting an expungement to include consideration of (1) the person’s success at probation, parole, or mandatory supervision and (2) that the person has paid any monetary restitution ordered by the court in the original proceeding or does not have the ability to pay the restitution.

The bill also prohibits Maryland Judiciary Case Search from referring in any way to electronic records for charges resulting in (1) the court marking the charge “stet” on the docket at least three years previously and (2) charges of possession of cannabis in a case with electronic records if the charge resulted in a conviction that was later pardoned by the Governor.

Court Testimony in Criminal Cases

Testimony of Spouses: State law generally provides that one spouse is not competent to disclose any confidential communication between the spouses occurring during their marriage. **Senate Bill 142/House Bill 241 (both passed)** establish that a spouse, who is the alleged victim, is competent to disclose a confidential communication between spouses occurring during their marriage in a criminal action in which one spouse is charged with a crime against the other spouse. However, a spouse may not be compelled to testify to a confidential communication under these circumstances.

Testimony of Child Victims and Witnesses

Under specified circumstances in a case generally involving child abuse, a court may order that the testimony of a child victim be taken outside the courtroom and shown in the courtroom by closed circuit television. *Senate Bill 274/House Bill 293 (both passed)* repeal a requirement that the court determine that a child victim cannot reasonably communicate in the presence of a defendant or child respondent before ordering the child’s testimony to be taken outside of the courtroom. Instead, the court must determine that testimony of the child victim in the presence of the defendant or child respondent will result in the child victim suffering serious emotional distress.

The bills also require (1) if the child victim testifies by closed circuit television, the testimony must be given within the courthouse in a setting that the court finds will reasonably mitigate the likelihood that the child victim will suffer emotional distress and (2) the defendant or child respondent to have a means of privately communicating orally and in real-time with the attorney for the defendant or child respondent who is in the room where the child victim is testifying.

Senate Bill 333/House Bill 442 (both passed) generally expand statutory evidentiary provisions that authorize the admission of an out of court statement in a juvenile court or criminal proceeding made by a child victim or witness to certain professionals to also be applicable to statements made to a “forensic interviewer.” A forensic interviewer is defined as a professional who (1) is trained in child forensic interviewing protocols and techniques that allow for neutral, legally sound, nonleading, and developmentally appropriate interviews with children to gather information without influencing the information provided by the child; (2) is not a law enforcement officer; and (3) is employed by or works under contract with a child advocacy center or an entity in another jurisdiction that would qualify as a child advocacy center in the State.

Criminal Investigations

Forensic Genetic Genealogical DNA Analysis

State law authorizes the use of publicly available open-data personal genomics databases and direct-to-consumer genetic genealogy services in criminal investigations under certain circumstances. As part of this process, a law enforcement agent must submit a sworn affidavit asserting specified facts regarding the crime being investigated, including an assertion that reasonable investigative leads have been pursued and failed to identify a perpetrator. *House Bill 301 (passed)* requires that the required affidavit state that the identity of the perpetrator is unknown and also clarifies that the affidavit requirements may not be construed to require that all investigative leads have been exhausted.

Military Protection Orders

A “military protection order” (MPO) is a protection order issued in accordance with 10 U.S.C. § 1567 by a commanding officer against a person under the officer’s command in (1) any

branch of the uniformed services of the United States; (2) the Maryland National Guard; or (3) the national guard of any other state. In general, an MPO is a written lawful order issued by a military commander that orders a service member to avoid contact with those persons identified in the order. *Senate Bill 273/House Bill 533 (both passed)* provide that if a law enforcement officer has probable cause to believe that an individual is in violation of a protective order or peace order and is a service member in violation of an MPO entered into the Federal Bureau of Investigation's National Crime Information Center Database (NCIC), the law enforcement officer must notify the law enforcement agency that entered the MPO into NCIC of the violation.

Crime-specific Procedures

Statutes of Limitations

Cemetery Destruction: Generally, a prosecution for a crime designated as a misdemeanor must be brought within one year of when the offense was committed. *Senate Bill 421/House Bill 616 (both passed)* extend the statute of limitations to prosecute a person for a violation of § 10-404 (a) or (b) of the Criminal Law Article relating to the destruction of funerary objects and other elements of a cemetery from within one year after the offense was committed to within three years after local authorities in fact knew or reasonably should have known of the violation.

Charging and Sentencing

Crimes Against Animals: *Senate Bill 152/House Bill 89 (both passed)* establish that each animal harmed in a violation of Title 10, Subtitle 6 of the Criminal Law Article (crimes against animals) is a separate offense and must be deemed an individual victim for purposes of the sentencing guidelines stacking rule. The bills specify that (1) a conviction for a violation of the subtitle cannot merge with a conviction for any other crime based on the act establishing the violation and (2) a sentence imposed for a violation of the subtitle may be separate from and consecutive to or concurrent with a sentence for any crime based on the act establishing the violation. The bills also clarify that specified crimes generally prohibiting animal abuse and neglect do not apply to either hunting or fishing activities that use the most humane method reasonably available if they are completed in accordance with State wildlife or fisheries law or regulations.

Forensic Review Boards

Senate Bill 43/House Bill 32 (both passed) require the Maryland Department of Health to establish a forensic review board at each facility that has persons committed as not criminally responsible. The boards are responsible for reviewing and determining whether to recommend to the court that a committed person is eligible for discharge or conditional release, with or without proposed conditions. A board may make recommendations relating to the release or rehabilitation of a committed person and must notify the committed person and the person's counsel of record before it holds a meeting concerning the committed person and after the board issues a recommendation to the court, as specified. When making a recommendation, a forensic review board must consider a written statement offered by the committed person to the board. Counsel for

any party may not attend forensic review board meetings, but a committed person may appoint an “authorized agent” to attend the portion of the board’s meeting concerning the committed person and give and hear arguments at the meeting.

Juvenile Law

Education

Juvenile Services Education Board

Chapter 147 of 2021 transferred the Juvenile Services Education Program from the Maryland State Department of Education (MSDE) to the Department of Juvenile Services (DJS) and established the Juvenile Services Education Board to oversee the program. Through the program, DJS oversees and provides comprehensive educational services to all juveniles placed in a DJS-operated detention and residential facility.

House Bill 658 (passed) makes various administrative changes to the Juvenile Services Education Board, including (1) staggering the terms of appointed members; (2) imposing a two consecutive term limit on appointed members (members appointed after a term begins remain eligible for reappointment to two consecutive full terms); (3) authorizing the Secretary of Higher Education and the State Superintendent of Schools to each assign a designee to serve on the board; (4) reducing the number of required meetings from once per month to 10 times per year and not more than once per month; and (5) authorizing a majority of members, the chair of the board, or the Secretary of Juvenile Services to call special meetings of the board that do not count toward the monthly limit.

Truancy Reduction Pilot Program – Report

Statute sets forth specific procedures for addressing truancy in jurisdictions in which a Truancy Reduction Pilot Program (TRPP) has been established. In those counties, an authorized school official may file with the juvenile court a petition alleging that a child who is required to attend school failed to do so without lawful excuse, as specified. When making a disposition on a petition that has been filed as part of a TRPP, the juvenile court may order the child to (1) attend school; (2) perform community service; (3) attend counseling, including family counseling; (4) attend substance abuse evaluation and treatment; (5) attend mental health evaluation and treatment; or (6) keep a curfew with the hours set by the court. The court must retain jurisdiction until every condition of the court’s order is satisfied. The Chief Judge of the Supreme Court of Maryland must report annually (by November 1) to the General Assembly on each established TRPP.

House Bill 1442 (passed) specifies that the annual report must include (1) the number of TRPPs established in the State; (2) the number of participants in each TRPP; (3) information on the outcomes of the participants in each TRPP; and (4) recommendations to improve the function of current TRPPs. The bill terminates on December 31, 2026.

Youth Service Bureaus

A youth service bureau (YSB) is a community-based entity that is operated to (1) provide community-oriented delinquency prevention, youth suicide prevention, drug and alcohol abuse prevention, and youth development; (2) ameliorate conditions that contribute to delinquency, youth suicide, drug and alcohol abuse, and family disruption; and (3) function as an advocate of youth needs.

House Bill 814 (passed) requires DJS to report to the Senate Judicial Proceedings Committee and the House Judiciary Committee by October 1, 2025, and each October 1 thereafter, on (1) efforts by DJS to promote predelinquent programs, including YSBs; (2) efforts by DJS to collaborate with and provide technical assistance to local governments regarding the establishment, use, and funding of YSBs; (3) an assessment of the programs and activities conducted by YSBs; and (4) any other efforts to prevent youth offenses.

Public Safety and Corrections

Immigration Enforcement (Maryland Values Act)

House Bill 1222 (passed) requires the Attorney General to develop and publish guidance on immigration enforcement at “sensitive locations.” A sensitive location is defined as (1) a public school, a public library, a health care facility operated by a unit of State or local government, a facility operated by the Comptroller, a courthouse, or any other location that provides State-funded services related to physical or mental health, education, shelter care, or access to justice, and (2) as determined by the Attorney General, requires special consideration for immigration enforcement activities.

The guidance must inform the public and relevant State agencies about (1) delineating between immigration enforcement within the public portions of sensitive locations and the nonpublic or private portions of sensitive locations; (2) verifying the identity of immigration enforcement agents and validating immigration enforcement documentation seeking specific individuals; (3) limiting liability exposure for State, local, and private institutions and the participation of the employees of those institutions in immigration enforcement at sensitive locations; (4) facilitating relationships between federal law enforcement officers and State and local officials and law enforcement officers in order to conduct immigration enforcement activities through the least dangerous and disruptive means; and (5) complying with existing legal obligations and limitations on State and local agencies while maintaining public safety and accessibility to those agencies. By October 1, 2025, each public school, public library, and unit of the Executive Branch of State or local government that operates at a sensitive location must implement a policy consistent with the Attorney General’s guidance. These policies are not subject to the provisions of the Administrative Procedure Act. Private entities that provide services related to physical or mental health, education, shelter care, or access to justice are encouraged to adopt such policies.

House Bill 1222 also creates procedures governing the operation of federal law enforcement officers acting to enforce federal immigration law in the State. The bill requires (1) federal law enforcement officers conducting a federal immigration enforcement action at a sensitive location to notify the chief law enforcement officer of whichever agency has primary jurisdiction over the location and (2) any public school, public library, or unit of the Executive Branch of State or local government that operates at a sensitive location to deny access to any portion of the sensitive location that is not accessible to the public to any individual who is seeking access for the purpose of enforcing federal immigration law, unless the individual presents a valid judicial warrant issued by a federal court or exigent circumstances exist. This requirement does not apply to a State or local correctional facility or a detention facility in a District Court or circuit courthouse.

Law Enforcement

Police Officer Administrative Charges

Chapter 59 of 2021 established a statewide accountability and discipline process for police officers with procedural requirements for handling complaints of police misconduct that could lead to disciplinary action. Among other requirements, the process requires an investigating unit of a law enforcement agency to immediately review a complaint by a member of the public alleging police officer misconduct. An administrative charging committee must review and make a determination or ask for further review within 30 days after completion of the investigating unit's review. The process of review by the investigating unit through disposition by the administrative charging committee must be completed within one year and one day after the filing of a complaint by a citizen.

Senate Bill 533 (passed) alters deadlines for the completion of the process of review and investigation for police discipline matters relating to a complaint by a member of the public alleging police officer misconduct. The bill requires that (1) the investigating unit complete its investigation and forward its findings to the administrative charging committee within 334 days after the filing of the complaint by a member of the public; (2) the administrative charging committee review and make a determination, or ask for further investigation, within 30 days after receipt of the investigating unit's findings; and (3) the process of review and investigation be completed within 395 days after the filing of the complaint by the member of the public.

Additionally, a law enforcement agency must file any administrative charges arising out of an investigation of alleged police officer misconduct that is not required to be reviewed by an administrative charging committee within one year and one day after the date that the appropriate official employed by the law enforcement agency became aware of the incident that led to the investigation. If the alleged police officer misconduct is the subject of a criminal investigation, the bill requires an administrative charging committee or law enforcement agency to file administrative charges within one year and one day of specified dates.

DNA Collection and Storage

Senate Bill 202/House Bill 259 (Chs. 91 and 92) alter (1) the circumstances in which a DNA sample must be collected and stored in the statewide DNA database system within the Department of State Police (DSP) Crime Laboratory and (2) the individuals required to collect DNA samples and the process for collection of DNA samples from registered sex offenders. The Acts also clarify when a DNA sample may be tested, placed in the statewide DNA database system, or destroyed and expunged.

In addition, the Acts require the releasing entity, before releasing an individual from custody, to ensure that the individual's required DNA sample has been collected in accordance with § 2-504 of the Public Safety Article, as altered by the Acts. In addition, the Acts (1) prohibit an individual from refusing to provide a DNA sample as required; (2) discharge an employee from the duty to collect a DNA sample when an individual refuses to submit a DNA sample, as specified; and (3) establish penalties for violations of the prohibition against refusal.

Rape Kit Testing Grant Fund and the Sexual Assault Evidence Collection Kit Tracking Program

Senate Bill 669/House Bill 675 (both passed) make changes to the Rape Kit Testing Grant Fund and the Sexual Assault Evidence Collection Kit Tracking Program. The bills (1) expand the stated purpose and authorized uses of the fund to include, among other things, providing funding to the Office of the Attorney General (OAG) to assist law enforcement agency investigations of crimes involving sexual assault evidence collection kits collected before a certain date that have not been tested; (2) alter the requirements of the Executive Director of the Governor's Office of Crime Prevention and Policy (GOCPP) regarding the distribution of funds; (3) authorize grant awards to be made for a period of up to 36 months; and (4) prohibit the fund from being used to support the Sexual Assault Evidence Collection Kit Tracking Program.

The bills also extend the deadline, from December 31, 2025, to March 31, 2026, for a law enforcement agency or a person, including a health care provider, forensic laboratory, or State's Attorney, to submit specified information related to sexual assault evidence collection kits to the tracking program.

Payment to Providers of Services to Victims of Sexual Assault

Senate Bill 199/House Bill 136 (Chs. 89 and 90) clarify that specified health care entities that provide services to victims of sexual assault are entitled to be paid by GOCPP, rather than by the Criminal Injuries Compensation Board.

State Clearinghouse for Missing Persons

House Bill 1116 (passed) renames the State Clearinghouse for Missing Children to be the State Clearinghouse for Missing Persons and transfers its statutory provisions from the Family Law Article to the Public Safety Article. The bill further establishes that the duties of the State

Clearinghouse for Missing Persons include (1) the receipt, collection, and distribution of general information and annual statistics regarding missing persons and (2) coordination of law enforcement agencies and other interested persons or groups within and outside the State regarding information on persons who have disappeared from, or are thought to be located in, the State.

Additionally, the bill requires DSP to (1) study the department’s capacity to report to the National Missing and Unidentified Persons System information about persons who have disappeared from, or are thought to be located in, Maryland and (2) by December 1, 2025, report its findings to the Governor and the General Assembly.

Maryland Police Training and Standards Commission – Review of Report

The Independent Investigation Division (IID) of OAG is the primary investigative unit in the State for police-involved incidents that result in the death of individuals or injuries likely to result in death. *Senate Bill 391 (passed)* requires the Maryland Police Training and Standards Commission to (1) annually review the report published by IID and (2) make any recommendations that the commission determines are appropriate based on its review.

Peer Support Confidentiality

Each law enforcement agency must provide access to an employee assistance program for all police officers whom the law enforcement agency employs. The employee assistance program must provide police officers access to confidential mental health services, including counseling services, crisis counseling, stress management counseling, resiliency sessions, and peer support services for police officers. *Senate Bill 326/House Bill 309 (both passed)* prohibit, with specified exceptions, the disclosure of the contents of any written or oral communication regarding a peer support interaction by a “peer support specialist” or a peer support program participant. A peer support specialist must inform the peer support program participant in writing of the bills’ confidentiality provisions before the initial peer support interaction with a peer support program participant.

Special Police Officers – Employment by Security Guard Agencies

The Governor may appoint and deputize an individual as a special police officer (SPO); however, each SPO is deemed to be an employee of the entity that requested the appointment. Such a commission is granted arrest powers, but the scope of each commission is limited to the property cited in the commission, unless the SPO is in active pursuit for the purpose of immediate apprehension. *Senate Bill 455 (passed)* expands the entities authorized to apply for the appointment of SPOs to include a person that holds a valid license as a security guard agency in order to protect property owned or leased by its clients.

Office of the Sheriff of Baltimore City – Neighborhood Services Unit

House Bill 1293 (passed) establishes the Neighborhood Services Unit within the Office of the Sheriff of Baltimore City and requires the unit to (1) work in partnership with the Board of

License Commissioners of Baltimore City to enforce the alcoholic beverages laws of Baltimore City and (2) perform any other duties as directed by the Sheriff. The unit and board must enter into a memorandum of understanding that specifies (1) the respective roles and responsibilities of the parties in connection with the partnership; and (2) the funding source for the unit.

In addition, the bill expands the authorized uses of revenue generated from a certain surcharge on filing fees collected by the District Court in Baltimore City to include the work of the unit.

Hagerstown Community College Police Force

House Bill 478 (passed) authorizes a Hagerstown Community College police officer to exercise powers granted to a peace and police officer outside the Hagerstown Community College campus if (1) engaged in fresh pursuit of a suspected offender; (2) necessary to facilitate the orderly flow of traffic to and from property owned, leased, operated by, or under the control of Hagerstown Community College; (3) ordered to do so by the Governor; (4) in Washington County when responding to an imminent threat to life, property, or public safety; or (5) in Washington County when complying with a memorandum of understanding between the Hagerstown Community College Police Force and another law enforcement agency with jurisdiction.

Firearms

A dealer or other person may not transport a regulated firearm into the State for the purpose of unlawfully selling or trafficking of the regulated firearm. *Senate Bill 443 (passed)* reclassifies, from a misdemeanor to a felony, the prohibition against transporting a regulated firearm into the State for the purpose of unlawfully selling or trafficking the regulated firearm. The bill also repeals the three-year statute of limitations for a prosecution for this offense, thereby applying the unlimited limitations period generally applicable to felonies.

Emergency Services

Death Benefits

The Department of Public Safety and Correctional Services (DPSCS) is required to pay a death benefit to the surviving spouse, child, dependent parent, or estate of each of the following individuals who is killed or dies in the performance of duties: (1) a law enforcement officer; (2) a correctional officer; (3) a volunteer or career firefighter or rescue squad member; (4) a sworn member of the Office of the State Fire Marshal; (5) a public safety aviation employee; (6) a Maryland resident who was a member of the uniformed services of the United States serving in the Afghanistan or Iraq conflict; or (7) a hazardous material response team employee of the Maryland Department of the Environment. With the exception of a member of the uniformed services serving in Afghanistan or Iraq, reasonable funeral expenses up to \$25,000 must also be paid.

Senate Bill 396 (passed) requires that the State pay public safety death benefits to the surviving family of specified law enforcement personnel who commit suicide. In addition, the bill makes local 9-1-1 specialists eligible for public safety death benefits.

9-1-1 Trust Fund

The 9-1-1 Trust Fund is managed by the Maryland 9-1-1 Board within the Maryland Department of Emergency Management (MDEM) and funded through a State 9-1-1 fee and county 9-1-1 fee. Telephone companies, wireless carriers, and other 9-1-1 accessible service providers collect and remit the fees monthly to the Comptroller for deposit into the fund. The State 9-1-1 fee is distributed to counties at the discretion of the Maryland 9-1-1 Board in response to county 9-1-1 system enhancement requests. *Senate Bill 36/House Bill 421 (Chs. 13 and 14)* expand the purpose of the 9-1-1 Trust Fund to include providing funds for costs related to the operation of the 9-8-8 suicide prevention hotline that may be shared with 9-1-1 activities, including software interfaces and joint training. The Acts also repeal the prohibition against the use of the 9-1-1 Trust Fund for any purpose associated with the 9-8-8 suicide prevention hotline and, instead, prohibit the 9-1-1 Trust Fund from being utilized for any costs that solely support the 9-8-8 suicide prevention hotline.

Maryland Department of Emergency Management

The Catastrophic Event Account, which is within the State Reserve Fund and administered by the Department of Budget and Management, enables the State or a local government to respond quickly to a natural disaster or catastrophe that could not be addressed within existing State appropriations. It may also be used for federal employee financial hardship in the event of a full or partial federal government shutdown due to a lapse in federal appropriations. *House Bill 865 (passed)* authorizes funds appropriated to the Catastrophic Event Account to be transferred to the State Disaster Recovery Fund within MDEM if (1) the balance of the fund has been depleted due to use or transfer or (2) the estimated costs for providing adequate disaster relief for a natural disaster or catastrophic situation are in excess of the fund's balance. The bill (1) makes conforming changes to reflect these potential fund transfers and (2) reduces, from 15 days to 10 days, the length of the Legislative Policy Committee's review and comment period before the Governor may transfer funds from the Catastrophic Event Account by budget amendment.

MDEM is responsible for developing emergency management policies and coordinating the State's risk reduction strategies and disaster response during any major emergency or disaster. *Senate Bill 138/House Bill 423 (Chs. 15 and 16)* authorize MDEM and the Maryland 9-1-1 Board to adopt regulations to implement and enforce the requirements of State law.

Terminology and Obsolete References – Firefighters and Related Terms

Senate Bill 164/House Bill 580 (both passed) alter terminology throughout the Annotated Code of Maryland so that (1) references to the Maryland State Firemen's Association are replaced with the Maryland State Firefighters Association, reflecting a recent name change; (2) references to the Disabled Firemen's and Rescue Squadmen's List are replaced with the Disabled

Firefighter's and Rescue Squad Person's List; (3) references to "fireman" or "firemen" are replaced with "firefighter" or "firefighters"; and (4) references to "squadman" are replaced with "squad member."

Corrections

Medical and Geriatric Parole

Senate Bill 181/House Bill 1123 (both passed) alter the statutory provisions governing medical and geriatric parole. Under the bills, an incarcerated individual is eligible for medical parole if a licensed physician has determined that the individual (1) is chronically debilitated or incapacitated or suffers from a terminal illness and (2) requires extended medical management with health care needs that would be better met by community services and either has been rendered physically incapable of presenting a danger to society or is no longer a danger to public safety. The bills also alter the process by which the Maryland Parole Commission considers a request for medical parole. In addition, the bills repeal the authorization for the Governor to disapprove of a decision granting medical parole. Further, the bills alter the provisions governing geriatric parole. They repeal the existing provision authorizing geriatric parole and instead require the Division of Correction, on an ongoing basis, to provide the commission with the names of incarcerated individuals who are at least age 65, have served at least 20 years of incarceration, and meet specified additional requirements. If a named individual is serving an aggregate sentence of 40 years or more for multiple crimes of violence, the commission must conduct a risk assessment. On completion of the risk assessment (or as soon as possible if no risk assessment is ordered) the commission must conduct a parole hearing for the individual, giving weight to the individual's age and the impact of the individual's age on the risk that the individual will recidivate. An individual denied parole under this provision may not receive a subsequent parole hearing for at least five years, unless the commission determines that extraordinary and compelling circumstances justify an earlier rehearing. Finally, the bills authorize the use of savings from the Justice Reinvestment Act to hire psychologists to conduct risk assessments.

Maryland Correctional Training Commission – Membership

The Correctional Training Commission within DPSCS is responsible for creating standards for correctional facilities and correctional officers. *Senate Bill 197/House Bill 123 (Chs. 87 and 88)* expand the membership of the commission to include the Director of the Division of Parole and Probation and one employee of the division.

Davis Martinez Public Employee Safety and Health Act

Under Maryland's Wiretap Act, it is unlawful to willfully intercept any wire, oral, or electronic communication, unless all participants have consented. The Wiretap Act does have a number of exceptions, including for a law enforcement officer who intercepts a communication with a body-worn camera in the regular course of the officer's duties, if specified conditions are met. *Senate Bill 26/House Bill 176 (both passed)* expand this exception to also apply to correctional officers wearing body-worn cameras. The bills also require the Correctional Training

Commission to adopt regulations regarding the use of body-worn cameras by correctional officers. Each correctional unit of the State is required to develop policies consistent with the regulations. A local correctional facility that adopts the use of body-worn cameras is also required to adopt such policies.

Family Literacy Pilot Program

The Correctional Education Council, which is jointly administered by the Maryland Department of Labor (MD Labor) and DPSCS, is tasked with developing and recommending an educational and workforce training program for adult correctional facilities in the State. *Senate Bill 378/House Bill 415 (both passed)* establish the Family Literacy Pilot Program, administered by the Maryland State Library Agency in consultation with the council, to foster family literacy and strengthen parent-child relationships by providing children’s books in State correctional facilities to incarcerated individuals and a means for an incarcerated individual to read aloud to the individual’s child.

Notification of Death of Incarcerated Individual

House Bill 775 (passed) requires the Division of Correction, upon the death of an incarcerated individual in a facility operated by the division, to notify the State legislators for the district in which the death occurred, the legislative body of the county in which the death occurred (or the Baltimore City Council, if in Baltimore City), and the chief executive of the county in which the death occurred (or the Mayor of Baltimore City, if in Baltimore City). The notification must include the cause of death and may not include any protected health information of the deceased individual.

Studies

Senate Bill 84/House Bill 22 (both passed) require DPSCS to conduct an annual study on the location of individuals before and after incarceration in a State correctional facility. By October 1, 2026, and each October 1 thereafter, the department must report the results of the study to specified committees of the General Assembly.

Chapter 597 of 2021 established the Workgroup on Home Detention Monitoring to study and make recommendations regarding the costs and availability of both publicly and privately provided pretrial home detention monitoring systems. The workgroup was extended by Chapter 544 of 2022 but was never fully constituted. Chapter 763 of 2024 reestablished the workgroup. *House Bill 1125 (passed)* expands the requirements for the workgroup to include studying and making recommendations regarding (1) the policies and practices that apply when a person violates a condition of home detention monitoring, such as absconding from monitoring, and (2) the responses of DPSCS and home detention monitoring agencies when a person violates a condition of home detention monitoring.

Chapters 936 and 937 of 2024 established the Task Force on the Creation of a Division of Returning Citizens and Expanded Reentry Services. The task force was required to examine

reentry services in the State and develop a plan to establish a Division of Returning Citizens within DPSCS. *Senate Bill 811/House Bill 646 (both passed)* extend the deadline for the task force to submit its final report by one year, to October 31, 2026.

Chapters 945 and 946 of 2024 established the Prison Education Delivery Reform Commission. The commission was tasked with convening stakeholders and researching best practices for the primary, secondary, postsecondary, and career or vocational education of those who are subject to the criminal and juvenile justice systems. *House Bill 877 (passed)* extends, by three years (from June 30, 2026, to June 30, 2029), the deadline for the commission to submit its final report.

St. Mary's County Correctional Programs

Under current law, the St. Mary's County Sheriff may establish, for individuals in the custody of the Sheriff, a home detention program, a work release program, a pretrial release program, and a prerelease program. *House Bill 485 (passed)* expands the programs that the sheriff is authorized to establish to include a day reporting program, an in-patient treatment program, and a pretrial release supervision program. The bill also modifies provisions governing participation in any of the authorized programs.

Miscellaneous

The Military

Senate Bill 280/House Bill 1060 (both passed) generally establish uniform definitions related to the military in the Correctional Services, Courts and Judicial Proceedings, Criminal Law, Family Law, General Provisions, Public Safety, Real Property, and State Government articles of the Maryland Code, primarily by reference to definitions in the U.S. Code. *Senate Bill 255/House Bill 181 (Chs. 19 and 20)* replace the Governor with the Adjutant General as the individual responsible for specified functions within the Military Department. Specifically, the Acts authorize the Adjutant General of the Military Department, instead of the Governor, to appoint a chief of staff and aides. The Acts further establish that these individuals serve at the pleasure of the Adjutant General.

Food System Resiliency Council

House Bill 9 (passed) alters existing responsibilities of the Food System Resiliency Council and repeals outdated one-time reporting requirements, including a previously submitted one-time strategic plan. Under the bill, the council must develop equity and sustainability policy recommendations to increase the long-term resiliency of the food system that (1) address and eliminate limited food options and food scarcity that exist in "healthy food priority areas"; (2) reduce "wasted food," as defined under the bill, (3) in urban, suburban, and rural settings; increase the quantity, quality aggregation, marketing, and distribution of local food; (4) increase the procurement of local food through schools, institutions of higher education, nonprofit organizations, and other institutions; (5) create additional market opportunities for Maryland food

businesses; and (6) expand access to small scale manufacturing and food production infrastructure. The bill also requires the council to include in its annual report appropriate policy and legislative changes.

Corrugated Stainless Steel Tubing

Senate Bill 175/House Bill 222 (both passed) prohibit the sale, transfer, or distribution of non-arc-resistant jacketed corrugated stainless steel tubing (CSST). A person who violates this prohibition is subject to a civil penalty of up to \$1,000. In addition, the bills establish a civil penalty of up to \$1,000 for a violation of a provision of current law that prohibits the use of non-arc-resistant jacketed CSST in specified construction and piping systems.

The bills also require the MD Labor and the Office of the State Fire Marshal, in consultation with specified entities, to conduct a study and make recommendations related to preventing fire hazards associated with commonly used fuel gas piping systems, including gas piping and CSST, in residential and commercial buildings.

3-1-1 Nonemergency System

Senate Bill 775/House Bill 1027 (Chs. 17 and 18) establish the Workgroup to Study Implementation of an Expanded 3-1-1 Nonemergency System. By November 1, 2025, the workgroup must report its findings and recommendations to the Governor and the General Assembly.

Building Standards

Senate Bill 436/House Bill 489 (both passed) require the MD Labor to (1) conduct a study on building code requirements for single-staircase buildings in the State and other states and (2) make recommendations regarding potential legislative or regulatory changes to authorize the construction of single-staircase buildings up to six stories above grade plane in the State for the purpose of increasing the affordable housing supply. By December 1, 2026, the department must report its findings and recommendations to the Governor, the General Assembly, and specified standing committees of the General Assembly.

Part F

Courts and Civil Proceedings

Judges and Court Administration

Court Proceedings and Administration

Courtroom Security

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. To further facilitate the Judiciary's efforts to ensure that each courtroom in the State has adequate security and implement recommendations of the task force, *Senate Bill 621 (passed)* requires that, by September 30, 2025, each law enforcement agency, department, or entity providing security at a courthouse facility must submit a report to the Chief Justice of the Supreme Court of Maryland on specified information related to courthouse security and court security officers. Among other things, the required information generally includes identifying the minimum number of court security officers necessary to sufficiently ensure that (1) at least one court security officer is present for each court proceeding; (2) at least two court security officers are present for each court proceeding at which an individual who is or may be incarcerated is present; and (3) there is at least one additional court security officer for every four courtrooms on each floor of a courthouse.

Parental Accommodations

Subject to specified requirements, a jury judge or jury commissioner may excuse an individual who is summoned for jury service or reschedule jury service. In general, to be excused, an individual must demonstrate that extreme inconvenience, public necessity, or undue hardship requires excusal. *House Bill 1440 (passed)* authorizes a jury judge or jury commissioner to excuse from jury service an individual who is a breast-feeding mother or has legal custody of (and is personally responsible for) a child younger than age three requiring continuous care during normal court hours. The bill also requires a circuit courthouse that is constructed or undergoes a major renovation project on or after October 1, 2025, to maintain on its premises a private lactation room

meeting certain requirements that may be used by employees of the court and members of the public to nurse and express breast milk.

Artificial Intelligence Evidence Clinic Pilot Program

In light of growing issues surrounding the proliferation of artificial intelligence (AI), *Senate Bill 655 (passed)* establishes an Artificial Intelligence Evidence Clinic Pilot Program in the Administrative Office of the Courts (AOC) to provide expertise in AI to the circuit courts and the District Court through expert testimony on the authenticity of electronic evidence that a court determines may have been created or altered using AI. The program must (1) engage college and university students, recent graduates, and faculty and technology professionals dedicated to the research and advancement of AI in order to develop expert witness resources for courts to use in cases implicating the use of AI; (2) through AOC, award grants to eligible institutions of higher education; and (3) prioritize civil cases in which one or more parties do not have legal representation or reasonable access to expert testimony. For fiscal 2027 and 2028, the Governor may include in the annual budget bill an appropriation of \$250,000 for the program.

Sessions of the Appellate Court of Maryland

Although the Appellate Court of Maryland must generally hold its sessions in Annapolis, statute authorizes, as designated by the Chief Judge and in conjunction with the deans of the University of Maryland School of Law and the University of Baltimore School of Law, the court to hold sessions at the University of Maryland, Baltimore Campus and the University of Baltimore. *House Bill 786 (passed)* authorizes the Appellate Court of Maryland to hold sessions at secondary and postsecondary educational institutions in the State, as designated by the Chief Judge of the Appellate Court of Maryland, in conjunction with the administrations of the institutions.

Commission on Judicial Disabilities

As established in the Maryland Constitution, the Commission on Judicial Disabilities is authorized to investigate complaints against judges in the State courts, issue reprimands, and recommend disciplinary action to the Supreme Court of Maryland. To better accommodate its increasing workload, *Senate Bill 619/House Bill 788 (both passed)* propose a constitutional amendment that, if approved by the voters at the next general election, authorize certain 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. On request of the chair of the commission, the Governor may appoint a temporary substitute member for a specified period of time or extend a current member's term until a replacement is appointed. Any temporary substitute member is subject to the same qualifications that were applicable to the member for whom the substitute is temporarily appointed, and if the member is a judge or an attorney, must be a member in good standing of the Maryland Bar.

Civil Actions and Procedures

Causes of Action

Child Sexual Abuse

In general, the statute of limitations for a civil action requires that a civil action must be filed within three years from the date it that accrues unless another statutory provision permits a different period of time within which an action can be commenced. If a cause of action accrues to a minor, the general three-year statute of limitations is tolled until the child reaches the age of majority. Thus, unless otherwise specified, on becoming an adult at age 18, a child victim of a tort is required to file the suit before the victim reaches age 21.

Following legislation enacted in 2003 that first extended the statute of limitations in civil cases arising out of alleged child sexual abuse, Chapters 12 and 656 of 2017 established that an action for damages arising out of an alleged incident or incidents of sexual abuse, as defined in § 5-701 of the Family Law Article, that occurred while the victim was a minor must be filed:

- at any time before the victim reaches the age of majority; or
- within the later of 20 years after the date on which the victim reaches the age of majority (age 38) or 3 years after the date that the defendant is convicted of a crime relating to the alleged incident or incidents under § 3-602 of the Criminal Law Article (sexual abuse of a minor) or the laws of another state or the United States that would be a crime under § 3-602 of the Criminal Law Article.

However, in an action brought more than seven years after the victim reaches the age of majority, damages may be awarded against a person or governmental entity that is not the “alleged perpetrator” of the sexual abuse only if (1) the person or governmental entity owed a duty of care to the victim; (2) the person or governmental entity employed or exercised some degree of responsibility or control over the alleged perpetrator; and (3) there is a finding of gross negligence on the part of the person or governmental entity. Chapters 12 and 656 may not be construed to apply retroactively to revive any action that was barred by the statutory period of limitations applicable before October 1, 2017.

Chapters 12 and 656 of 2017 also included a “statute of repose,” which prohibits a person from filing an action for damages arising out of an alleged incident or incidents of sexual abuse that occurred while the victim was a minor against a person or governmental entity that is not the alleged perpetrator more than 20 years after the date on which the victim reaches the age of majority. The statute of repose created by Chapters 12 and 656 must be construed to apply both prospectively and retroactively to provide repose to defendants regarding actions that were barred by the statutory period of limitations applicable before October 1, 2017. In February 2025, the Supreme Court of Maryland held that Chapters 5 and 6 of 2023 (discussed below) are

constitutional and despite the terminology used, the General Assembly extended the statute of limitations in the 2017 law, rather than establish a statute of repose.

Chapters 5 and 6 of 2023 (Child Victims Act of 2023 (CVA)) repealed the time limitations and provisions pertaining to the statute of repose established under Chapters 12 and 656 of 2017 and established that notwithstanding any time limitation under a statute of limitations, a statute of repose, the Maryland Tort Claims Act (MTCA), the Local Government Tort Claims Act (LGTCA), or any other law, an action for damages arising out of an alleged incident or incidents of sexual abuse (as defined under the CVA) that occurred while the victim was a minor may be filed at any time. However, no action for damages that would have been barred by a time limitation before October 1, 2023, may be brought if the alleged victim of abuse is deceased at the commencement of the action. The CVA must be construed to apply retroactively to revive any action that was barred by the statutory period of limitations applicable before October 1, 2023.

The CVA also established certain monetary limits on liability. Except as provided under the MTCA, the LGTCA, and specified provisions pertaining to local boards of education, the total amount of noneconomic damages that may be awarded to a single claimant in an action against a single defendant for injuries arising from an incident or occurrence of child sexual abuse that would have been barred by a time limitation before October 1, 2023, may not exceed \$1.5 million. If the liability of a local government, a county board of education, the State, or the State's units arises under a claim of child sexual abuse, the liability may not exceed \$890,000 to a single claimant for injuries arising from an incident or occurrence.

House Bill 1378 (passed) replaces references to “incidents” or “occurrences” of child sexual abuse with references to “claims” of child sexual abuse in several statutory provisions and reduces the monetary liability of defendants in previously time-barred child sexual abuse actions filed on or after June 1, 2025. For private causes of action, the bill reduces, from \$1.5 million to \$700,000, the maximum total amount of noneconomic damages that may be awarded to a single claimant in an action against a single defendant for injuries arising from a claim or claims of child sexual abuse if the action is filed on or after June 1, 2025, and would have been barred by a time limitation before October 1, 2023. The bill also alters government liability for claims of child sexual abuse under the MTCA, the LGTCA, and specified provisions pertaining to county boards of education. For a cause of action arising out of a claim or claims of child sexual abuse filed on or after June 1, 2025, that would have been barred by a time limitation before October 1, 2023, the liability of the State or its units, a local government, or a county board of education is limited to \$400,000 to a single claimant for injuries arising from the claim or claims. Otherwise, the \$890,000 limit established under the CVA still applies to a single claimant for injuries arising from the claim or claims. The bill alters various provisions that apply to local boards of education to reflect this change, including provisions governing requirements for minimum liability insurance coverage for local boards of education.

The bill also establishes that in any action for damages filed on or after June 1, 2025, arising out of a claim or claims of sexual abuse that occurred while the claimant was a minor, counsel may not charge or receive fees that exceed 20% of the settlement or 25% of the judgment. (Currently

under the MTCA, attorneys may not charge or receive a fee that exceeds 20% of a settlement or 25% of a judgment against the State or its units, regardless of the type of claim or case.)

The bill also requires the Maryland Judiciary to report the following information to the General Assembly by January 31, 2027, and by each January 31 thereafter: (1) the amount of each award made to a claimant under the bill; and (2) a summary of the sexual abuse claims underlying the award made to each claimant.

Damage to Public Infrastructure

The State has the authority to abate nuisances (generally, conditions that adversely affect others, through injury, discomfort, or other means) in the exercise of its police power and has authorized local governments to similarly guard against and address nuisances. *House Bill 860 (passed)* prohibits a common carrier or an employee of the common carrier from causing damage to public infrastructure that necessitates the closure of the public infrastructure. A violation of this prohibition is a public nuisance, and the State (for State public infrastructure) or counsel designated or retained by a local government (for local government public infrastructure) may bring an action against a common carrier for a public nuisance caused by a violation. Under the bill, the State or a local government may seek injunctive relief, declaratory relief, and compensatory damages for the cost of the repair or replacement of the affected infrastructure. Additionally, a common carrier that violates the provisions of the bill may be liable for civil penalties of \$1,000 per day for each day the public nuisance continues until the public infrastructure is sufficiently repaired for public use or is replaced.

“Common carrier” is defined as a person that is engaged in the public transportation of persons for hire by land, including, among other things, a motor bus company, a railroad company, and a transit company. “Common carrier” does not include an entity owned by the State or a local government. The bill defines “public infrastructure” as a bridge or highway owned, controlled, or maintained by the State or a county or municipal government.

Liability and Damages

Maryland Tort Claims Act – Covered Individuals

In general, the State is immune from tort liability for the acts of its employees and cannot be sued in tort without its consent. Under the MTCA, the State statutorily waives its own common law (sovereign) immunity on a limited basis. Sheriffs and deputy sheriffs of a county or Baltimore City are specifically included as “State personnel” for purposes of the Act. *Senate Bill 271 (passed)* expands the definition of State personnel under the MTCA to include an employee of the office of a sheriff of a county or Baltimore City.

Pets – Injuries or Death

In a civil action against a person for tortiously causing an injury to or the death of a pet while acting individually or through an animal under the person’s ownership, direction, or control,

the owner of the pet may recover compensatory damages under § 11-110 of the Courts and Judicial Proceedings Article. *Senate Bill 581/House Bill 438 (both passed)* raise the maximum amount of compensatory damages that may be awarded to the owner of a pet from \$10,000 to \$25,000.

Family Law

Child Support

Multifamily Adjustment

House Bill 275 (passed) alters the definition of “adjusted actual income” under the child support guidelines by providing for the deduction, from actual income, of an allowance for support for each child living in the parent’s home to whom the parent owes a legal duty of support if the child is considered to be spending more than 92 overnights in the parent’s home in a year but who is not subject to the support order.

The bill establishes the following formula for calculating the deduction:

- the basic support obligation for each additional child in the parent’s home must be determined according to the guidelines, using only the actual income of the parent entitled to the deduction; and
- this amount must be multiplied by 75%.

This amount must be subtracted from the parent’s actual income before the child support obligation is computed. The court must decline awarding an allowance under these provisions if the court finds, after considering the evidence and the best interest of the child for whom support is being determined, that the application of an allowance would be unjust or inappropriate.

The bill makes additional changes by repealing provisions that (1) allow the court to consider the presence of other children in the household of either parent and the expenses for those children, as specified and (2) prohibit the rebutting of the presumption of the propriety of the guidelines solely because of the presence of other children in the household of either parent. The bill also specifies that the court may consider any financial considerations, as specified, that the court deems relevant to the best interests of the child who is the subject of the child support order.

Driver’s License Suspension for Arrearages

House Bill 681 (passed) generally exempts an obligor whose individual income for the current year is at or below 250% of the federal poverty guidelines from provisions requiring the Motor Vehicle Administration (MVA) to suspend the obligor’s license or privilege to drive in the State for noncompliance with a child support order. However, this exemption does not apply if the obligor has been judicially determined to be “voluntarily impoverished” under State law (*i.e.*, the

parent has made the free and conscious choice, not compelled by factors beyond the parent's control, to render the parent without adequate resources.). For purposes of the bill, to determine the income of an obligor, the Child Support Administration (CSA) may consider (1) the income of the obligor at the time the most recent child support order was entered or (2) information on the obligor's income provided by the obligor or an employer of the obligor. The bill also requires the court, after establishing a child support order, to send a copy of the guideline calculation and the order to CSA. Finally, the bill extends, from 60 days to 120 days, the period during which the holder of a noncommercial license may be out of compliance with a child support order before CSA notifies MVA to begin the process to suspend the obligor's license.

Child Custody Determinations

Maryland courts resolve child custody disputes based on a determination of what is in the child's best interests. However, the factors to be considered by a court in making such a determination are not specified in statute but have instead been developed through case law. *Senate Bill 548/House Bill 1191 (both passed)* specify numerous factors for judicial consideration in cases involving custody of a child. Subject to specified statutory provisions regarding evidence of abuse and neglect and individuals with specified convictions, in determining what legal and physical custody is in the best interest of the child, the court may consider the following factors:

- stability and the foreseeable health and welfare of the child;
- whether and how parents who do not live together will share the rights and responsibilities of raising the child;
- the child's physical and emotional security and protection from exposure to conflict and violence;
- the child's developmental needs, including physical safety, emotional security, positive self-image, interpersonal skills, and intellectual and cognitive growth;
- the day-to-day needs of the child, including education, socialization, culture and religion, food, shelter, clothing, and mental and physical health;
- the parents' relationship with each other, as specified;
- the child's preference, if age appropriate; and
- any other factor that the court considers appropriate in determining how best to serve the physical, developmental, and emotional needs of the child.

In addition, the bills require the court to articulate its findings of fact on the record or in a written opinion, including the consideration of each factor specified in the legislation and any other

factor that the court considered. The court may modify a child custody or visitation order if the court determines that (1) there has been a material change in circumstances since the issuance of the order that relates to the needs of the child or the ability of the parents to meet those needs and (2) modifying the order is in the best interest of the child. A parent's proposal to relocate the residence of the parent or child in a way that would cause physical custody to be impracticable constitutes a material change in circumstances.

Child Abuse and Neglect – Disclosure of Reports and Records

House Bill 1209 (passed) alters provisions relating to reports and records concerning child abuse and neglect by requiring a local director of social services or the Secretary of Human Services to disclose, within 30 days of receiving a request, information concerning child abuse or neglect if the child (1) was in the custody of a local or State department or agency, or in the care of a foster parent; (2) is the subject of an investigation, a report, a referral, or a complaint received by a local/State department or agency; and (3) suffered a fatality or near fatality. Disclosed information under these circumstances remains limited to actions or omissions of the local department, the Department of Human Services (DHS), or an agent of DHS. On receiving a request for disclosure, the Secretary of Human Services must promptly notify the State's Attorney's office. The office must then have 30 days to redact from the record any portion of the record that, if made public, would seriously hinder the ability of the office to prosecute a criminal case arising from the incident.

Children in Out-of-home Placements

DHS, through its Social Services Administration, has the primary responsibility for child welfare services throughout the State, which are provided primarily by the local departments of social services. DHS is required to establish a program of out-of-home placement for minor children (1) who are placed in the custody of a local department, for a period of up to 180 days, by a parent or legal guardian under a voluntary placement agreement; (2) who are abused, abandoned, neglected, or dependent, if a juvenile court has determined that continued residence in the child's home is contrary to the child's welfare and has committed the child to the custody or guardianship of a local department; or (3) who, with the approval of DHS, are placed in an out-of-home placement by a local department under a voluntary placement agreement regarding a child with a developmental disability or a mental illness, as specified. An out-of-home placement may include family foster care, group and residential care, kinship care, and a treatment foster care home.

Individuals in Higher Education and Vocational Training Programs

Foster youth are generally allowed to remain in care up until age 21, as long as the youth is in school, enrolled in a training program or other program or activity to promote or remove barriers to employment, employed at least 80 hours per month, or disabled.

Senate Bill 765/House Bill 809 (both passed) authorize an individual enrolled in an accredited institution of higher education or a residential vocational training program to return to

an out-of-home placement provider with whom the individual was previously placed if (1) the individual is unable to remain on the institution's or training program's campus due to a scheduled break, a temporary closure of the institution or training program, or a temporary leave of absence; (2) the individual's living arrangement is mutually agreed to by the individual, the out-of-home placement provider, and the provider agency; and (3) DHS has reviewed and approved the individual's request to return to the out-of-home placement provider.

Treatment Foster Care Homes – Study

Senate Bill 833 (passed) requires DHS to study the types of State support, in the form of funding or otherwise, that would be appropriate and beneficial to assist private providers of treatment foster care homes. DHS must report its findings to the General Assembly on or before December 1, 2025.

Protective Orders and Peace Orders

Permanent Protective Orders – Consent

Senate Bill 721/House Bill 929 (both passed) alter statutory provisions that govern the issuance of a permanent protective order by specifying that an individual may consent to the issuance of such an order.

Peace Orders – Intentional Visual Surveillance

Senate Bill 92/House Bill 236 (both passed) expand the existing criminal harassment statute to prohibit an individual from conducting visual surveillance of an area of another person's residence where the other person has a reasonable expectation of privacy, subject to additional existing requirements. Violators are subject to the existing statutory penalties for criminal harassment. The bills also prohibit the harassment statute from being construed in a manner that infringes on any right guaranteed under the U.S. Constitution or the Maryland Declaration of Rights. Finally, the bills expand available relief under a final peace order based on an act of visual surveillance to include ordering the respondent to (1) remove or reposition a device being used for visual surveillance within 15 days after issuance of a final peace order and (2) refrain from further visual surveillance.

Military Protection Orders

In general, a military protection order is a written lawful order issued by a commander that orders a service member to avoid contact with those persons identified in the order. A military protection order issued by a military commander must remain in effect until such time as the military commander terminates the order or issues a replacement order.

Senate Bill 273/House Bill 533 (both passed) authorize a judge to consider whether a military protection order has been issued against a respondent for the same or similar conduct against the same petitioner (or petitioner's employee, as applicable) when determining whether

there are reasonable grounds to issue a temporary protective order or temporary peace order, as otherwise specified in statute. If a law enforcement officer has probable cause to believe that an individual is in violation of a protective or peace order and is a service member in violation of a military protection order entered into the Federal Bureau of Investigation's National Crime Information Center Database, the law enforcement officer must notify the law enforcement agency that entered the military protection order of the violation.

Adult Adoption

House Bill 243 (passed) establishes that specified provisions of law regarding adoptions – including those requiring the issuance and service of a show cause order on a prospective adoptee's parents and for a petitioner's spouse to join in the petition for adoption (subject to limited exception) – do not apply if the prospective adoptee is an adult. The bill also (1) specifies that a court may order – only on a showing of good cause – specified investigations prior to ruling on an adoption petition if the prospective adoptee is an adult; (2) establishes that parental consent to an adoption is not required if the prospective adoptee is an adult; and (3) authorizes, but does not require, a petitioner's spouse to join the petition for adoption if the adoptee is an adult.

Adult Protective Services – Investigations and Disclosure of Information

Senate Bill 347/House Bill 542 (both passed) authorize a local department of social services to request assistance from federal law enforcement officers in an investigation relating to an alleged vulnerable adult, as appropriate. The bills also alter statutory provisions regarding the prohibited disclosure of information concerning an applicant or recipient of specified services to include adult protective services.

Domestic Partnerships and Marriage – Required Information

Senate Bill 286/House Bill 323 (both passed) make administrative changes with regard to information required when registering a domestic partnership or obtaining a marriage license. Specifically, the full legal name and date of birth of each party must be provided, in addition to other requirements specified in statute. Consistent with the requirements for obtaining a marriage license, each domestic partnership registration filed with the register of wills must include the Social Security number of each party who has one. The Social Security number provided by a party may not be disclosed as part of the public record of the declaration of domestic partnership, except as otherwise provided by law.

Human Relations

Urban Renewal Policies

The historic community of Emory Grove was founded by freed African Americans in Montgomery County in 1864. Many urban renewal projects pursued after the passage of the federal

Housing Act of 1949 disproportionately targeted African American communities, and as a result of an urban renewal program enacted by the Montgomery County Council in the 1960s and significant associated expenditures to build water and sewer facilities in Emory Grove, most homes in Emory Grove were condemned, and residents were largely displaced.

House Bill 964 (passed) establishes the Task Force on the Displacement of Residents of Emory Grove, staffed by the Montgomery County Office of Human Rights, to study the urban renewal program carried out from 1960 through 1985 that caused the displacement of residents of Emory Grove, and if deemed appropriate, recommend remedies for past inequities for those displaced by urban renewal. Among other things, the task force must (1) analyze the decisions to use the urban renewal program in Emory Grove and the equity impacts of the program; (2) determine the basis for the purchase of property from landowners in Emory Grove and identify the details of land purchases, including the purchase prices and purchase agreements; and (3) analyze the plan for providing replacement properties or new homeownership for the displaced residents of Emory Grove and the equity impacts of the plan, including proposed dates to provide new replacement properties and incentives or benefits for previous landowners. If deemed appropriate, the task force must also recommend remedies for past inequities in the purchase of land by Montgomery County through the urban renewal program in Emory Grove from 1960 to 1985, including methods for determining eligibility and providing compensation, such as benefits for former landowners and incentives for construction projects.

The task force must submit an interim report of its findings and recommendations to the Montgomery County Council, the Montgomery County Executive, and the Montgomery County delegation to the General Assembly by December 15, 2025, and a final report by December 15, 2026.

Real Property

Wrongful Detainer

If a person holds possession of a property to which the person is not entitled, a person claiming rightful possession may file a complaint for wrongful detainer with the District Court. **Senate Bill 46 (passed)** requires the hearing for such an action to be held within 10 business days after the complaint is filed. The bill also requires that after two good faith attempts to serve process on separate days, if the person in actual possession cannot be found, the person authorized to serve process under the Maryland Rules must (1) file an affidavit with the court describing the good faith efforts to serve the person in actual possession; (2) mail a copy of the complaint by certified mail, return receipt requested, and first-class mail to the last known address of the person in actual possession and, if different, to the address of the residential property subject to the complaint; and (3) affix a certified copy of the summons conspicuously on the property. Service under the bill must be made within four business days after the complaint is filed. Notice under the bill constitutes sufficient service to support restitution of possession of the property.

Foreclosures

Generally, to foreclose on residential property in Maryland, the secured party must first send a notice of intent to foreclose to the mortgagor or grantor and the record owner, then file and serve an order to docket or a complaint to foreclose. An order to docket or a complaint to foreclose a mortgage or deed of trust on residential property must be accompanied by, in addition to any other filing fees required by law, a \$300 filing fee. *Senate Bill 566/House Bill 796 (both passed)* increase the filing fee from \$300 to \$450.

Landlord and Tenant

Tenant Holding Over – Active Duty Military

Generally, a landlord must provide notice of the intent to terminate a tenancy and repossess the property within timeframes established in statute. After required notice is provided, if the tenant or person in actual possession refuses to comply, the landlord may file a complaint against a tenant holding over in the District Court. *Senate Bill 32 (passed)* establishes specific requirements in tenant holding over actions if the landlord or the landlord's spouse (1) is on active duty with the U.S. military; (2) has relocated to the State as a direct result of being on active duty; (3) intends to occupy the property that is the subject of the complaint following the entry of a judgment; and (4) submits supporting documentation. The District Court must order in the summons for the tenant, assignee, or subtenant to appear before the court no later than 45 days after the date the landlord makes a complaint to repossess the property. If the constable or sheriff of the county does not serve the summons within 10 days after issuance, a private process server may serve the summons.

Notice Requirements

Notice of Landlord Entry: House Bill 1076 (passed) requires a landlord to provide 24-hour advance written notice to the tenant before entering a leased premises to (1) complete repairs, maintenance, modifications, renovations, or improvements; (2) inspect the premises; (3) show the premises to prospective or actual purchasers, mortgagees, tenants, or contractors; (4) ensure the protection and safety of the property and occupants; (5) complete work ordered by a governmental entity; or (6) if appropriate, respond to any other written request of the tenant. A landlord may only enter between the hours of 7:00 a.m. and 7:00 p.m., Monday through Saturday, or another time agreed on in writing by the tenant. However, a landlord may enter the leased premises without advance notice in the event of an emergency to ensure the imminent protection, preservation, or safety of the property or its occupants or the health, safety, and welfare of other tenants and staff. If a tenant alleges a housing code violation, the tenant must provide the landlord access to the leased premises within 24 hours after notifying the landlord of the alleged violation.

Written notice must include the date and approximate time of the intended entry and the specific purpose of the entry and must be delivered by (1) first-class mail with a certificate of mailing (if delivered at least 24 hours before the specified time); (2) paper notice affixed to the

door of the leased premises; or (3) if the tenant elects, electronic delivery via email, text message, and/or an electronic tenant portal accessible to the tenant at the time of delivery and the specified entry time. The bill authorizes a tenant to seek injunctive relief or damages for a landlord's violation of the bill's provisions. If seeking judicial relief, a tenant must demonstrate that a landlord has either entered the leased premises in violation of the bill or has made repeated demands for entry that are not in compliance with the requirements of the bill.

Pet Policy Disclosure: *Senate Bill 896/House Bill 1152 (both passed)* require a landlord of any residential rental property to provide a link to the property's pet policy on the property's website, if the landlord has such a website. The landlord must also include a written copy or summary of the pet policy in any rental application form. The pet policy must state any (1) breed and weight restrictions; (2) required fees; (3) limit on the number of pets allowed in a unit; (4) vaccination requirements; (5) liability insurance requirements; and (6) additional requirements for pet owners imposed by the landlord.

Mold

Senate Bill 856 (passed) requires landlords to provide a pamphlet developed by the Maryland Department of the Environment (MDE) on mold remediation and dampness (1) at the time a lease or rental agreement is signed and (2) on request by a tenant of the rental unit. A landlord must perform a mold assessment within 15 days after receipt of notice regarding the detection of mold from an applicable local agency enforcing housing and livability codes or a tenant or building occupant. If mold is detected in an assessment, the landlord must perform mold remediation within 45 days or within a reasonable time if 45 days is not feasible. The assessment and remediation of mold required by the bill must follow recommended industry guidelines and best practices as well as State and local laws and regulations. Under the bill, a landlord must (1) communicate with occupants during a mold assessment and remediation and provide updates and relevant information; (2) ensure proper ventilation in the property; (3) ensure low indoor humidity in the property; and (4) maintain the property in accordance with applicable laws and regulations. The bill's requirements extend to a local government for residential property owned or managed by the local government.

Rent

Landlords are prohibited from using a residential lease that provides for (1) a penalty for the late payment of rent in excess of 5% of the amount of rent due for the rental period for which the payment was delinquent or (2) in the case of leases under which the rent is paid in weekly rental installments, a late penalty of more than \$3 per week or a total of no more than \$12 per month. *House Bill 273 (passed)* clarifies that the 5% maximum is based on the amount of unpaid rent for the rental period, not the total amount of rent due for the rental period.

Right of First Refusal

Generally, subject to limitations on applicability, before a voluntary transfer of title to a residential rental property may occur, any tenant or group of tenants of the property must have the

right of first refusal to purchase the property. In these situations, the right of a third party to purchase any residential rental property is subject to the exercise of the right of first refusal by a tenant or group of tenants. *Senate Bill 606/House Bill 872 (both passed)* clarify the circumstances under which liability for failure to comply with existing statutory requirements relating to a tenant's right of first refusal to purchase a residential property is restricted to the owner of the property and does not attach to the property.

Evictions

House Bill 767 (passed) requires that, if the District Court issues a warrant of restitution in a failure to pay rent, breach of lease, or tenant holding over action, the landlord must, at least six days before the scheduled date of repossession as set by the sheriff, provide written notice to the tenant of the date on which the warrant of restitution is scheduled to be executed by (1) sending the notice by first-class mail with certificate of mailing; (2) posting the notice on the front door of the property and taking a date-stamped photograph of the notice posted on the front door; and (3) if the landlord knows or has on file the email address or cell phone number of the tenant, sending the notice electronically to the tenant by an email message or a text message. Notice required under the bill must include certain information.

A landlord may charge the tenant up to \$5 for expenses actually incurred in providing notice. The bill establishes a rebuttable presumption that the tenant was notified if the landlord provides to the sheriff (1) the certificate of mailing; (2) a photograph of the notice posted on the front door of the property containing a readable timestamp indicating the date and time that the notice was posted; and (3) a signed affidavit of the person who posted the notice.

If a tenant is not present during the execution of the warrant of restitution, the sheriff or constable must post a notice on the front door of the premises indicating that repossession of the premises has been completed.

House Bill 767 also requires that, if the sheriff reasonably believes that the landlord has not provided the required notice or that the tenant may have redeemed the property, the sheriff (1) must notify the District Court and (2) is prohibited from executing the warrant of restitution without further court order. If the District Court finds that the landlord did not provide the required notice, the court must vacate the warrant of restitution. However, if a landlord presents the required documentation, the sheriff or constable must (1) file the documentation with the clerk of the court and (2) subject to existing requirements to keep pets safe and sheltered, execute the warrant of restitution by putting the landlord in possession of the premises.

If a landlord violates the bill's requirements, the tenant is entitled to (1) actual damages; (2) reasonable attorney's fees and costs; (3) injunctive relief to recover possession of the leased premises or personal property; or (4) any other remedy the court may find reasonable.

The bill may not be interpreted to restrict the authority of local jurisdictions to enact or enforce legislation altering the minimum days of notice under the bill to be as few as four days or as many as 14 days before the scheduled date of repossession or establishing penalties for

violations. The bill applies prospectively and may not be applied or interpreted to have any effect on or application to any cause of action filed before October 1, 2025.

Access to Counsel in Evictions

Chapter 746 of 2021 established the Access to Counsel in Evictions (ACE) Task Force to analyze services provided under the ACE Program, study potential funding sources, and make recommendations to improve implementation of the program. Chapter 746 also established the ACE Special Fund, a special, nonlapsing fund that is administered by the Maryland Legal Services Corporation (MLSC). The fund is authorized to be used for specified purposes related to the ACE Program, which was created to organize and direct services and resources in order 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 154 (passed)* extends through fiscal 2028 the requirements for (1) the Comptroller to distribute \$14 million annually from the State’s Unclaimed Property Fund to the ACE Special Fund and (2) the Governor to include in the annual budget bill an appropriation of \$14 million from the ACE Special Fund to MLSC. The bill also alters the staffing and appointment authority of the ACE Task Force from the Office of the Attorney General to the Department of Housing and Community Development.

Common Ownership Communities

Governing Bodies

Senate Bill 758 (passed) requires that elections for the governing body of a condominium or homeowners association (HOA), except for the full membership of the council of unit owners, must be conducted by independent parties who are not candidates in the election and do not have a conflict of interest regarding any candidate. The governing body of a condominium must make reasonable accommodations for owners to engage in organizing activities relating to the governance of the condominium and may prevent unit owners from, or retaliate against unit owners for, exercising rights guaranteed under law or under the governing documents of the condominium. Additionally, the bill prohibits a condominium or HOA from imposing a charge on a unit or lot owner for the examination or receipt by electronic transmission of financial statements. The bill also authorizes the Office of the Attorney General to adopt regulations to carry out provisions of the Maryland Condominium Act and Maryland Homeowners Association Act.

Reserve Funds

Cooperative housing corporations, condominiums, and HOAs, collectively known as common ownership communities (COC), in the State are required to conduct studies of the reserves required for future major repairs and replacement of the common elements of a cooperative or condominium, or the common areas of an HOA. *Senate Bill 63/House Bill 292 (both passed)* make various changes related to these reserve studies and requirements for COCs to fund reserve accounts intended for such repairs.

Local Provisions

Prince George's County: State law requires the Prince George's County Office of Community Relations (OCR) to maintain a Community Association Managers Registry. Any entity that provides community association management services for COCs in Prince George's County must register and renew annually by January 31. Each entity must pay an annual fee of \$100. A person who willfully violates, or causes another person to willfully violate, this requirement is guilty of a misdemeanor and, upon conviction, is subject to a fine of up to \$1,000. **House Bill 360 (passed)** expands these requirements to all COCs located in Prince George's County and renames the registry as the Community Association Registry. The bill also repeals the \$100 fee required under existing statute, instead requiring the county executive to establish a fee in an amount sufficient to fund the cost to establish and administer the administrative hearing process by OCR. In addition to the annual registration fee, the bill authorizes the county to implement reasonable fees to cover costs related to the administrative hearing process and a per-unit charge to developers for document recording. Unregistered or falsely registered persons may not access the county's administrative hearing process until they are properly registered.

Columbia Association: For leases for residential and commercial real property in Howard County that are subject to Columbia Association covenants, **House Bill 808 (passed)** requires a landlord to use a written lease that includes (1) notice of the amount of an annual charge if the charge is included in the rent and (2) a description of how the annual charge is calculated. The lease must include a description of, or instructions on where to find a description of, the rights and privileges afforded to the tenant as a resident or the tenant's employees. When a tenant signs a lease, the landlord must provide the tenant with a copy of (1) the Columbia Association covenants and governing documents and (2) if the lease is for residential property, the governing documents of the village association or town center, as appropriate. A landlord may satisfy this requirement by providing a physical copy, digital copy, or a permanent link to a digital copy of the covenants and governing documents

Miscellaneous

Accessing Common Areas: **Senate Bill 540/House Bill 755 (both passed)** prohibit a cooperative housing corporation, condominium association, or homeowners association from requiring certain sensitive information from a member, owner, or occupant, or the guest or child of such an individual, as a condition for accessing or using a recreational common area. "Sensitive information" means an individual's (1) Social Security card or number; (2) Taxpayer Identification Number; (3) birth certificate; (4) racial or ethnic origin; (5) national origin; (6) citizenship or immigration status; (7) religious or philosophical beliefs; or (8) medical records. However, sensitive information does not include an individual's government-issued photo identification, such as a driver's license.

Family Child Care Homes: **House Bill 785 (passed)** prohibits the governing documents of a cooperative housing corporation, condominium, or homeowners association, collectively known as COCs, from prohibiting or restricting (1) the establishment and operation of a family

child care home or large family child care home or (2) the use of the roads, sidewalks, and other common elements of COCs by users of the family child care home or large family child care home. The bill also prohibits COCs and local jurisdictions from limiting the number of children for which a family child care home or large family child care home provides family child care to below the number authorized by the Maryland State Department of Education. The bill's provisions do not apply to housing that is restricted for occupancy to individuals over a specified age.

Solar Collection Systems: *Senate Bill 120/House Bill 4 (both passed)* alter statutory provisions that prohibit unreasonable restrictions on land use related to the installation of a solar collector system under specified circumstances. The bills specify that a restriction on use is unreasonable if application of the restriction to a particular proposal (1) increases the installation cost of the system by at least 5% over the projected cost of the initially proposed installation or (2) reduces the energy generated by the solar collector system by at least 10% below the projected energy generation in the initial proposal. The bills further specify actions that a community association may take in regard to the installation of solar collector systems in the common areas or common elements of the development.

Contracts for Sale

In general, real estate wholesaling is when a wholesaler (as a wholesale buyer) enters into a contract to purchase a property from the property owner but then sells (as a wholesale seller) their contract to purchase the property to another person. In general, the wholesaler never holds legal title to the property, and the person who purchases the wholesaler's contract eventually assumes title of the property.

Senate Bill 160/House Bill 124 (both passed) require that, prior to entering into a contract of sale for residential property improved by four or fewer single-family dwelling units designed principally for human habitation, a "wholesale buyer" must provide written disclosure to the owner of the property that the wholesale buyer may assign the contract of sale to another person. An owner of residential property may rescind a contract of sale to a wholesale buyer (or the assignee or successor) without penalty at any time prior to closing if the wholesale buyer (1) fails to provide proper notice and (2) assigns the contract of sale. This right applies regardless of any provision of a contract or any other agreement.

The bills also require that prior to assigning a contract of sale for residential property, a "wholesale seller" must provide written disclosure to the prospective assignee that the wholesale seller holds an equitable interest in the property and may not be able to convey title to the property. If such notice is not provided, the assignee has the right to rescind the agreement to purchase under the assigned contract without penalty at any time prior to closing, regardless of any provision of a contract or any other agreement. An assignee rescinding a contract because of the lack of notice is also entitled to a refund of any deposit paid in connection with the assignment of a contract of sale of the residential property.

Recordation and Land Records

Senate Bill 150/House Bill 347 (Chs. 65 and 66) generally alter various provisions relating to the filing, maintenance, and transmittal of land records. Among other things, the Acts (1) alter certain formatting requirements; (2) authorize the acceptance of documents received through an electronic recordation system; (3) authorize court clerks to assess additional fees for the recordation of subdivision plats if required by local law; (4) repeal certain requirements and references related to bound books and microfilm; and (5) make numerous stylistic and technical changes.

Restrictive Covenant Modifications

A county or municipality may execute and record a restrictive covenant modification to an unlawfully restrictive covenant, if, among other requirements, the county or municipality gives notice by first-class mail. *Senate Bill 513 (passed)* repeals the requirement for the notice to be sent by first class mail and instead requires notice to be (1) published once per week for four successive weeks in one or more newspapers of general circulation in the county or municipality where the property is located and (2) posted on the official website of the county or municipality where the property is located.

Liens

Senate Bill 349/House Bill 428 (both passed) prohibit the creation of a lien on owner-occupied residential property by contract or as a result of a breach of contract for the payment of medical debt. If a lien is created in violation of the bills, the court must remove the lien. The bills also require a complaint seeking a money judgment to indicate whether the judgment sought is for medical debt. Additionally, a complaint seeking a money judgement for medical debt must include the address of the primary residence of the defendant. These provisions only apply prospectively to complaints filed on or after October 1, 2025.

Summoning Law Enforcement or Emergency Services

Pursuant to Chapters 768 and 769 of 2023, the governing body of a county or municipality is prohibited from *enacting* local laws or ordinances that (1) establish a threshold of requests to summon law enforcement or emergency services to a residential property as grounds for designating a property as a nuisance or (2) otherwise penalize or authorize a penalty against an operator, owner, owner-occupant, or tenant for the act of summoning law enforcement or emergency services to a residential property (including if another individual summoned the assistance). *Senate Bill 125/House Bill 249 (both passed)* prohibit the governing body of a county or municipality from enforcing such laws or ordinances.

Estates and Trusts

Estate Administration

When the applicable assets of the estate of a decedent are insufficient to pay all claims to the estate in full, there is an order of priority in which the personal representative must pay claims to the estate. Under current law, a claim for unpaid child support due by the decedent falls under the last category of “all other claims.” *House Bill 261 (passed)* alters the claim prioritization order by placing the payment of unpaid child support after “family allowances” in the order of priority and before “taxes due by the decedent.”

Trusts

Maryland Trust Act

Under the Maryland Trust Act, a trustee of a trust may only resign with approval of the court. *Senate Bill 126/House Bill 146 (both passed)* authorize a trustee to resign without having to seek court approval, provided that at least 30 days’ notice is given to (1) the qualified beneficiaries of the trust; (2) the settlor of (creator of or contributor to) the trust, if living; (3) all co-trustees; and (4) any person that has a right to replace or appoint a successor to the resigning trustee.

Compensation of Guardians of Property and Trustees

Senate Bill 19/House Bill 27 (both passed) repeal statutory rates and payment sources related to trustee commissions in instances where (1) the trustee compensation amount and source of payment is not established by the trust or any valid agreement and (2) the trustee is not a financial institution or Maryland attorney that is authorized to charge certain increased compensation rates. The bills establish that, instead, in such instances, a trustee is entitled to compensation that is reasonable under the circumstances, distributed evenly from trust income and principal, and establish various factors for a court to consider in determining whether a trustee’s compensation is reasonable. The bills preserve the application of the existing specific rates (and sources of payment) to the compensation of a guardian of the property of a minor or a disabled person.

Maryland Trust Decanting Act

Senate Bill 158/House Bill 88 (both passed) require that notice, or the sending of a document to a person, under the Maryland Trust Decanting Act must be accomplished in a manner that is reasonably suitable under the circumstances and likely to result in receipt of the notice or document. Unless specified alternative methods of notice are agreed upon, an authorized fiduciary must provide notice to a person by (1) personal service; (2) certified mail or first-class mail; or (3) courier delivery service. A fiduciary who delivers notice through an approved alternative method is still responsible for providing notice through one of the three above-listed methods if

the fiduciary knows, or should know, that the person entitled to notice did not actually receive the notice. A person may revoke an authorized fiduciary's authorization to provide notice by an alternative method. An authorized fiduciary may continue to provide notice by an authorized alternative method until the person entitled to receive notice revokes the authorization.

Miscellaneous

Task Force to Study Fiduciary Adjudication

House Bill 315 (passed) establishes a Task Force to Study Fiduciary Adjudication in Maryland. Among other things, the task force is required to (1) examine the qualifications, training, and methods of selection of judges hearing probate and other fiduciary matters in Maryland; (2) examine the jurisdictions of the orphans' courts and circuit courts with respect to fiduciary matters; (3) analyze and compare the laws and practices of other states relating to the adjudication of fiduciary matters, including the selection, qualification, and training of judges hearing those matters; and (4) make recommendations to improve efficiency, uniformity, and quality of fiduciary adjudication in Maryland. By January 1, 2026, the task force must report its findings and recommendations to the Governor and the General Assembly.

Part G

Transportation and Motor Vehicles

Transportation

Budget Reconciliation and Financing Act of 2025

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025 (BRFA), makes various changes to State transportation policy regarding the issuance of debt by the Maryland Department of Transportation (MDOT), the purchase of zero-emission buses by the Maryland Transit Administration (MTA), and the distribution of lottery funds to the Bus Rapid Transit Fund.

Regarding MDOT's authority to issue debt, the BRFA of 2025 increases the debt outstanding limit on consolidated transportation bonds from \$4.5 billion to \$5.0 billion and expands the types of projects that MDOT may fund using proceeds from bonds backed by future federal aid to include major rehabilitation of the existing light rail system. Regarding the purchase of zero-emission buses, the BRFA of 2025 delays an existing requirement, from fiscal 2027 to 2032, that requires MTA to purchase only zero-emission buses. Regarding Bus Rapid Transit, the BRFA of 2025 reduces the distribution of lottery revenues to the fund by \$10 million annually and, instead, requires \$10 million from the Transportation Trust Fund to be annually distributed to the fund.

Mass Transit

Maryland Transit Administration

MTA is a modal unit within 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, the Baltimore Metro subway, commuter buses, Maryland Area Regional Commuter (MARC) trains, and mobility/paratransit vehicles. Additionally, MTA is in the process of establishing the Purple Line (a 16-mile light rail line

connecting Prince George's and Montgomery counties) which is scheduled to begin operations in late calendar 2027.

House Bill 517 (passed) establishes the Workgroup on the Reorganization of MTA to study the potential for reorganizing MDOT and MTA, including, among other things, options allowing MTA to continue providing local Baltimore City transit services, such as 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. The bill also expresses the intent of the General Assembly that (1) in consultation with the Department of Legislative Services, MDOT submit draft legislation to the Speaker of the House and the President of the Senate to effectuate the recommendations of the workgroup by December 1, 2026, and (2) the Office of the Secretary's budget include funding to support the workgroup in fiscal 2027. In addition, language added to the fiscal 2026 Budget Bill restricts funding, pending a report on the reorganization plan.

House Bill 527 (passed) requires MTA to develop and implement a program to provide (1) for the first month after transit service on the Purple Line begins, free ridership on the Purple Line to individuals residing within a 0.25-mile radius of the Purple Line track and (2) beginning October 1, 2025, and until three months after transit service on the Purple Line begins, promotional materials and services at no cost to small businesses located within a 0.25-mile radius of the Purple Line track.

Although not established in statute, through the Disability Reduced Fare Program, MTA offers reduced fares for its transit services to people with disabilities, senior citizens (age 65+), and Medicare cardholders. Under its current practice, persons with permanent disabilities must recertify with MTA every three years, and persons with temporary disabilities must recertify annually. However, **House Bill 450 (passed)** requires MTA to automatically renew the program certification of any enrollee who is permanently disabled.

Transit Safety

Senate Bill 858/House Bill 1144 (both passed) require MTA, by June 1, 2025, and in consultation with the Washington Metropolitan Area Transit Authority (WMATA) and other specified entities, to convene a workgroup to create a rider code of conduct and implement a comprehensive internal safety program to strengthen protections for transit operators and passengers. Until the rider code of conduct is adopted and the comprehensive internal safety program is implemented, a person who is alleged by a public transit operator to have committed an assault or other intentional act causing bodily injury to a public transit operator or a passenger while the person is on board a State public transit service or at a State public transit service station may be prohibited from using a State public transit service or entering a State public transit service station, under guidelines and subject to an appeals process established by MTA.

Roads and Highways

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. To that end, *House Bill 731 (passed)* establishes the Maryland Connectivity Coalition to, generally, improve wildlife habitat connectivity and reduce wildlife and motor vehicle collisions in the State. The bill establishes responsibilities for both SHA and the Department of Natural Resources related to the coalition and requires local jurisdictions to consider wildlife movement and habitat connectivity when enacting, adopting, amending, or executing their comprehensive plans.

Additionally, *House Bill 628 (passed)* requires SHA, in determining funding for sidewalk and bicycle pathways projects in certain priority funding areas, 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 for right-of-way acquisition for some of the projects. A “complete streets policy” is a policy that provides information for the implementation of complete streets design features during the planning, design, construction, and reconstruction of a facility, and Vision Zero is the State’s primary traffic safety program.

Maryland Transportation Authority and Tolls

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 (Nice/Middleton) Bridge) and for financing new revenue-producing transportation projects. MDTA has the authority to set tolls on transportation facilities projects under its supervision.

After the collapse of the Francis Scott Key Bridge, it became apparent to MDTA that the 180-day duration for an emergency status determination (which allows MDTA to adopt temporary adjustments to tolls, fees, mileage rate ranges, pricing periods, toll zones, or other charges without meeting specified public notice and comment requirements) did not provide sufficient time for MDTA to complete a full toll-setting process to permanently adjust its tolls before the emergency status expired. In response to this issue, *Senate Bill 210/House Bill 288 (Chs. 55 and 56)* increase the maximum duration of an emergency status determination from 180 days to 300 days, providing MDTA with sufficient time to permanently adjust its tolls in any future emergency situation.

House Bill 1465 (passed) requires MDTA to establish an installment payment plan program for the payment of certain video tolls and civil penalties that a person may incur when they use an MDTA toll facility without paying the toll. A person is eligible to apply to participate in the program if the person accumulates at least \$300 in unpaid video tolls and civil penalties, and MDTA must adopt regulations to establish other requirements and processes for the program.

Other Projects and Policies

Federal Bureau of Investigation Headquarters

In November 2023, after a decade-long selection process, the U.S. General Services Administration announced that the Federal Bureau of Investigation (FBI) headquarters would be relocated from Washington, D.C. to Greenbelt, Maryland. Between fiscal 2024 and 2025, a total of \$200 million in general obligation bond funding was authorized in Maryland's capital budget and MDOT's *Consolidated Transportation Program* currently includes these funds between fiscal 2026 and 2028 for construction related to the project, including a full interchange and associated improvements along I-95/I-495 near the Greenbelt Metro Station. Although the relocation is currently on hold, [*House Bill 1078 \(passed\)*](#) requires the Governor to include at least \$200 million in the annual operating or capital budget bill for the FBI project, if the U.S. General Services Administration applies to Prince George's County or the State for a permit associated with the relocation. Should the previously authorized bond funds be reauthorized for other purposes, the bill ensures the project will receive the same amount of funding if and when it moves forward.

Human Trafficking Awareness

Numerous government entities and licensed businesses in the State are required to provide, approve, and/or receive training on the identification and reporting of human trafficking. [*House Bill 1 \(passed\)*](#) requires MDOT, in consultation with stakeholders, to develop or identify and implement a training program that includes a curriculum on the identification and reporting of suspected human trafficking. MDOT must administer the training program to specified MDOT employees (including employees under contract). The bill also requires MDOT to make frequent public service announcements with safety information for human trafficking victims.

Motor Vehicles

Motor Vehicle Tax and Fee Provisions

[*House Bill 352 \(passed\)*](#), the Budget Reconciliation and Financing Act of 2025 (BRFA), alters several motor vehicle tax and fee provisions. Specifically, the BRFA of 2025 makes the following changes to motor vehicle taxes and fees to generate revenues for the Transportation Trust Fund (TTF).

- ***Certificate of Title Fees:*** Doubles the fee for each certificate of title, including for (1) a new or used vehicle in general from \$100 to \$200; (2) a rental vehicle from \$50 to \$100; (3) an off-highway recreational vehicle from \$35 to \$70; (4) a motor scooter or moped from \$20 to \$40; and (5) under certain circumstances a trailer with a gross vehicle weight of 3,000 pounds or less from \$50 to \$100. This provision is preliminarily estimated to increase TTF revenues by approximately \$104 million annually beginning in fiscal 2026.

- **Accelerated Phase-in of Vehicle Registration Fee Increase:** Accelerates, from fiscal 2027 to 2026, the last incremental annual vehicle registration fee increases for the heaviest vehicles in certain classes of vehicles. Specifically, Class A (passenger), Class M (multipurpose), and Class E (truck) vehicles are subject to the fully phased-in fee amounts established by the BRFA of 2024 (Chapter 717) beginning July 1, 2025, amounting to an additional \$25 on each annual registration fee. This provision is estimated to generate \$52 million in TTF revenues in fiscal 2026 only.
- **Vehicle Emissions Inspection Program (VEIP) Fees:** Authorizes the Motor Vehicle Administration (MVA) to increase the VEIP testing fee from a maximum of \$14 to a maximum of \$30 beginning July 1, 2025, and requires it to be annually adjusted for inflation. However, if there is a decrease (or no growth) in the Consumer Price Index for All Urban Consumers, the fee amount must remain unchanged. Although not specifically required, MVA plans to make a corresponding increase in the late fee by regulation. This provision, along with additional late fee revenues, is preliminarily estimated to increase TTF revenues by approximately \$30 million annually beginning in fiscal 2026.
- **Historic Motor Vehicles:** Limits the definition of “historic motor vehicle” to model year 1999 or earlier vehicles, repealing the requirement that the motor vehicle be at least 20 years old. Accordingly, vehicles from model year 2000 or later that are registered as historic vehicles must instead be registered by their corresponding class and weight and pay higher annual registration fees. This change also subjects the owners to paying annual surcharges related to emergency medical services. Further, any such affected vehicles may become subject to VEIP inspections. This provision is preliminarily estimated to increase TTF revenues by approximately \$4 million annually beginning in fiscal 2026, which does not account for the other related impacts.
- **Increased Cap on MVA Cost Recovery:** Generally, provides additional flexibility to MVA regarding increasing the level of miscellaneous fees that MVA is authorized to charge to recover its operating and capital costs. The BRFA of 2025 alters the definition of “miscellaneous fees” to include all fees collected by MVA other than *three-fourths* (rather than one-half) of the certificate of title fee (which, given the doubling of that fee, maintains the same level of funding from that source). The BRFA of 2025 authorizes MVA to increase the level of miscellaneous fees to up to 105% of its cost recovery needs but *requires* the fees to be set at least at 100%, rather than 95%, of that amount. This provision is preliminarily estimated to increase TTF revenues by approximately \$20 million in fiscal 2026, increasing to approximately \$63 million by fiscal 2030.
- **Vehicle Excise Tax:** Increases the vehicle excise tax from 6% to 6.5% of the fair market value and establishes an excise tax for rental vehicles of 3.5% of the fair market value. These provisions are preliminarily estimated to increase TTF revenues by approximately \$138 million in fiscal 2026, increasing to approximately \$150 million by fiscal 2030.

- **Repeal of Rental Car Registration Fee Discount:** Sets the annual registration fees for rental vehicles at the same level as nonrental vehicles, by class and weight of the vehicles, resulting in increases to those annual fees. This provision is preliminarily estimated to increase TTF revenues by approximately \$3 million annually beginning in fiscal 2026.
- **New \$5 Fee per Tire at Purchase:** Establishes, beginning January 1, 2026, a new tire fee of \$5 that must be imposed on the first sale of each new tire in the State by a tire dealer, including new tires sold as part of a new or used vehicle, trailer, farm implement, or similar machinery. This provision is preliminarily estimated to increase TTF revenues by approximately \$12 million in fiscal 2026 and by approximately \$24 million annually thereafter.

Senate Bill 281 (passed) establishes that a vehicle owned by a licensed vehicle dealer is exempt from the vehicle excise tax if the vehicle is provided to a customer for use while the customer's vehicle is not in use due to repair, maintenance, or other vehicle service performed by the dealer.

Drunk and Drugged Driving

License Revocation

Senate Bill 207 (passed) expands the list of circumstances under which MVA is required to revoke an individual's driver's license to include convictions for specified drunk or drugged driving offenses resulting in the death or life-threatening injury of another person and for failure to remain at the scene of an accident resulting in death or serious bodily injury. If an individual's license is revoked for convictions for these offenses or homicide by motor vehicle while impaired, the individual must wait until five years after the revoked license is surrendered to and received by MVA or after the date of revocation, as appropriate, to file a reinstatement application. However, if MVA finds that the five-year waiting period would cause undue hardship or extenuating circumstances exist, the individual may file a reinstatement application after two years.

Commercial Driver's Licenses – Disqualification from Driving

The adjudication of an administrative *per se* offense occurs through a hearing before an administrative law judge and is independent of the criminal prosecution of an alleged drunk or drugged driver through the courts. MVA is unable to impose a disqualification (via administrative *per se*) for individuals who register a blood alcohol concentration of 0.08 or greater in a *personal* vehicle. However, MVA may impose disqualification if an individual drives or attempts to drive a *commercial* motor vehicle while the alcohol concentration of the person's blood or breath is 0.04 or greater. **Senate Bill 187/House Bill 189 (Chs. 49 and 50)** require MVA to disqualify any individual from driving a commercial motor vehicle for a period of one year if the individual, while holding a commercial instructional permit or commercial driver's license, drives or attempts to

drive any motor vehicle while the alcohol concentration of the person's blood or breath is 0.08 or greater.

Points Assessments

A person may not drive or attempt to drive any vehicle while (1) under the influence of alcohol or under the influence of alcohol *per se*; (2) impaired by alcohol; (3) impaired by a drug, any combination of drugs, or any combination of drugs and alcohol; or (4) impaired by a controlled dangerous substance. A person convicted of one of these offenses is subject to higher maximum penalties when that person has specified prior convictions.

House Bill 388 (passed) requires MVA to assess 12 points against the driver's license of a person convicted of any of the violations noted above when that person has specified prior convictions. As the accumulation of 12 points against a driver's license requires MVA to revoke the license, the bill also requires MVA to revoke by operation of law the driver's license of a person who is assessed points under the bill.

Licensing and Regulation

Motor Home and Recreational Vehicle Shows in Worcester County

An out-of-state dealer may not display or exhibit motor homes or recreational trailers at a vehicle show for motor homes and recreational trailers in Maryland. **House Bill 163 (passed)** authorizes MVA to issue an out-of-state motor home and recreational trailer vehicle show permit that allows an out-of-state dealer to participate in these vehicle shows in Worcester County but not to execute a buyer's order or accept a deposit at the vehicle show. The permit may be issued to a dealer of motor homes or recreational trailers licensed in another state that reciprocally authorizes Maryland dealers of motor homes and recreational trailers to display or exhibit motor homes or recreational trailers at vehicle shows in that state.

Specially Designed Vintage Reproduction Registration Plates

Chapter 170 of 2013 required MVA, *for a period of one year*, to offer a specially designed vintage reproduction registration plate resembling the 1910 Maryland registration plate to a qualifying vehicle owner. **Senate Bill 54/House Bill 313 (both passed)** reinstate and make permanent the requirement for MVA to make available specially designed vintage reproduction registration plates. MVA must charge a \$100 initial and \$25 renewal fee for the vintage reproduction registration plates.

Notation of Nonapparent Disability

MVA issues driver's licenses and identification cards to eligible applicants. The licenses and identification cards may include certain designations on them, such as specifying whether a person is an organ donor or a veteran. **Senate Bill 618/House Bill 707 (both passed)** require an initial and renewal application for a license, identification card, or moped operator's permit to

allow an applicant to choose to indicate on the document that the applicant has a “nonapparent disability,” which includes developmental disabilities and intellectual disabilities. MVA must ensure that the relevant credential of an applicant who has indicated a nonapparent disability on an application includes a notation on the bottom of the credential. MVA must also conduct certain public outreach efforts on the availability of the notation (including notifying specified individuals the notation may be removed). The bills prohibit MVA from charging a fee for the notation – including for the issuance of a corrected document if no other corrections are made. The bills also prohibit MVA from making certain disclosures related to the notation. The Maryland Police Training and Standards Commission, in consultation with the Department of State Police and other interested stakeholders, must implement training concerning interactions with individuals who have a nonapparent disability notation on their credential.

Mechanical Repair Contracts – Service Bulletins

A “mechanical repair contract” is an agreement or contract sold by a licensed vehicle dealer, an obligor, or an agent under which the obligor agrees to perform specified services pertaining to the repair, replacement, or maintenance of a motor vehicle for a specific identifiable price. *House Bill 1046 (passed)* prohibits (1) a mechanical repair contract from containing a provision precluding coverage solely for an issue with a motor vehicle identified in a manufacturer’s technical service bulletin and (2) a guarantor or provider from denying a mechanical repair contract claim solely because the claim was made for a diagnosed issue with the motor vehicle that was identified in a manufacturer’s technical service bulletin.

Maryland Mobile ID Enhancement Act

Chapter 142 of 2019 authorizes MVA to issue an “electronic credential” (*i.e.*, an electronic representation of a license, an identification card, or a data field) to an individual in addition to, and not instead of, a license or an identification card if MVA has already issued either physical credential to the individual. MVA may enter into agreements with a Maryland State agency, another state agency, or the United States to facilitate the issuance, use, and verification of electronic credentials issued by MVA (or another state). *House Bill 1371 (passed)* similarly authorizes MVA to enter into an agreement to facilitate the issuance, use, and verification of electronic credentials through a national association of motor vehicle agencies. The bill also authorizes an individual who will operate a rented vehicle to use an electronic credential showing a representation of a valid driver’s license (instead of a physical driver’s license) to rent the vehicle.

Registration of Rental Fleet Vehicles

House Bill 1464 (passed) establishes an alternative registration process for rental fleet vehicles and requires MVA to issue distinctive “Fleet Vehicle” registration plates for rental vehicles registered under the alternative process. Under the bill, the owner of a fleet of five or more rental vehicles may register any rental vehicle in the fleet (1) under the bill’s provisions or (2) under general statutory provisions that apply to the registration of motor vehicles. MVA may not require the attachment, display, or issuance of a validation tab for a vehicle registered under the alternative process. To the extent practicable, registration of each rental vehicle that is part of

the same fleet must expire on the same date. The bill does not alter annual registration fees for rental vehicles, but an owner of a rental vehicle registered under the alternative process must pay a one-time initial registration fee of up to \$8.50 when the new registration plates are issued.

Rules of the Road

Automated Enforcement Systems

State law currently authorizes the use of various automated 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. In 2025, a number of bills addressed automated enforcement in Maryland.

Penalties for Speed Monitoring Systems: *House Bill 182 (passed)* repeals a statutory provision that sets a maximum amount of \$40 for the civil penalty that is imposed on the owner or driver of a motor vehicle that exceeds a posted speed limit by 12 miles per hour or more and is recorded by a speed monitoring system. Instead, the bill establishes an escalating penalty structure, with a maximum penalty that ranges from \$40 to \$425 for the offense, depending on the excessiveness of the speed violation. The bill also requires the State Highway Administration (SHA) to convene a workgroup to study best practices regarding speed monitoring systems in school zones. Also, specific to Maryland Route 210 in Prince George’s County only, *House Bill 349 (passed)* establishes an escalating penalty structure for violations recorded by a speed monitoring system – again, ranging from a maximum penalty of \$40 to \$425, depending on the excessiveness of the speed violation.

Statements and Certificates of Violations: *Senate Bill 390/House Bill 343 (both passed)* authorize a technician employed by or under contract with an agency (rather than only a duly authorized law enforcement officer) to (1) sign a statement in a citation alleging a speed monitoring system violation and (2) swear to or affirm (for evidentiary reasons) that a speed monitoring system violation occurred (after inspection of a recorded image and on a specified certificate). The bills also require a duly authorized law enforcement officer or a technician employed by or under contract with an agency to complete reasonable training specific to the speed monitoring system before certifying any certificates of violation.

Privacy Protections: *Senate Bill 381/House Bill 516 (both passed)* generally prohibit an “agency” (*i.e.*, a State police department, SHA, a local police department, or another local agency that implements and operates an automated enforcement program) from accessing or using a recorded image or associated data without a warrant, subpoena, or court order unless the access or use is for an appropriate traffic enforcement purpose, subject to certain exceptions. An agency that knowingly violates this requirement is subject to a fine of up to \$1,000 for each violation. The bills apply new standards and requirements for the use, processing, and disposal of recorded images and associated data to citations issued by automated enforcement systems in the State. The bills

also require a custodian of recorded images produced by certain automated enforcement systems to deny inspection of the recorded images, subject to certain exceptions.

Interstate 83 in Baltimore City: House Bill 913 (passed) increases the number of speed monitoring systems that may be placed on Interstate 83 in Baltimore City from two to four. However, only one speed monitoring system in each direction may be in operation at the same time. The bill also makes permanent the authorization to place speed monitoring systems on Interstate 83 in Baltimore City.

Interstate 695 and Interstate 83 in Baltimore County: Senate Bill 338 (passed) authorizes SHA to place and use speed monitoring systems in areas at high risk for serious vehicle crashes on Interstate 695 in Baltimore County and Interstate 83 in Baltimore County, subject to certain requirements and limitations. SHA may not place more than three speed monitoring systems in each direction on Interstate 83 in Baltimore County or more than four speed monitoring systems in each direction on Interstate 695 in Baltimore County and must maintain at least five-mile intervals between speed monitoring systems in the same direction on both highways. Fines collected from the speed monitoring systems must be remitted to the Comptroller for distribution to SHA, to then be used to (1) recover SHA's administrative costs to implement and administer the speed monitoring systems and (2) assist in covering the cost of roadway and safety improvements on Interstate 695 in Baltimore County and Interstate 83 in Baltimore County. Fines distributed for roadway and safety improvements pursuant to the bill's authorization are supplemental to (and not intended to take the place of) funding that would otherwise be appropriated for the same purposes. The civil penalty for a violation recorded under the bill may not exceed \$40.

Maryland Route 200 (Intercounty Connector): House Bill 988 (passed) authorizes the Maryland Transportation Authority (MDTA) to place and use speed monitoring systems on Maryland Route 200 (Intercounty Connector) in Montgomery County, subject to certain requirements and limitations. SHA must provide MDTA with access to its existing speed monitoring systems and vendor contracts to assist MDTA in planning and implementing its own speed monitoring systems. All civil penalties resulting from citations issued from these speed monitoring systems must be paid to the District Court, and the District Court must remit the penalty revenue to MDTA.

High-risk Highways in Montgomery County: House Bill 1173 (passed) authorizes the placement of speed monitoring systems on highways in Montgomery County that have been identified in a municipality's, the county's, or the State's most recent Strategic Highway Safety Plan or Vision Zero Plan as having a high risk for motor vehicle crashes that result in serious bodily injury or death. Existing penalties, requirements, and limitations that apply for other speed monitoring systems used in the State generally apply to speed monitoring systems established under the bill. However, the bill includes additional specifications related to (1) how local governments must use revenues from speed monitoring systems implemented under the bill; (2) the evaluation of speed monitoring systems implemented under the bill; and (3) limitations on the placement of any speed monitoring system used in Montgomery County.

Stop Sign Monitoring Systems in Baltimore City and Takoma Park: *Senate Bill 600 (passed)* authorizes the use of stop sign monitoring systems in school zones in the forty-fifth and forty-sixth legislative districts in Baltimore City and the City of Takoma Park by expanding an existing pilot program authorized for Prince George’s County, if authorized by local law. In Baltimore City, from the fines collected as a result of violations enforced by a stop sign monitoring system in the respective legislative districts, 50% must be used to provide youth programming and services for youth living or attending school in the respective legislative districts.

Noise Abatement Monitoring System Pilot Program: *Senate Bill 121/House Bill 18 (both passed)* extend by two years the termination date and reporting requirements of Chapters 624 and 625 of 2024, which authorized Montgomery and Prince George’s counties to use noise abatement monitoring systems on highways to record violations of State law governing maximum sound limits of motor vehicles. The bills also apply requirements related to the inspection of images captured by automated enforcement systems to images from noise abatement monitoring systems.

Queen Anne’s County Municipalities – Speed Limits

House Bill 1236 (passed) authorizes a municipality in Queen Anne’s County to decrease the maximum speed limit to not less than 15 miles per hour on a highway without performing an engineering and traffic investigation.

Bicycles, Play Vehicles, and Unicycles

House Bill 375 (passed) authorizes a person to ride a bicycle, play vehicle, or unicycle on a sidewalk or sidewalk area and in or through a crosswalk *unless prohibited* by local ordinance (as opposed to *where allowed* by local ordinance). When riding a bicycle, play vehicle, or unicycle on a sidewalk or sidewalk area or in or through a crosswalk, a person must yield the right-of-way to a pedestrian or an individual riding on an electric personal assistive mobility device.

Obscured, Modified, or Blocked Registration Plates and Registration Plate Covers

House Bill 470 (passed) makes several changes to laws pertaining to registration plate covers. The bill (1) alters the definition of “registration plate cover” applicable to specified prohibitions to include certain objects designed to obscure or block any characters of a vehicle’s registration plate; (2) prohibits a person from advertising for, or promoting the sale of, an unlawful registration plate cover by falsely claiming that the registration plate cover is lawful in the State; and (3) establishes that a violation of this prohibition is punishable under the Maryland Vehicle Law and as an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act.

The bill also prohibits a person from obscuring or modifying a vehicle registration plate *in a manner that may prevent identification*, as opposed to obscuring or modifying a vehicle registration plate *with intent to avoid identification*. Under the bill, a police officer may enforce a violation of this altered prohibition only as a secondary offense.

Reckless, Negligent, and Aggressive Driving

Senate Bill 590/House Bill 744 (both passed) make reckless driving an incarcerable offense subject to imprisonment not exceeding 60 days and increase the maximum monetary penalties for negligent driving and aggressive driving to \$750 and \$1,000, respectively. The bills also (1) expand the list of traffic offenses that constitute aggressive driving; (2) expand reckless driving to include driving a vehicle at a speed of at least 30 miles per hour above the posted speed limit; and (3) alter the points assessment MVA must make against a person's driver's license for a negligent driving conviction and a conviction for speeding at 30 miles per hour or more above the posted speed limit to 2 points and 6 points, respectively.

Equipment and Inspections

Exceptional Hauling Permits for Farm Products

SHA may issue an exceptional hauling permit for a combination of vehicles that meets specified axle configuration requirements and carries farm products that use specified loading processes. SHA advises that the administrative requirements for the exceptional hauling permit for farm products are excessively burdensome and, in some cases, difficult to enforce. *Senate Bill 203/House Bill 225 (Chs. 51 and 52)* simplify and modify the requirements for, and permissions associated with, exceptional hauling permits issued by SHA to haul farm products, including by altering required axle configurations and weight limits and streamlining inspection, documentation, and enforcement requirements.

Portable Variable Messaging Signs

House Bill 1375 (passed) authorizes a tow truck to display a portable variable message sign mounted on the tow truck while at the scene of a crash or a disabled vehicle. The portable variable messaging sign must conform to the standards established in the Manual on Uniform Traffic Control Devices adopted by SHA and display only those messages approved for use by SHA.

Medical Exemption for Enhanced Tinted Windows

Senate Bill 707/House Bill 436 (both passed) require the medical exemption that allows the operation of a vehicle with enhanced window tinting on a highway in the State to be valid indefinitely if a licensed physician determines that the vehicle owner's medical condition that necessitates the tinting is permanent.

Miscellaneous

Towed, Removed, or Abandoned Vehicles

Senate Bill 40/House Bill 191 (both passed) authorize a person who tows or removes a vehicle from a parking lot and a police department that takes an abandoned vehicle into custody

to send specified notices to a vehicle owner electronically through MVA. If the owner does not respond within seven days after MVA sends the electronic notice, the tower or police department, as applicable, must send notice to the owner by certified mail, return receipt requested, and first class mail.

Part H

Business and Economic Issues

Business Occupations and Regulation

Professional Licensing Boards and Commissions

General

Occupational Licensing and Certification: *House Bill 482 (passed)* establishes a predetermination review process under which an individual can request that certain State agencies, including the Maryland Department of Labor (MD Labor), review the individual's criminal history to determine whether that criminal history would disqualify the individual from obtaining the occupational license or certification being sought from the agency. 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 is waived for individuals with an income at or below 300% of the federal poverty level.

Veteran Status and Eligibility for Benefits: *Senate Bill 114 (passed)* authorizes each unit in MD Labor to establish a process to include a notation indicating veteran status on an occupational license. If a unit of MD Labor establishes a process, it must comply with additional specifications established by the bill.

Accountants

The State Board of Public Accountancy regulates and licenses individuals acting as certified public accountants (CPAs), and issues permits to business entities that provide public accountancy services. *Senate Bill 148/House Bill 427 (both passed)* authorize the board to place a licensee on *emeritus* status if the applicant meets certain requirements. Additionally, the board is required to reinstate the license of an individual on *emeritus* status under certain circumstances. *Senate Bill 51/House Bill 887 (both passed)* alter the qualifications for an individual licensed as a CPA in another state to practice certified public accountancy in Maryland. The bills repeal the requirement that the National Association of State Boards of Accountancy verify that the

requirements of the other state be substantially equivalent with the licensure requirements of the Uniform Accountancy Act. Instead, the bills require the individual to pass the Uniform CPA Examination in order to qualify for the license in the other state (in addition to holding a valid license as a CPA from the other state).

Barbers and Cosmetologists

House Bill 1547 (passed) requires the State Board of Barbers and the State Board of Cosmetologists to require, as a qualification for licensure, an applicant to complete one hour of training in domestic violence awareness. The training must be approved by MD Labor and offered to each applicant or licensee, either in-person or virtually. The training must include guidance on (1) recognizing the signs of domestic violence; (2) strategies to navigate conversations with clients who may be victims of domestic violence; (3) how to listen to and communicate with victims of domestic violence; and (4) connecting clients with resources and support groups for victims of domestic violence.

Senate Bill 617/House Bill 1223 (both passed) establish a limited license specific to providing eyelash extension services issued by the State Board of Cosmetologists and expand the definition of “provide esthetic services” to include providing eyelash extension services. The board must adopt regulations establishing curriculum and continuing education standards for the limited license.

Cemeteries

Senate Bill 354/House Bill 509 (both passed) establish a Maryland Inventory of Cemeteries and Burial Sites Workgroup, staffed by the Maryland Historical Trust, to, among other things, (1) evaluate existing cemetery inventories maintained by county governments, historic preservation programs, and genealogical organizations to determine how to integrate existing information into a State cemetery inventory system; (2) recommend the appropriate entity to collect data for and maintain a State cemetery inventory system; and (3) determine the cost of and recommend sources of funding for the creation and maintenance of the inventory system. By December 1, 2025, the workgroup must report its findings and recommendations to the Governor and the General Assembly.

Senate Bill 57 (passed) generally conforms the Business Regulation Article to requirements already in place under the Health Occupations Article for the disposition of certain unclaimed veteran remains. Specifically, a funeral establishment, crematory operator, or reduction facility licensed under the Business Regulation Article must take specified actions if a veterans service organization does not take possession of unclaimed cremains, hydrolyzed remains, or a portion of unclaimed soil remains that qualify for a lot in a State veterans’ cemetery.

The Office of Cemetery Oversight within MD Labor regulates the operation of certain crematories and cemeteries, including those offering perpetual care and preneed burial contracts. The office’s operations are supported by registration and permit fees for cemetery, crematory, and burial goods, which are deposited into the Cemetery Oversight Fund.

Senate Bill 963/House Bill 535 (both passed) establish the Abandoned and Neglected Cemeteries Fund to provide for the care, preservation, maintenance, and restoration of abandoned and neglected cemeteries in the State.

Heating, Ventilation, Air-Conditioning, and Refrigeration

The State Board of Heating, Ventilation, Air-Conditioning, and Refrigeration (HVACR) Contractors licenses and regulates HVACR services for commercial and residential properties under Title 9A of the Business Regulation Article. *House Bill 1162 (passed)* prohibits a person from knowingly selling or offering to sell HVACR equipment to another person unless the individual purchasing the equipment (1) holds a master, master restricted, or limited license issued by the board (or employs an individual with such a license); (2) operates a business that resells HVACR equipment to individuals licensed by the board; or (3) is not required to be licensed under State law. *Senate Bill 263/House Bill 92 (Chs. 85 and 86)* extend the time period, from 90 days to four years, during which a licensee may apply to the board for license restoration after expiration.

Professional Engineers

The State Board for Professional Engineers licenses and regulates professional engineers. To qualify for licensure, an individual can meet one of three combinations of educational and experience requirements. Each option requires a specified amount of work experience in engineering, varying based on the level of educational attainment. Under the work-experience-only option, an applicant with 12 or more years of satisfactory experience in engineering must only pass the principles and practice of engineering examination. *Senate Bill 529 (passed)* requires an applicant for licensure as a professional engineer under the work-experience-only option to additionally pass the fundamentals of engineering examination prior to taking and passing the principles and practice of engineering examination.

Real Estate

To provide real estate appraisal services or certified real estate appraisal services in the State, an individual must be licensed or certified by the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors. A bachelor's degree is not required to become a licensed real estate appraiser or certified *residential* real estate appraiser, although a certified residential real estate appraiser may meet examination eligibility requirements by holding a bachelor's degree or higher as well as meeting required classroom hours. Regulations require a bachelor's degree or higher for certified *general* real estate appraisers. *House Bill 1021 (passed)* prohibits the commission from requiring an applicant to hold a bachelor's degree or higher to qualify for licensure as a real estate appraiser or for certification as a residential real estate appraiser.

Generally, each individual licensed by the State Real Estate Commission as a real estate broker, real estate salesperson, or associate real estate broker must complete 15-clock hours of continuing education every two years in order to qualify for license renewal.

Senate Bill 680/House Bill 972 (both passed) alter several continuing education requirements for the renewal of a license for real estate brokers, associate real estate brokers, and real estate salespersons. Specifically, the bills alter clock hour requirements, course topics, course instructor selection, and course application fees.

Security Guards

Senate Bill 299/House Bill 1347 (both passed) generally remove duplicative criminal history records check (CHRC) requirements for individuals employed by certain regulated entities as security guards. Specifically, video lottery operators, sports wagering facility licensees, and health care facilities are removed from the definition of “security guard employer” thereby exempting security guards employed with those entities from one of two required CHRCs. In this case, those individuals must already undergo a CHRC as part of the employment process with the regulated entity. Similarly, the bills exempt a cannabis agent that is employed as a “security guard” or by a “security guard agency” from obtaining a CHRC as a prerequisite for registration with the Maryland Cannabis Administration. In this case, the individual must already undergo a CHRC from the Department State Police.

Stationary Engineers

The State Board of Stationary Engineers consists of eight members appointed by the Governor with the advice of the Senate and the Secretary of Labor. *Senate Bill 147 (passed)* requires Senate confirmation of members appointed to the board.

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 may evaluate entities subject to the MPEA as directed by the Legislative Policy Committee, the Joint Audit and Evaluation Committee (JAEC), the Executive Director of Legislative Services, 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. This session, legislation extended the termination date of the State Board of Public Accountancy in MD Labor.

The State Board of Public Accountancy was scheduled to terminate July 1, 2025. *Senate Bill 261/House Bill 63 (Chs. 83 and 84)* extend the termination date for the board by five years, to July 1, 2030. By July 1, 2028, MD Labor must submit a report to JAEC with information on the board (as determined by JAEC).

Electronic Smoking Devices – Seizure and Wholesaler Record-Keeping

The Comptroller, Executive Director of the Alcohol, Tobacco, and Cannabis Commission (ATCC), or a peace officer of the State is authorized to seize contraband tobacco products in the

State without a warrant, subject to notice of seizure, claim for return of property, and hearing requirements. *Senate Bill 842 (passed)* establishes a similar process for electronic smoking devices (ESD), which are devices that can be used to deliver aerosolized or vaporized nicotine to an individual inhaling from the device, such as an electronic cigarette or a vape pen. Specifically, the bill authorizes the Executive Director of ATCC, without a warrant, to seize ESD that are sold or offered for sale in violation of Title 16.7 of the Business Regulation Article. The bill also establishes procedures for providing notice of seizure and filing a claim for the return of seized ESD, including the requirement for a hearing. The bill also repeals the authority of an ESD manufacturer to sell ESD directly to a consumer and establishes recordkeeping requirements for ESD wholesaler distributors and wholesaler importers.

Miscellaneous

Charitable Organizations

The Secretary of State (SOS) registers and oversees charitable organizations to which persons are able to make official charitable contributions. Charitable organizations are required to file an annual report with SOS and failure to file results in a fine. *Senate Bill 184/House Bill 239 (Chs. 79 and 80)* authorize SOS to suspend or waive late filing fees for charitable organizations and establish that a late fee cannot be considered a delinquent account or debt requiring referral to the Central Collection Unit. The Acts also establish the process for SOS to cancel the registration of a charitable organization that fails to file specified reports as well as how a charitable organization can request to reinstate a canceled registration.

Cellular Phone Carriers

Senate Bill 846 (passed) requires a cellular phone carrier to allow (1) the customer of record who is responsible for payment on an account to designate other individuals as authorized users on the account and (2) an individual designated as an authorized user on an account to purchase services or devices or take additional action under any service contract connected to the account, to the extent that the authorization extends to the action.

Definition of Storage Warehouse

“Storage warehouse” means a building or structure used for keeping goods for a fee. A person must have a storage warehouse license to engage in those activities. *Senate Bill 734/House Bill 968 (both passed)* alter the definition of a storage warehouse to exclude a self-service storage facility, thus exempting a self-service storage facility from the requirement to obtain a storage warehouse license.

Enforcement for Miscellaneous State Business Licenses

Title 17 of the Business Regulation Article applies to 15 categories of miscellaneous business licenses, including construction licenses, junk dealer or scrap metal processor licenses, restaurant licenses, traders’ licenses, and vending machine licenses.

Senate Bill 664/House Bill 577 (both passed) require the Comptroller's Office to study the enforcement process of miscellaneous business licenses under Title 17 by its Field Enforcement Bureau. The Comptroller's Office must consult with relevant stakeholders and report its findings to the General Assembly by December 1, 2025.

New Home Sales – Appliance Warranty Registration Notice

Under the Maryland Home Builder Registration Act, a “new home” is a newly constructed residential dwelling, including the fixtures that are a part of the dwelling. New home builders are required to register with the Home Builder Registration Unit within the Consumer Protection Division of the Office of the Attorney General. *Senate Bill 522 (passed)* requires a person registered as a home builder in the State to provide specified information about the warranties for appliances registered by the home builder at the time of closing for the initial sale of a new home. The home builder must, for each appliance, including the heating, ventilation, and air-conditioning system, that was registered by the home builder in the new home, provide warranty information for the appliance, including (1) the date the home builder registered the warranty and (2) the time remaining under the warranty.

Public Service Companies

Next Generation Energy Act

In response to rising energy costs, power plant closures in the State, and reports from PJM Interconnection that the region faces a significant energy capacity shortfall in the coming decade, *Senate Bill 937/House Bill 1035 (both passed)* establish or modify various provisions of law affecting electricity generation, utility cost recovery, and large customer interconnections, among other related changes. The bills also establish a process to provide \$200 million in residential electric customer bill credits in fiscal 2026. PJM is a Regional Transmission Organization (RTO) and manages the bulk electric power system across a multi-state region, including Maryland.

Public Service Company Rates, Cost Recovery, and Operations

The Public Service Commission (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.

Multiyear Rate Plans: The bills prohibit the use of multiyear rate plans by gas, electric, or combination gas and electric companies unless the plan (1) demonstrates the customer benefits of the investment and (2) does not allow for a company to file for reconciliation of cost of revenue variances of the approved revenue component used by PSC to establish just and reasonable rates.

Prohibitions on Cost Recovery: The bills prohibit investor-owned gas, electric, or combination gas and electric companies from recovering through rates costs associated with membership, dues, sponsorships, or contributions to industry trade associations or the acquisition, use, or allocation of costs associated with a private plane that is owned or leased by the company or its holding company.

Rate Setting Proceedings: The bills require certain public service companies to make additional demonstrations during base rate proceedings to recover costs, including requiring:

- investor-owned gas and electric companies to demonstrate the reasonableness of the use of internal labor in comparison to contractual labor; and
- investor-owned gas companies, when seeking to recover costs for planned gas infrastructure investments, to demonstrate (1) the customer benefits of the investment; (2) that the company analyzed cost-effective options to defer, reduce, or eliminate the need to replace, upgrade, or construct, new components; and (3) the estimated risk reduction associated with a safety-related investment.

Gas Infrastructure Surcharge: In addition to base rate proceedings, the bills make changes to the application and review process for gas infrastructure replacement plans with an associated monthly surcharge on customer bills (typically known as the “STRIDE” surcharge). In addition to existing requirements, a plan filed by a gas company with PSC must include (1) a description of each eligible infrastructure replacement project; (2) a demonstration that the gas company has selected and given priority to projects based on risk to the public and cost-effectiveness; (3) an analysis that compares the costs of proposed replacement projects with alternatives to replacement; and (4) a plan, subject to specified requirements, for notifying customers affected by proposed projects at least six months in advance of construction.

Large Load Customers and Co-Location: The bills authorize PSC to apply certain direct or indirect costs, fees, and obligations or avoided wholesale costs to commercial or industrial customers in specified co-location arrangements between the commercial or industrial customer and a generating station. Generally, the authorization applies only to those entities when they enter into a contract for the provision of electricity in a way that bypasses (1) interconnection of the load with the electric transmission and distribution systems or (2) the distribution services of an electric company.

The bills also establish the intent of the General Assembly that residential retail electric customers in the State should not bear the financial risks associated with large load customers interconnecting to the electric system serving the State. The bills require, by September 1, 2026,

each investor-owned electric company and each electric cooperative to submit to PSC for approval a specific rate schedule for large load customers that accomplishes the above-described intent of the General Assembly. Each municipal electric utility that receives an application for retail electric service from a large load customer must also submit a specific rate schedule for approval. In making a determination on whether to approve a specific rate schedule for large load customers, PSC must consider whether the rate schedule:

- requires a large load customer to cover the just and reasonable costs associated with any electric transmission or distribution system buildout required to (1) interconnect the customer to the electric system serving the State or (2) serve the customer;
- protects residential retail electric customers from the financial risks associated with large load customers through the use of (1) load ramp periods; (2) minimum billing demand for electric distribution and transmission service, as specified; (3) long-term contractual commitments and exit fees; (4) guarantee or collateral requirements; and (5) penalties and reimbursement requirements; and
- sufficiently ensures that the allocation of costs to large load customers under the schedule does not result in other customers unreasonably subsidizing the costs of large load customers.

Energy Solicitation and Procurement

Dispatchable Energy Generation and Large Capacity Resources: The bills establish a solicitation, evaluation, and approval process for a minimum of 3,109 megawatts of dispatchable energy generation and large capacity resources, beginning no later than October 1, 2025. Generally, PSC may approve up to 10 projects. An approved project is eligible to undergo an expedited Certificate of Public Convenience and Necessity (CPCN) process established under the bills through June 30, 2030. PSC may provide for an additional solicitation period if the 3,109-megawatt capacity minimum has not been met during the initial solicitation period. Generally, PSC may not approve or develop a financial commitment for the costs related to the construction or operation of a project approved under the procurement process, although an approved project may participate in other processes under which ratepayer funds are awarded to dispatchable energy generation or large capacity energy projects.

Expedited Certificate of Public Convenience and Necessity: Notwithstanding any other provision in § 7-207 of the Public Utilities Article, a CPCN for the construction of a generating station that is part of a proposal approved by PSC through the above process (a “qualifying project”) must be issued in accordance with the requirements for an expedited CPCN described below. A person may not construct a qualifying project without a CPCN – including an energy storage device that is part of an approved proposal.

For a qualifying project, PSC must expedite all proceedings for CPCN review and approval and, except in limited circumstances, take final action within 295 days after the application is

determined to be complete by the Power Plant Research Program in the Department of Natural Resources (DNR). In order to meet the required timelines, PSC may also review and determine whether to approve decommissioning plans for a qualifying project after a CPCN has been issued. The bills specify other minor process-related requirements. PSC may prioritize the review of qualifying projects over other CPCN applications, and, in doing so, may extend standard CPCN review timelines.

Nuclear Energy: The bills establish a minimum of three rounds of applications and related requirements for PSC approval of one or more proposed nuclear energy generation projects funded through electric distribution rates. A PSC order approving a proposed project must (1) specify the long-term pricing schedule and its duration, up to 30 years; (2) provide that a payment may not be made under a long-term pricing schedule until electricity supply is generated from the project; (3) provide that ratepayers and the State must be held harmless for any cost overruns associated with the system; and (4) require that any debt issued in connection with the project include language specifying that the debt instrument does not establish a debt, an obligation, or a liability of the State.

Under required regulations, to meet the total statewide long-term pricing purchase obligation for all approved applications, PSC must annually establish each electric company's zero-emission credit (ZEC) purchase obligation, based on specified electricity sales data and each electric company's proportional share of statewide electricity load. Each electric company must procure the required quantity of ZECs from an escrow account established by PSC to meet its obligations. The bills also establish a process to refund or credit customers in the event of overpayments due to insufficient ZECs being available.

In addition to the procurement process above, the Maryland Energy Administration (MEA), in coordination with PSC and DNR, must pursue (1) cost-sharing agreements with neighboring states in the PJM region to mitigate the risks of developing new nuclear energy generating stations and (2) agreements with federal agencies regarding the siting of small modular reactors on federal land on or near federal facilities.

The bills establish related reporting requirements for MEA to update the General Assembly by December 1, 2026.

Transmission Energy Storage: PSC must, by regulation or order, establish a competitive process for the procurement of projects for the construction and deployment of up to 1,600 megawatts of front-of-the-meter transmission energy storage devices in the State. Subject to specified requirements, including a public hearing process, the bills establish two rounds of applications and related approval and construction timelines for up to 800 megawatts of front-of-the-meter transmission energy storage capacity in each round. For the first round, PSC must issue the procurement solicitation by January 1, 2026, and issue one or more orders to select a proposal or proposals for development by October 1, 2026. The deadlines for the second round are one year later. Generally, the energy storage devices must be operational within 24 months

after selection, and PSC may end the process without selecting a proposal if PSC makes specified findings.

Distribution Energy Storage: The bills establish that the State has a goal of reaching 150 megawatts of distribution-connected front-of-the-meter energy storage devices. Subject to specified requirements, the bills establish two rounds of applications and related approval and construction timelines. For the first round, by November 1, 2025, PSC must require each investor-owned electric company to submit a plan to achieve up to one-third of its share of the overall goal. By May 1, 2026, PSC must evaluate each plan, accept public comments, and issue an order approving, modifying, or rejecting the plan. The energy storage devices that are constructed or procured under the plan must be operational by November 1, 2027. The deadlines for the second round, which covers the remaining balance of each electric company's share of the overall goal, are one year later.

Renewable Energy Portfolio Standard

Waste-to-energy and refuse-derived fuel are eligible Tier 1 resources under the State Renewable Energy Portfolio Standard (RPS). The terms are not further defined in statute or regulation; however, annual RPS compliance reports by PSC categorize "waste-to-energy" in statute as "municipal solid waste." There are two such facilities located in Maryland: a privately owned incinerator in Baltimore City and a county owned incinerator in Montgomery County.

The bills remove waste-to-energy and refuse-derived fuel from eligibility for inclusion in the State RPS. The provision generally applies to all RPS compliance years starting on or after January 1, 2025, except for a facility owned by a public instrumentality of the State (in this case, Montgomery County), which applies beginning July 1, 2026.

Energy Assistance and Efficiency Programs

Energy Assistance: The Department of Housing and Community Development (DHCD) may issue loans, in addition to grants, for specified energy conservation and renewable energy projects under a program required by the Climate Solutions Now Act. Additionally, by January 1, 2026, the Department of Human Services must report to the Governor and the General Assembly on any legislative or regulatory changes necessary to implement a recommendation to combine all energy assistance programs operated by the State into one program.

EmPOWER Maryland: When calculating the achievement of greenhouse gas (GHG) emissions reduction targets under the EmPOWER Maryland Program, DHCD may procure or provide savings that are achieved through all funding sources, to the extent that the savings from those funding sources are achieved (1) in a manner consistent with requirements of the U.S. Department of Energy or (2) in a manner otherwise consistent with the energy savings requirements applicable to those funding sources.

Ratepayer Credit from Alternative Compliance Payment Revenues

Under the State RPS, electric companies and other electricity suppliers must submit renewable energy credits (RECs) equal to a percentage of their retail electricity sales specified in statute each year or else pay an alternative compliance payment (ACP) equivalent to their shortfall. ACP revenues accrue to the Strategic Energy Investment Fund (SEIF). Historically, RPS requirements have been met almost entirely through RECs, with negligible reliance on ACPs; however, that has not been the case in recent years. ACPs totaled \$86.6 million in 2022 and \$320.4 million in 2023. Generally, MEA must use ACPs for purposes related to renewable energy, as specified.

The bills authorize ACP revenues to be used to provide grants to electric companies to be refunded or credited to each residential distribution customer based on the customer's consumption of electricity supply that is subject to the RPS. The refunded or credited amounts must be identified on customer bills as a line item and labeled a "legislative energy relief refund." An electric company awarded a grant for this purpose may not retain any of the grant funds to cover overhead expenses and must provide all of the grant funds to residential distribution customers. PSC must direct and oversee the process.

The bills further provide that, notwithstanding any other provision of law, from ACPs paid into SEIF, a portion must be used to provide grant awards to electric companies, including electric cooperatives and municipal electric utilities, to be refunded or credited to residential distribution customers for electric service in fiscal 2026. The funds must be distributed to residential electric distribution customers two times in fiscal 2026: half during a peak summer month and the other half during a peak winter month. The distribution must also be in accordance with the SEIF provisions described above. The fiscal 2026 budget authorizes the Governor to transfer \$200 million from ACP revenues in SEIF to PSC for this purpose.

Other Provisions

In addition to the provisions discussed above, the bills also:

- establish the General Assembly's support of the extension or renewal of the federal license for the Calvert Cliffs Nuclear Power Plant;
- clarify an existing requirement for an investor-owned gas, electric, or combination gas and electric company to require contractors and subcontractors to pay their employees at least the applicable prevailing wage rate in certain circumstances; and
- authorize PSC, the Office of People's Counsel, MEA, the Maryland Department of the Environment, and DNR to issue competitive sealed bids higher than their designated small procurement delegation authorities (*i.e.*, \$100,000) for the procurement of consultants that (1) are legislatively mandated with specific timeframes established in law and (2) will

address issues related only to climate change, the environment, energy, and GHG emissions.

Renewable Energy Certainty Act

Senate Bill 931/House Bill 1036 (both passed) (1) alter the factors that PSC must consider before taking final action on a CPCN; (2) establish requirements for the construction of certain energy storage devices and solar energy generating stations and impose specified requirements and limitations on local jurisdictions with respect to their construction and development; (3) create a Distributed Generation CPCN; (4) modify community solar requirements; (5) establish requirements related to residential rooftop solar energy generating systems and mandate the creation of a new license for their installation and maintenance; (6) modify the definition of agrivoltaics; (7) require DNR to take specified actions to assist the State in meeting its solar energy commitments; and (8) require PSC to conduct two studies and report on the results of those studies by specified dates.

Energy Resource Adequacy and Planning Act

Senate Bill 909/House Bill 1037 (both passed) establish the Strategic Energy Planning Office (SEPO), subject to specified requirements. SEPO is funded through assessments imposed on public service companies through an existing process administered by PSC. By September 1, 2028, and every three years thereafter, SEPO must develop and submit a Comprehensive Wholesale Energy Markets and Bulk Power System Risk Report to the Governor and the General Assembly. The bills also establish reporting requirements for PSC, the Maryland Department of Transportation, and MEA.

Miscellaneous

Electric Cooperatives

House Bill 984 (passed) incorporates electric cooperatives into specified “make whole” rate proceedings held by PSC to determine whether additional revenues are required to earn a fair rate of return for certain relatively small public service companies. In addition to other public notification requirements in the make whole rate proceeding process, PSC must order an electric cooperative to conduct a public hearing, as specified. For an electric cooperative, the rate proceedings consider the company’s debt service coverage ratio, instead of a fair rate of return.

Regional Transmission Organizations

Most electric companies in the State are PJM members, including all investor-owned utilities. PJM members take part in PJM’s stakeholder process, which provides a forum for those who have a stake in the wholesale electric industry to discuss and work through issues related to PJM markets, operations, public policies, and current and future industry matters. *Senate Bill 37/House Bill 121 (both passed)* require each electric company, other than a municipal

electric utility, to submit a report to PSC by February 1 each year containing information related to recent votes cast at a meeting of a RTO.

Transportation Network Companies

Chapter 204 of 2015 established a regulatory framework for transportation network services that encompasses transportation network companies (TNCs) (*i.e.*, companies such as Uber and Lyft) 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 unless PSC has authorized the operator to operate on a provisional basis or has issued a valid temporary or permanent transportation network operator's license to provide transportation network services.

House Bill 861 (passed) requires each TNC to provide each transportation network operator with a weekly fare and earnings summary that includes (1) the total fares collected by the TNC for the transportation network services provided by the company's operators in a given week; (2) the total amount of any additional fees that were charged to passengers by the TNC for the transportation network services provided by the company's operators in a given week; (3) the total amount the operator earned that week; (4) the total amount the operator earned from the total fares collected that week, expressed as a percentage of the total fares collected; and (5) the total amount the operator earned from the additional fees specified above, expressed as a percentage of the total additional fees charged. By February 1 each year, each TNC must submit specified information on its fares, its operators, and their earnings to PSC.

Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission Maryland Act

Senate Bill 434/House Bill 505 (both failed), both Administration bills, would have established a 100% clean energy goal for the State, incorporated nuclear energy into a renamed Clean Energy Portfolio Standard, established a ratepayer-funded incentive for new nuclear energy, and increased incentives for solar energy and offshore wind energy.

Insurance (other than Health Insurance)

Insurer Prohibitions

The Insurance Article expressly prohibits certain insurer practices and activities as unfair trade practices. Most commonly, these prohibitions apply to the processes and information used when an insurer determines whether to provide an insurance to a person and how much to charge that person for the insurance policy. For example, with limited exceptions, an insurer, nonprofit health service plan, or health maintenance organization is prohibited from using a genetic test, its results, genetic information, or a request for genetic services, to reject, deny, limit, cancel, refuse

to renew, increase the rates of, affect the terms or conditions of, or otherwise affect a health insurance policy or contract.

House Bill 1007 (passed) prohibits an insurer that offers, issues, or delivers a life insurance or disability insurance policy or contract in the State from (1) unfairly discriminating against an individual by conditioning insurance rates, the provision or renewal of insurance coverage, or other conditions of insurance based on certain genetic testing information and (2) accessing sensitive medical information, including genetic data of an individual, without first obtaining the individual's signed, written consent. However, the bill includes additional specifications for and exceptions to these prohibitions.

House Bill 1148 (passed) prohibits an insurer, regarding residential condominium insurance, from refusing to issue a policy based solely on a prior lapse in coverage of the applicant if the lapse in coverage was due to an insurer's withdrawal from the market, the lapse in coverage was for 90 days or less, and the applicant provides certain documentation as may be required by the insurer, if applicable.

Insurance Producers

To act as an insurance producer in the State, a person must generally obtain a license from Maryland Insurance Administration (MIA). Additionally, to obtain an insurance producer license for certain types of insurance, an individual must successfully complete a program of study approved by the Insurance Commissioner. **Senate Bill 228 (passed)** requires the instructional programs necessary to obtain an insurance producer license for limited line credit insurance, credit life insurance, or credit health insurance to be designed to provide a comprehensive and accurate explanation of the insurance product. The bill also requires insurers that administer the instructional programs to maintain and make available records of the programs.

Private Passenger Automobile Insurance

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 Maryland residents unable to obtain policies in the private insurance market. **House Bill 1098 (passed)** requires MAIF to (1) calculate and report its risk-based capital level in the same manner as other insurers in the State; (2) maintain a total adjusted capital level above a certain threshold; and (3) implement its rate changes in accordance with prior approval (rather than file and use) ratemaking standards during a specified time period and under specified circumstances.

In addition, the bill also requires MIA to establish a workgroup to study, among other things, the affordability of private passenger automobile insurance in the State. The workgroup must report its findings and recommendation to the Governor and General Assembly by January 1, 2026.

Insurance Pooling

Public entities are authorized to pool together to purchase casualty insurance, property insurance, health insurance, or to self-insure against casualty, property, or health risks. *Senate Bill 102/House Bill 100 (both passed)* explicitly authorize a resilience authority to pool together with other public entities, including other resilience authorities, to purchase casualty insurance, property insurance, or health insurance or to self-insure against casualty, property, or health risks. In this context, a “resilience authority” means an authority incorporated by one or more local governments for the purpose of undertaking or supporting resilience infrastructure projects.

Horse Racing and Gaming

Horse Racing

Maryland Thoroughbred Racetrack Operating Authority

Chapter 111 of 2023 established the Maryland Thoroughbred Racetrack Operating Authority (MTROA) to rebuild Maryland’s horse racing infrastructure and oversee thoroughbred horse racing in the State. In January 2024, MTROA submitted a report to the General Assembly that recommended consolidating horse racing at Pimlico Race Course in Baltimore City.

As a result of the recommendation from MTROA, the General Assembly passed legislation in 2024 that provided for the transfer of ownership and operation of thoroughbred racing facilities in the State from 1/ST Racing to MTROA as part of a long-term horse racing agreement.

House Bill 352 (passed), the Budget Reconciliation and Financing Act (BRFA) of 2025, terminates MTROA and makes the Maryland Stadium Authority the successor entity for the planning, design, construction and ownership of the racing and community development project and the Maryland Economic Development Corporation the successor entity for the operation of the racing and community development project.

Thoroughbred Purses

The organization that represents a majority of the owners and trainers of race horses in the State is required to set an amount not less than 1% but not more than 2% to be deducted from all open purses and paid to the organization. The BRFA of 2025 increases, from 2% to 3%, the maximum amount that may be deducted from open purses.

Local Impact Aid

House Bill 337 (passed) requires the Comptroller, for fiscal 2026 and 2027, to distribute \$250,000 from the State Lottery Fund for supplemental local impact aid to Anne Arundel and

Howard counties and the City of Laurel from the proceeds of the Racetrax lottery game to provide programs and services to the communities at and surrounding Laurel Race Course.

Sports Wagering

Mobile Sports Wagering Tax Rate

The BRFA of 2025 increases the mobile sports wagering tax rate from 15% to 20% and directs that the additional revenue be distributed to the general fund. General fund revenues are anticipated to increase by \$31.8 million in fiscal 2026.

Sports Wagering License Renew Fee

The BRFA of 2025 clarifies that the license renewal fee for a sports wagering licenses is the average annual amount retained by a licensee for the preceding 3-year period.

Sports Wagering Facilities

Senate Bill 1000/House Bill 1543 (both passed) authorize competitively awarded Class B-1 and B-2 sports wagering facility licensees to submit a written request to the State Lottery and Gaming Control Commission (SLGCC) to relocate a Class B sports wagering facility if the licensee was originally issued a Class B sports wagering facility license before October 1, 2023, the new location for the sports wagering facility is within the same county and complies with specified location requirements, and the new location is approved by the Sports Wagering Application Review Commission.

Senate Bill 1000 also authorizes a Class A sports wagering facility licensee that provides sports wagering services on behalf of a Class B sports wagering facility licensee to utilize the Class A sports wagering facility's branding and loyalty rewards program at the Class B sports wagering facility. However, an individual may not utilize the account wallet that one maintains with the Class A sports wagering facility when placing wagers with the Class B sports wagering licensee.

Lottery

Instant Ticket Lottery Machines

House Bill 328 (passed) adds fraternal organizations to the organizations that the State Lottery and Gaming Control Agency (SLGCA) may issue a license to for instant ticket lottery machines (ITLM). The bill authorizes up to three ITLMs for a licensee that is a fraternal organization. The bill alters the distribution of proceeds from ITLM sales by veterans' organizations and specifies the distribution of proceeds from ITLM sales by fraternal organizations, with the remainder of each being distributed to the Education Trust Fund. SLGCA must ensure that the element of chance in the conduct of a ITLM is contained wholly within the

predetermined instant lottery ticket instead of being wholly within the preprinted instant lottery ticket.

Lottery Internet Subscription Plans

House Bill 618 (passed) authorizes SLGCA to establish a system or program that allows for the purchase of a State lottery subscription plan for certain lottery games through an electronic device that connects to the Internet, such as a personal computer or mobile device. In addition, the bill authorizes SLGCA to permit a retailer to sell a voucher that may be applied towards the cost of a State lottery subscription plan.

Local Gaming

Senate Bill 341 (passed) authorizes an organization located in Baltimore City that is affiliated with a professional major league baseball team that plays its home games in Baltimore City to conduct raffles, through in person sales or sales on an electronic device.

Senate Bill 730/House Bill 841 (Chs. 81 and 82) repeal the Charles County Gaming Permit Review Board and require the county attorney to assume the board’s duties and responsibilities.

Skilled-based Amusement Devices

Senate Bill 667/House Bill 633 (both passed) the definition of “slot machine” to exclude a machine, apparatus, or device that is a skills-based amusement device that awards prizes of merchandise, tickets, tokens, or other objects that per play do not exceed minimal value, as approved by SLGCC regulation, and may be accumulated and exchanged for noncash merchandise or prizes of value that is similar to the cumulated value of the objects exchanged and does not exceed a minimal wholesale value of \$599.

Economic Development

Regional and Local Economic Development

West North Avenue Development Authority – Alterations

Chapters 80 and 81 of 2021 established the West North Avenue Development Authority for the purpose of developing a comprehensive neighborhood revitalization strategy for the benefit of a specified “target area” and “buffer zone” in Baltimore City. The Acts also established provisions governing the membership, procedures, and duties of the authority. The authority must support the development and approval of a comprehensive neighborhood revitalization plan in the target area and the buffer zone to benefit its residents, development goals, and specified entities. Under Chapter 136 of 2023, the authority is generally exempt from State procurement law, although the authority is still subject to written policy and procedure requirements for exempt units

and the State's Minority Business Enterprise program. The authority terminates September 30, 2026.

Senate Bill 4/House Bill 258 (both passed) are emergency bills that alter the composition, powers, and duties of the authority, establish that the authority is a body politic and corporate and an instrumentality of the State, and extend the authority's authorization until September 30, 2029. The bills also (1) create a special fund to carry out the purposes of the authority; (2) create a board of directors for the authority, generally consisting of its existing members; and (3) exempt the authority from specified provisions of State law. In general terms, the bills modify the statutory structure of the authority to more closely align with that of a State economic development authority. The Governor may include each year in the State budget bill an appropriation to the authority. Even so, the bills require the authority to be self-sustaining beginning in fiscal 2028. The fiscal 2026 budget includes \$21.4 million in general funds and \$260,000 in special funds for the authority. Based on that level of funding and the requirement that the authority be self-sustaining beginning in fiscal 2028, it is assumed that general fund expenditures for the authority increase by at least \$21.4 million in fiscal 2027.

Prince George's Gateway Development Authority – Extension

Chapters 466 and 467 of 2023 established the Prince George's Gateway Development Authority. The authority must support the development and approval of a comprehensive neighborhood revitalization plan to benefit the residents, housing, neighborhoods, economic development, and transportation, including motor vehicles and pedestrians, in the "target area" of the county. The "target area" encompasses the cities of Mount Rainier and Bladensburg and the towns of Brentwood, Cottage City, Colmar Manor, and North Brentwood. Among other things, by October 31, 2025, the authority must report its comprehensive neighborhood revitalization strategy to the Governor and specified committees of the Maryland General Assembly. The Acts terminate September 30, 2028.

House Bill 372 (passed) repeals the sunset provisions of Chapters 466 and 467 that established the Prince George's Gateway Development Authority, thereby making the authority permanent.

Western Maryland Economic Future Investment Board and Senator George C. Edwards Fund – Alterations

Chapters 62 and 63 of 2022 established the Western Maryland Economic Future Investment Program and board and the Senator George C. Edwards Fund. The purpose of the fund is to provide grants and loans for capital infrastructure projects and business development projects that improve economic conditions in the Western Maryland region; it may only be used for that purpose and administrative expenses. A member county or local entity within a member county may submit a proposal for funding under the program; to qualify for funding, a project must meet specified requirements, and the board must develop specified criteria to review, evaluate, and rate project proposals. From fiscal 2024 through 2026, the Governor must annually include an appropriation of at least \$10.0 million to the fund in the State operating or capital budget.

Senate Bill 861/House Bill 1459 (both passed) alter the program by (1) reducing the membership of the board, as specified; (2) altering the purpose of the fund to create jobs and significant economic development opportunities in the region; (3) altering the eligible use of the fund to align with its new purpose; and (4) altering the evaluation criteria of eligible projects, as specified.

Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force – Revisions

Chapter 635 of 2024 established the Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force to study the establishment of an entity or strategy to govern and redevelop certain State and local real property assets while promoting the Baltimore Convention Center and the immediate surrounding area, as specified. The task force was required to make related recommendations on the membership, purpose, and function of any recommended entity, and to report its findings and recommendations to the Mayor of Baltimore City, the Governor, and the General Assembly by December 1, 2024. The task force terminates June 30, 2025.

House Bill 1016 (passed) requires the Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force to identify funding sources and mechanisms, and make related recommendations, to (1) redevelop the Baltimore Convention site and the immediate surrounding area, as specified and (2) establish and sustain the operations of a Baltimore Convention and Tourism Redevelopment and Operating Authority. By December 1, 2025, the task force must report its findings and recommendations on the funding sources and mechanisms to the Mayor of Baltimore City, the Governor, and the General Assembly. The bill also extends the duration of the task force by one year to June 30, 2026.

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.

Maryland Small Business Innovation Research and Technology Transfer Incentive Program – Alterations

The Maryland Small Business Innovation Research and Technology Transfer Incentive Program within TEDCO provides State matching funds to small businesses who have received certain federal research and development grants. To qualify for participation in the program, a small business must (1) meet the existing definition of a qualified business in State law and (2) have received a program Phase I or Phase II award during the six months immediately preceding the submission of its program application. However, program awards are limited based on specified criteria generally related to the funding phase of the small business. *Senate Bill 302/House Bill 1450 (both passed)* remove the award and investment limits under the

incentive program, although the bills still limit a business to one award or investment per fiscal year and three awards or investments in total.

Maryland Innovation Initiative Institution Partnership Extension Program

The Maryland Innovation Initiative within TEDCO promotes technology transfer from Maryland's public and private nonprofit research institutions to the private sector. The initiative is authorized to provide grant funding or equity investment financing to a qualifying university, qualifying university-based entrepreneur, or other start-up entity to promote the commercialization of technology developed in whole or in part by a qualifying university.

House Bill 799 (passed) establishes the Maryland Innovation Initiative Institution Partnership Extension Program, implemented and administered by the initiative. The purpose of the extension program is to expand opportunities at eligible institutions for technology validation, entrepreneurial development, and industry engagement. Eligible institutions are Bowie State University, Frostburg State University, and any other public or private nonprofit institution of higher education deemed eligible, and each institution must provide a cash match equivalent to 10% of the amount awarded under the program. In fiscal 2027 and 2028, the Governor may include in the annual budget bill an appropriation of \$250,000 for the program. Based on authorized funding amounts and program design, general fund expenditures are estimated to increase by \$250,000 annually in fiscal 2027 and 2028 and by \$1.0 million annually thereafter as the program expands.

Maryland Agricultural and Resource-Based Industry Development Corporation

The Maryland Agricultural and Resource-Based Industry Development Corporation is a quasi-public economic development organization chartered by the State. Among other things, Chapters 30 and 574 of 2022 require the corporation to provide loans of up to \$250,000 to licensed seafood dealers to finance costs of eligible seafood processing projects that support the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay. Loan amounts range from \$25,000 to \$250,000, with up to \$25,000 provided for each full-time job or \$10,000 for each seasonal full-time job that is projected to be created or retained. "Seasonal full-time job" means a position for which an individual is required to work a minimum of 420 hours during 12 weeks of a three-month period.

Senate Bill 363/House Bill 397 (both passed) increase the amount, from \$10,000 to \$25,000, that the corporation may loan per seasonal full-time job projected to be created or retained under the Maryland Oyster Shucking House Loan Fund. The bills also reduce the number of years, from five to three, that a person must have been a licensed seafood dealer in order to be eligible for loans under the program.

Department of Commerce

The Maryland Small Business Development Financing Authority provides financing options for small businesses that are not able to qualify for financing from private lending institutions or are owned by socially and economically disadvantaged persons. Subject to specified conditions, the Department of Commerce may (and does) contract for and engage the services of some or all of authority staff to administer its programs. Among other programs, the Long-term Guaranty Program generally guarantees up to 80% of the principal and interest of a long-term loan of up to \$2.0 million made by a financial institution for working capital, refinancing existing debt, equipment, making necessary improvements to real property, or acquiring real property. Guarantees under the program are subject to various specified requirements, including that the loan term be no longer than 10 years; the authority may only approve a guaranty if it determines the loan will have a substantial economic impact.

Senate Bill 1008/House Bill 601 (Chs. 3 and 4) authorize the authority to provide a guaranty under its Long-term Guaranty Program through (1) an irrevocable letter of credit; (2) an official treasurer's check; (3) funds on deposit in an escrow or other depository account; or (4) any other legal instrument promising a financial institution restitution or reimbursement for its loan losses, within the limits of the guaranty. The terms and conditions governing these options may not be so onerous as to discourage the financial institution from offering the loan.

Economic Development Studies and Reports

Data Center Impact Analysis and Report

Senate Bill 116/House Bill 270 (both passed) require the Maryland Department of the Environment, the University of Maryland School of Business, and the Maryland Energy Administration, in coordination with the Department of Legislative Services, to conduct an analysis of the likely environmental and economic impacts of data center development in the State. Among other things, the bills require the University of Maryland School of Business to assess, in consultation with industry experts, the potential economic and fiscal impacts of the data center industry in the State, including an evaluation of (1) the likely impact of data centers on State and local revenues and expenditures and (2) the jobs likely to be created through the construction and operation of data centers.

Workgroup on Establishing a Science and Technology Best Practices and Innovation Network – Alterations

Chapter 448 of 2024 established the Workgroup on Establishing a Science and Technology Best Practices and Innovation Network to generally identify and analyze options for establishing and maintaining an open access science, technology, and innovation network or hub of citizen scientists and experts in science, technology, and industry, and make related recommendations. The workgroup was required to report its findings and recommendations to the Governor and the General Assembly by December 1, 2024, and the workgroup terminates June 30, 2025.

House Bill 855 (passed) (1) alters the membership of the workgroup by reducing the number of appointees with specific expertise and affiliations; (2) extends the deadline for submitting its report to December 1, 2026; and (3) extends the workgroup's termination date to June 30, 2027.

Montgomery County Agricultural Reserve Study

House Bill 1228 (passed) requires Commerce, in coordination with specified State, local, and nonprofit entities, to study economic development in and the tourist and visitor economy of the Montgomery County Agricultural Reserve to develop (1) a deeper understanding of the tourist and visitor impact on the reserve and (2) policies and recommendations to help the reserve thrive. By June 30, 2026, Commerce must report its findings and recommendations to the members of the Montgomery County Delegation.

Maryland Protecting Opportunities and Regional Trade Act – Reports

Among other emergency provisions enacted in response to the March 2024 collapse of the Francis Scott Key Bridge, Chapters 2 and 3 of 2024 require the Attorney General to pursue all available options, including filing actions against the applicable parties, to recover for the State all possible economic damages arising from the collapse of the bridge and related closure of the Port of Baltimore. The Acts further require the Attorney General to report to the General Assembly on a monthly basis beginning July 1, 2024, on the status of pursuing and recovering the economic damages, until all available options pursued are exhausted or resolved. **House Bill 575 (passed)** reduces the frequency, from once a month to every six months, by which the Attorney General must report to the General Assembly.

Delivering Economic Competitiveness and Advancing Development Efforts Act

Senate Bill 427/House Bill 498 (both failed), both Administration bills, would have taken various actions to streamline and update the State's economic development programs. In general, the bills would have (1) targeted support for high potential industry sectors; (2) streamlined, transferred, and/or rebranded specified programs; and (3) repealed, sunset, or enhanced other specified programs, entities, and tax credits. As introduced, general fund revenues were estimated to decrease by \$2.8 million in fiscal 2026, escalating to \$18.8 million in fiscal 2030, due to the tax credit changes. General fund expenditures were estimated to increase by \$10.0 million annually from fiscal 2028 through 2030 due to the extension of the Build Our Future Grant Pilot Program.

Housing and Community Development

Housing Supply and Affordability

Housing Development Permit Data – County Reporting Requirement

Chapter 213 of 2024 required each local jurisdiction with at least 150,000 residents to file an annual report with the Department of Housing and Community Development (DHCD) and the Maryland Department of Planning (MDP) that includes specified information related to building or development permit applications during the immediately preceding calendar year.

House Bill 1193 (passed) requires each county with at least 150,000 residents to report to MDP, quarterly, beginning January 1, 2027, specified information relating to building or development permits that include a residential housing component. The bill also authorizes municipalities to report such information. By July 1, 2027, and as information becomes available thereafter, MDP must publish reported information on a public, interactive, and searchable website and annually report to the Governor and the General Assembly on information collected under the bill, as well as specified information collected under Chapter 213.

Study on Building Code Requirements for Single-Staircase Buildings

Senate Bill 436/House Bill 489 (both passed) require the Maryland Department of Labor to (1) conduct a study on building code requirements for single-staircase buildings in the State and other states and (2) make recommendations regarding potential legislative or regulatory changes to authorize the construction of single-staircase buildings up to six stories above grade plane in the State for the purpose of increasing the affordable housing supply.

Tax-exempt Status for Nonprofit Entities of Public Housing Authorities

Public housing authorities often create nonprofit subsidiary entities as a way to develop projects with private investment or to accept equity investment through the use of federal Low-Income Housing Tax Credits. In these cases, the public housing authority retains majority ownership and control of the nonprofit entity. Under current law, the property tax exemption only applies to the nonprofit entities created by public housing authorities in three jurisdictions (Baltimore City, Howard County, and Montgomery County). *House Bill 1085 (passed)* standardizes the tax treatment of real property owned by certain nonprofit entities created by public housing authorities in Maryland by extending a specified property tax exemption to all nonprofit entities created by public housing authorities in the State.

Department of Housing and Community Development

Maryland Housing Rehabilitation Program – Local Rehabilitation Program Administration

The Maryland Housing Rehabilitation Program (MHRP) in DHCD provides funds for political subdivisions that meet DHCD standards to administer loans for the purposes of rehabilitating buildings that, after rehabilitation, provide (1) traditional dwellings; (2) single room occupancy; (3) shared living dwellings meeting specified requirements; and (4) congregate or group housing and related services or temporary shelters and related services. *Senate Bill 238/House Bill 127 (both passed)* expand the entities eligible to administer local rehabilitation programs under the MHRP to include nonprofit sponsors.

Statewide Rental Assistance Voucher Program – Alterations

The purpose of the Statewide Rental Assistance Voucher Program (State program) is to provide vouchers and housing assistance payments for low-income families that are currently on a waiting list under the Housing Choice Voucher Program (HCVP) for housing in units approved by DHCD or a public housing agency. In general, the State program must be administered in accordance with federal guidelines for HCVP.

House Bill 716 (passed) makes changes to DHCD’s administration of the State program. The bill includes DHCD in the definition of “public housing agency” (PHA), authorizes a PHA to administer the State program in accordance with its local administrative plan, and authorizes DHCD to use a project-based structure for up to 100% of its authorized voucher units to administer the State program. Additional changes are made to the eligibility criteria, inspection frequency, and State assistance to local PHAs under the State program.

Maryland Community Action Agencies – Funding

A community action agency (CAA) is a specified entity or governmental unit that actively supplements local efforts to combat poverty by (1) focusing resources on the most needy; (2) providing employment opportunities for low-income persons; (3) closing service gaps; and (4) enabling low-income persons to participate in community action programs and projects. Among other responsibilities, CAAs must also join with and encourage business, labor, and other private or public officials and organizations to support community action programs that (1) use private resources and capabilities for new employment opportunities; (2) stimulate investments that measurably reduce poverty in areas of concentrated poverty; and (3) provide residents in those areas with methods to work with private organizations, firms, and institutions to seek solutions to problems of common concern. *Senate Bill 666 (passed)* requires the Governor, for each of fiscal 2027 through 2030, to include in the annual budget bill an appropriation of \$250,000 to DHCD to be used solely as operating grants to eligible CAAs. The bill terminates June 30, 2032.

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 (SIF), or the Uninsured Employers' Fund (UEF), as appropriate. Workers' compensation benefits include wage replacement, medical treatment, 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.

Uninsured Employers' Fund

UEF is a special funded State agency that directly pays a claimant's compensation benefits and medical expenses in the event that an injured employee who should be receiving worker's compensation is not properly compensated by the employer or the employer's insurer (which may happen because the employer has not purchased workers' compensation insurance or becomes insolvent). UEF's primary source of funding is a 1.0% assessment that applies on (1) each compensation award against an employer for permanent disability or death, including awards for disfigurement or mutilation and (2) except for specified medical benefits, amounts payable by an employer or its insurer under a settlement agreement approved by Workers' Compensation Commission (WCC). Additionally, if the board of UEF determines that the reserves of the fund are inadequate to meet anticipated losses, the board may direct WCC to assess an additional 1.0% on the aforementioned compensation awards and settlements.

Senate Bill 219/House Bill 193 (both passed) increase the additional assessment that the board of UEF may direct WCC to impose on specified workers' compensation awards and settlements from 1.0% to up to 1.5%. The bills also increase the fund balance thresholds that govern when UEF's assessment applies and require WCC to designate a special monitor to assess the financial condition of UEF, for up to one year. UEF must allocate \$100,000 to provide funding for the special monitor.

The board of UEF currently consists of three members: one that must represent labor, one that must represent management, and one that must represent the general public. *Senate Bill 695 (passed)*, expands the board to five members and modifies qualifications of board members: two must have substantial experience as officers or employees of a property and casualty insurance company; one must have substantial experience in the field of accounting or financing; one must be a policy holder of workers' compensation insurance in the State; and one must represent the general public. The bill also requires that the board establish reserves to meet potential losses of the fund.

Process and Administration

Workers' Compensation Law generally specifies the processes that must take place for a covered employee, or the dependents of the covered employee, to file a workers' compensation claim.

Senate Bill 227 (passed) modifies the process by which an employer can be found in default on a workers' compensation claim filed by a covered employee or the dependents of a covered employee, and further modifies the subsequent process by which the employee or dependents may apply to UEF for payment of the compensation award. The bill also specifies that WCC may order an offset or credit against an award for permanent partial disability benefits for any benefits paid by UEF that were also paid by the employer.

Separately, under current law, each application form related to a workers' compensation claim must include an authorization by the claimant for the release of medical information that is relevant to the member of the body that was injured and the description of how the injury (or occupational disease) occurred to (1) the claimant's attorney; (2) the claimant's employer; and (3) the insurer of the claimant's employer. The form must also authorize the release of this information to an agent of one of these entities. *Senate Bill 830 (passed)* requires each application form to also (1) allow the release of the information to UEF, SIF, and their agents; (2) authorize the release of potentially relevant medical and financial information; and (3) include the release of information relating to additional claims filed by the claimant.

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 are 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. In general, the State UI tax rate is a function of an employer's specific UI claims history and the applicable tax table, which is based on the State's UI trust fund balance.

Administration

Using federal tax revenues, each state UI program is administered pursuant to state law by state employees, subject to broad federal guidelines. The Maryland Department of Labor's Division of Unemployment Insurance administers the State's UI program. There are three relevant funds in statute. Generally, the Unemployment Insurance Administration Fund is used to pay administrative costs of administering UI benefits. Separately, the Special Administrative Expense Fund (SAEF) may be used for various purposes that are generally related to the administration of

Maryland UI Law. The Unemployment Insurance Trust Fund (UITF) is nonbudgeted and used to pay UI benefits. All three funds are administered by the Secretary of Labor.

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025, requires, beginning January 1, 2026, each taxable employer to be subject to an administrative fee of 0.15% of the employer’s taxable wage base. The fee revenue is deposited into SAEF and used for authorized administrative purposes, including to improve customer service, conduct data analysis, support information technology improvements, combat fraud, and accelerate reemployment. Fee revenue may not be used for administrative expenses of the Division of Workforce Development and Adult Learning. The UI tax rate assigned to each taxable employer is correspondingly reduced by 0.15%, subject to a minimum overall tax rate of 1.0% for new employers, generally keeping overall amounts owed by individual employers the same as under current law.

Special fund revenues for SAEF are estimated to increase by approximately \$33.0 million annually beginning in fiscal 2026 from the fee. Special fund expenditures for SAEF increase correspondingly for authorized administrative purposes. Nonbudgeted revenues for UITF decrease by identical amounts from reduced UI taxes.

Labor and Industry

Family and Medical Leave

Family and Medical Leave Insurance Program

Chapter 48 of 2022 established the Family and Medical Leave Insurance (FAMLI) Program. The program generally provides up to 12 weeks of benefits to a covered individual who is taking leave from employment due to caring for or bonding with certain family members, the individual’s own serious health condition, or a qualifying exigency arising out of a family member’s military deployment. The weekly benefit is based on an individual’s average weekly wage and is indexed to inflation. Required contributions to the program, which are shared between employers and employees, are based on employee wages and are to be paid into the FAMLI Fund, a special fund, to carry out the program. A self-employed individual who is a State resident may elect to participate in the program. Additionally, the Maryland Department of Health is required to reimburse certain service providers for some or all of the employer share of FAMLI contributions on at least a quarterly basis.

Chapters 266 and 267 of 2024 made several modifications to the program, including delaying the starting dates for contributions and benefits to July 1, 2025, and July 1, 2026, respectively. **House Bill 102 (passed)** further delays the program’s start dates and delays the optional participation in the program for self-employed individuals. In addition, the bill alters and adds other dates, definitions, prohibitions, and components of program administration.

Under the bill, employer and employee contributions to the program begin 18 months later, on January 1, 2027, and claims for benefits begin at least 6 months later, on a date after

January 1, 2027, but not later than January 3, 2028, as determined and announced by the Secretary of Labor. The Maryland Department of Labor (MD Labor) may not require certain public employers to escrow contributions before the issuance of FAML I benefits, if the employer is allowed to pool together with other employers for certain insurance purposes. The Secretary must also (1) set the total rate of contribution by May 1, 2026, which will be in effect under the measure from January 1, 2027, through December 31, 2027, and (2) conduct an annual cost analysis of the program beginning October 1, 2027, instead of November 15, 2026, that will be used to determine the total rate of contribution in subsequent years. Additionally, the weekly benefit amount under the program is indexed to inflation beginning January 1, 2029, instead of January 1, 2027. Self-employed individuals are excluded from receiving benefit payments as outlined in statute. Instead, on or before July 1, 2028, the Secretary of Labor is required to adopt regulations to establish an optional self-employed enrollment program, which must include contribution amounts, benefit amounts, and enrollment procedures.

As a result of the delays to the contribution and benefit start dates, FAML I Fund revenues decrease by up to \$1.3 billion annually in fiscal 2026 and 2027, and expenditures decrease by up to \$1.8 billion in fiscal 2027 and \$0.9 billion in fiscal 2028. In fiscal 2026, FAML I special fund expenditures for administration decrease by \$66.8 million, general fund expenditures increase by \$37.3 million, and general fund and federal fund provider reimbursement expenditures decrease by \$14.8 million and \$14.9 million, respectively.

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025, transfers \$37.3 million from the Local Reserve Account to the Division of Paid Leave within MD Labor by July 31, 2025, with a requirement that MD Labor reimburse the account within two years once contributions to the FAML I Fund begin.

Family and Medical Leave for State Employees

In fall 2024, the Department of Budget and Management engaged in collective bargaining regarding the FAML I Program with exclusive representatives of State employees. The parties reached agreement that paid family and medical leave is available beginning July 1, 2026, without eligibility and contribution requirements, in exchange for eliminating an existing paid parental leave program. *House Bill 1503 (passed)* implements that agreement by repealing the existing paid parental leave program for Executive Branch employees on July 1, 2026, and establishing new paid family and medical leave benefits beginning on July 1, 2026, for Executive Branch employees that generally mirror the benefits available under the FAML I Program. The Secretary of Budget and Management or the governing body of a public institution of higher education must adopt regulations governing paid family and medical leave benefits.

Occupational Safety and Health

The Division of Labor and Industry within MD Labor oversees the Maryland Occupational Safety and Health (MOSH) program, which must align closely with safety standards set by the federal Occupational Safety and Health Administration. The Commissioner of Labor and Industry

must provide for and maintain a comprehensive and effective program on occupational safety and health for public employees that is generally consistent with the MOSH program.

Senate Bill 26/House Bill 176 (both passed) establish a Public Employees' Safety and Health Unit in the Division of Labor and Industry within MD Labor, headed by the Commissioner of Labor and Industry; the unit is responsible for administering and enforcing the program on occupational safety and health for employees of public bodies, which must include an inspection program. The commissioner is required to adopt standards via regulation that protect employees of public bodies from workplace violence. Among other provisions, the MOSH program is expanded by (1) generally making public bodies subject to existing statutory penalties and (2) enhancing notice and reporting requirements associated with public bodies.

Employment Standards

Public Service Loan Forgiveness

Under the federal Public Service Loan Forgiveness (PSLF) Program, an individual may qualify for forgiveness on the remaining balance due on qualifying student loans after making 120 monthly payments on those loans while employed full-time by qualified public service employers, and this employment must be certified. The Commissioner of Financial Regulation within MD Labor must designate an individual to serve as Student Loan Ombudsman, who is responsible for helping student loan borrowers understand their rights and responsibilities under the terms of their student education loans.

House Bill 795 (passed) requires that, for the purposes of certifying employment for PSLF, a public service employer must (1) adopt a policy calculating hours worked using a method that maximizes the amount of time for which an employee can be considered full-time and (2) consider an employee as full-time if the employee satisfies the minimum amount of time to qualify as such. The bill also establishes and clarifies procedures for certifying employment of adjunct or tenured professors. More generally, a public service employer may not unreasonably delay the certification of the employment of a current or former employee. Finally, the bill requires the ombudsman to develop and disseminate specified materials and requires public service employers to share those materials with employees.

Unpaid Parental Leave

In Maryland, private sector employers with 15 to 49 employees in the State for each working day during 20 or more calendar workweeks in the current or preceding calendar year are required to provide employees with unpaid parental leave benefits. An eligible employee may take unpaid parental leave for up to a total of 6 weeks in a 12-month period for the birth, adoption, or foster placement of a child; during the leave, the employer must maintain existing coverage for a group health plan. The federal Family and Medical Leave Act (FMLA) provides similar unpaid leave and protections but applies to employers that employ 50 or more employees.

Senate Bill 785 (passed) alters the definition of “employer” for purposes of the State’s unpaid parental leave laws to exclude employers who are covered by FMLA for the current calendar year. Thus, these employers are not required to provide employees unpaid parental leave under State law or maintain existing coverage for a group health plan during that time as they would be covered under FMLA.

Workforce Development

Apprenticeships

Apprenticeship is a voluntary, industry-sponsored system that prepares individuals for occupations typically requiring high-level skills and related technical knowledge. Apprenticeships are sponsored by one or more employers or jointly by a labor-management committee. An apprentice receives supervised, structured, on-the-job training under the direction of a skilled journeyman and related technical instruction in a specific occupation.

Senate Bill 431 (Ch. 2) establishes (1) the Maryland Office of Registered Apprenticeship Development (MORAD) within the Maryland Apprenticeship and Training Program (MATP) to scale registered apprenticeships across industries to meet the needs of the State’s economy; (2) the Registered Apprenticeship Qualified Intermediary Program within MATP to increase apprenticeship awareness, connect employers and labor organizations with partners, and provide technical assistance to launch and expand apprenticeships; (3) the Registered Apprenticeship Development Advisory Board to advise MORAD on the strategy to achieve its mission of expanding registered apprenticeship opportunities in the State; and (4) the Maryland Pay Per Apprentice Program (MPPA) and associated special fund to provide grants to employers and sponsors to develop a well-trained, productive workforce that meets the needs of the State’s economy and help offset apprenticeship costs.

The Governor must include in the annual budget bill an appropriation sufficient to cover the administrative costs for MORAD and, in fiscal 2027 through 2030, may include an appropriation for the MPPA Fund. The Act also (1) establishes a one-to-one ratio of journeymen to apprentices and requires the Maryland Apprenticeship and Training Council to review and recommend ratio deviations; (2) repeals the Youth Apprenticeship Advisory Committee; and (3) alters apprenticeship reporting requirements. Due primarily to staffing requirements of MORAD, general fund expenditures are expected to increase beginning in fiscal 2026 by \$1.5 million. Additionally, general fund expenditures and special fund revenues and expenditures increase by an indeterminate, but likely significant amount in fiscal 2027 through 2030 to award grants under MPPA.

Cyber Maryland Program

Chapter 578 of 2023 established the Cyber Maryland Program in the Maryland Technology Development Corporation (TEDCO) to create a talent pipeline in cybersecurity, serve as a hub for State workforce development programs in cybersecurity, and generally coordinate cybersecurity

and research and innovation in the State. Chapter 578 also created the Cyber Maryland Board and a special, nonlapsing fund, the Cyber Maryland Fund.

Senate Bill 867 (passed) transfers the Cyber Maryland Program, including the Cyber Maryland Fund and Cyber Maryland Board, from TEDCO to MD Labor. The bill also, among other changes, (1) repeals annually mandated funding of \$99,000 for talent pipeline management and an additional discretionary authorization; (2) expands the program's required activities, including awarding new competitive grants or contracts; (3) authorizes a fiscal 2026 discretionary appropriation of \$3.1 million for the new grants; (4) authorizes the Governor to include an appropriation sufficient to run the program beginning in fiscal 2027; and (5) adjusts the composition of the board by adding additional members. Net general and special fund expenditures increase by \$3 million annually beginning in fiscal 2026.

Miscellaneous

Chapters 323 and 324 of 2016 established the Maryland Small Business Retirement Savings Board as program fiduciaries to administer the Maryland Small Business Retirement Savings Trust and Program, known as MarylandSaves. The purpose of the program is to promote greater retirement savings for Maryland private sector employees in a convenient, voluntary, low-cost, and portable manner. *Senate Bill 41/House Bill 825 (both passed)* add the Comptroller, or the Comptroller's designee, as a member of the board.

Alcoholic Beverages (Statewide)

Class 5 Breweries On-premises Consumption

Generally, the holder of a Class 5 brewery license can operate a taproom to sell beer on-site and sell beer it produces at retail for off-premises consumption under certain circumstances. A local licensing board may issue an on-premises consumption permit to an applicant that holds a Class 5 brewery license and a Class D beer license or equivalent license. A Class 5 brewery that obtains an on-premises consumption permit may sell up to 5,000 barrels of beer each year for on-premises consumption if specified criteria are met. *Senate Bill 1039 (passed)* increases, from 25% to 35%, the criteria for the maximum percentage of the total number of barrels of beer not produced by the holder of a Class 5 brewery license that the licensee may sell for on-premises consumption in a calendar year.

Supermarket and Chain Store Licenses

Chapter 99 of 1962 prohibited the issuance, transfer, or grant of Class A, B, or D beer, wine, and liquor licenses, except by way of renewal, to chain stores, supermarkets, or discount houses. Additionally, Chapter 991 of 1978 prohibited the issuance, transfer, or grant of Class A, B, or D beer; beer and wine; or beer, wine, and liquor licenses, except by way of renewal, to chain stores, supermarkets, or discount houses. However, there are still a number of grandfathered

licensees in Maryland that are grocery stores or convenience stores that have retained the privilege to sell beer and wine on their premises.

Senate Bill 824 (failed) would have repealed the prohibition on local licensing boards from issuing a Class A beer license; beer and wine license; or beer, wine, and liquor license for use in conjunction with or on the premises of a chain store, a supermarket, or a discount house.

House Bill 1379 (failed) would have authorized specified retail establishments (*e.g.*, food retailers, pharmacies, or retail service stations) to offer to purchase a Class A license from an existing Class A license holder or to obtain a Class A license from a local licensing board under certain circumstances.

Local Alcoholic Beverages

Legislation

Allegany County

Minimum Age of Employees: House Bill 1108 (passed) increases, from 16 to 18 years, the minimum age of an individual that an alcoholic beverages licensee in Allegany County may employ if the licensee does not derive more than half of its revenues from the sale of food. A licensee that derives more than half of its revenues from the sale of food may employ an individual between the ages of 16 and 21 years.

Anne Arundel County

License Conversions: Senate Bill 17/House Bill 515 (both passed) authorize a holder of a Class C beer, wine, and liquor license in Anne Arundel County that qualifies as a veterans' organization to convert that license to a Class C (veterans' organization) license. The bills reduce, from \$400 to \$300, the annual license fees for Class C (veterans' organization) licenses and authorize the Anne Arundel County Board of License Commissioners to issue application and administrative fee discounts to specified applicants. The bills also allow the holder of a Class C (veterans' organization) license to operate on Sundays without obtaining a separate Sunday license.

Inspector Salary: Senate Bill 568/House Bill 409 (both passed) increase, from \$9,000 to \$18,000, the annual salary of the part-time deputy chief inspector employed by the board of license commissioners.

Population Ratio Quota: Senate Bill 571/House Bill 99 (both passed) limit the issuance of Class A (off-sale) and Class D (off-sale) licenses in certain assessment districts of Anne Arundel County based on a population ratio quota, as specified. The bills terminate December 31, 2028.

License Issuance – Distance Restrictions: *Senate Bill 888/House Bill 1259 (both passed)* authorize the board of license commissioners to issue a Class B beer and wine (on-sale) license or a Class B beer, wine, and liquor (on-sale) license for an establishment located within 1,000 feet of a school located at the Annapolis Mall. The bills also authorize the board to issue a dancing permit to the holder of a Class H license if the licensed premises is located within 1,000 feet in a straight line from entry to entry from a school located at the Annapolis Mall.

Board of License Commissioners – Alterations: *Senate Bill 972 (passed)* increases, from three to five, the number of members of the board of license commissioners that the Governor must appoint and alters the eligibility requirements for board members, as specified. The bill also requires the board to include on all application forms for the issuance or renewal of a license an option for the applicant to provide the applicant’s race and ethnicity information.

Class C Licenses – Events: *House Bill 571 (passed)* authorizes a Class C beer, wine, and liquor license holder; a Class C (fraternal/sororal) organization license holder; and a Class C (veterans’ organization) license holder in Anne Arundel County to sell beer, wine, and liquor at retail for on-premises consumption, including (1) during an event held on the licensed premises and (2) to a member of the club or a guest of the member. If the license holder hosts an event for an outside group, the bill requires the outside group to purchase a Class C per diem beer, wine, and liquor license from the board of license commissioners.

Limited Special Event Permit: *House Bill 1281 (passed)* establishes a limited special event permit and authorizes the board of license commissioners to issue the permit to a Class B, Class C, or Class D license holder, or a Class H or Class BLX license holder that is at least 1,000 feet away from a place of worship or school. The permit authorizes the holder to provide music, dancing, and other legal forms of entertainment. Before issuing the permit, the board may require a license holder to provide information on the event for which the permit is requested.

Baltimore City

Hours of Operation Violations: *Senate Bill 284 (passed)* establishes penalties that the Baltimore City Board of License Commissioners must impose on a holder of an alcoholic beverages license for the offense of operating outside of the hours of operation specified in statute for the license without first obtaining an exemption from the board. For a first offense, the board must impose a fine of at least \$1,000 or suspend the license or both. For a second or subsequent offense, the board must impose a fine between \$2,000 and \$20,000 or suspend the license or both.

45th Alcoholic Beverages District: *Senate Bill 304/House Bill 472 (both passed)* authorize the board of license commissioners to issue a Class C beer, wine, and liquor license in the 400 block of East Oliver Street in the 45th alcoholic beverages district, as specified. The bills also establish a geographic boundary in the 45th alcoholic beverages district within which a Class A beer, wine, and liquor license holder or a Class B-D-7 beer, wine, and liquor license holder may only sell alcoholic beverages during specified hours.

License Authorizations and Revisions: *Senate Bill 662/House Bill 784 (both passed)* authorize the board of license commissioners to (1) issue a Class C beer, wine, and liquor license in a certain location in the 40th alcoholic beverages district, as specified, if the applicant executes a memorandum of understanding (MOU) with the Mount Vernon – Belvedere Association, and (2) issue a license in or approve the transfer of a license to a location in the 46th alcoholic beverages district, as specified, if the license holder has received a letter of support from the place of worship or school that is within the bounded area *and* has entered into an MOU with a community association that is within the bounded area.

The bills also (1) extend the date through which multiple licenses in the 46th alcoholic beverages district must be considered unexpired for the purpose of completing a transfer; (2) authorize the board to waive a requirement for a license holder within a specified area to maintain average daily receipts from the sale of food that are at least 40% of total daily receipts; and (3) expand a certain requirement for an MOU to apply to any alcoholic beverages license in Baltimore City.

Senate Bill 939/House Bill 1172 (both passed) require the board of license commissioners to impose a fee of up to \$250 for expedited processing of a Class C per diem license application if that application is submitted less than two weeks before the scheduled event requiring the per diem license. The bills authorize the board to issue a Class C beer and light wine license, a Class C beer and wine license, and a Class B beer, wine, and liquor license to specified locations in the 40th alcoholic beverages district. The bills also prohibit certain license holders within a specified area of the 40th alcoholic beverages district from selling alcoholic beverages before 10 a.m. or after 10 p.m.

Senate Bill 1013 (passed) extends the expiration of a Class B-D-7 license issued for a premises on the 5700 block of Falls Road in Baltimore City to July 1, 2026, for the purpose of completing a transfer of ownership and renewal at the same location.

43rd Alcoholic Beverages District: Senate Bill 788/House Bill 346 (both passed) authorize the board of license commissioners to issue, in the 43rd alcoholic beverages district, one Class B-D-7 license in the 2600 block of Huntingdon Avenue, one Class B-D-7 license in the 300 block of West 29th Street, and three Class B-D-7 licenses in the 2700 block of Huntingdon Avenue, as specified. A Class C license issued for a premises in the 4500 block of North Charles Street must be considered unexpired until July 1, 2026, for the purpose of being renewed.

Baltimore County

License Transfers: House Bill 746 (passed) authorizes the Baltimore County Board of License Commissioners, from June 1, 2025, to May 31, 2028, to approve the transfer of up to five Class B or Class D alcoholic beverages licenses in existence in an eligible transferor district on June 1, 2025, from the district to other election districts within the county.

Class B-OB-CRD (Office Building – Commercial Revitalization District) License: *House Bill 987 (passed)* establishes a Class B-OB-CRD (office building – commercial revitalization district) beer, wine, and liquor license and authorizes the board of license commissioners to issue up to one license in the county, as specified. The Class B-OB-CRD license authorizes the license holder to sell beer, wine, and liquor for on-premises consumption and wine for off-premises consumption if the wine is purchased along with prepared food and is not displayed in an area accessible to the public. The bill authorizes the license to be issued for an establishment within 300 feet of a place of worship if the place of worship consents in writing.

Change of Location: *House Bill 1141 (passed)* is an emergency bill which authorizes the board of license commissioners to approve a change of location of a license under certain circumstances, if the license was originally issued within the same election district and has been at the same location for at least 10 years.

Waiting Period After License Denial: *House Bill 1145 (passed)* establishes, that if an alcoholic beverages license application is denied, another license application for the same location may not be made for one year after the denial. If a license application for a location is denied twice, a license may not be issued for the same location for two years after the second denial.

Caroline County

Special Event Venue License and Multiple Event Licenses: *Senate Bill 910/House Bill 1335 (both passed)* establish a special event venue beer, wine, and liquor license and authorize the Caroline County Board of License Commissioners to issue the license to owners of special event venues. The license holder is authorized to sell beer, wine, and liquor for on-premises consumption, as specified, on the day of a special event. The bills also replace current law provisions that authorize only volunteer fire companies to store alcoholic beverages on licensed premises between individual licensed events with a broader provision that extends this authorization to all holders of multiple event licenses, as specified.

Charles County

Baseball Stadium License – Alterations: *Senate Bill 731/House Bill 835 (both passed)* prohibit a Class B-Stadium (baseball stadium) beer, wine, and liquor license holder from selling alcoholic beverages in parking areas of the stadium. The bills authorize patrons to consume and carry beer, wine, and liquor anywhere on the stadium premises, excluding any parking areas.

Dorchester County

Arts Beer and Wine License: *Senate Bill 800/House Bill 567 (both passed)* establish an arts beer and wine license and authorize the Dorchester County Board of License Commissioners to issue the license to a nonprofit or for-profit retail business, including an art center, art gallery, a museum, or a similar business, as specified.

Venue Beer, Wine, and Liquor License: *Senate Bill 802/House Bill 564 (both passed)* establish a venue beer, wine, and liquor license and authorize the board of license commissioners to issue the license to a nonprofit or for-profit retail business that hosts weddings, banquets, parties, meetings, and similar events at a venue, as specified.

Beer, Wine, and Liquor Tasting License: *Senate Bill 839/House Bill 569 (both passed)* expand the beer and wine tasting license to be a the beer, wine, and liquor tasting license and authorize the license holder to provide up to 0.5 ounces from each offering of liquor and up to 1.5 ounces from all offerings of liquor in one day.

Licensing Fees: *Senate Bill 869/House Bill 566 (both passed)* increase licensing fees for specified alcoholic beverages licenses in Dorchester County and authorize the board of license commissioners to charge specified application and transfer fees. The bills also lower the license fee for Class C beer licenses.

Frederick County

Tasting Permits: *Senate Bill 636/House Bill 1026 (both passed)* convert Frederick County's beer and wine consumption permit and its beer, wine, and liquor consumption permit into a beer and wine tasting permit, and a beer, wine, and liquor tasting permit, respectively. The bills remove specified limitations on the size and quantity of sample servings of beer, wine, and liquor and instead require the Frederick County Board of License Commissioners to regulate the quantity of beer, wine, and liquor that can be served by a permit holder.

Class C (Theater) Beer, Wine, and Liquor License: *Senate Bill 670/House Bill 866 (both passed)* establish a Class C (theater) beer, wine, and liquor license and authorize the board of license commissioners to issue the license to a theater with seating. A license holder may sell beer, wine, and liquor for on-premises consumption from one hour before to one hour after (1) a regular performance; (2) a fund-raiser performance that benefits the theater; or (3) an event hosted by an outside group that has rented the theater.

Barbershop and Beauty Salon License – Alterations: *Senate Bill 738/House Bill 512 (both passed)* increase, from 5.0 to 6.5 ounces, the amount of wine by the glass that can be served for on-premises consumption under a barbershop or beauty salon beer and wine license.

Garrett County

Senate Bill 826/House Bill 685 (both passed) establish (1) a Class BDR-DC (deluxe complex restaurant) beer and wine license; (2) a class BDR-DC (deluxe complex restaurant) beer, wine, and liquor license; (3) a Class BRC-resort complex beer and wine license; and (4) a Class BRC-resort complex beer, wine, and liquor license.

The bills also (1) clarify that applicants for specified alcoholic beverages licenses must submit an application on the form provided by the Garrett County Board of License Commissioners; (2) clarify public notice requirements the board must follow prior to holding a

hearing on specified alcoholic beverages license applications; and (3) clarify that a nonprofit organization, rather than a club, may qualify for specified Class C multiple day and multiple event licenses.

Harford County

Board of License Commissioners – Hearing Notices: *Senate Bill 744/House Bill 754 (both passed)* authorize the Harford County Board of License Commissioners to publish certain hearing notices as well as decisions on license applications and certain changes to existing licenses in one newspaper of general circulation in the county *or* online, as specified.

Performing Arts Nonprofit Organization License – Record-Keeping Requirements: *Senate Bill 744/House Bill 754 (both passed)* repeal obsolete references to the Comptroller relating to recordkeeping and reporting requirements for a performing arts nonprofit organization beer, wine, and liquor license and repeals the Comptroller’s previous authority to temporarily suspend the license without a hearing. The bills authorize, rather than require, the board of license commissioners to summon a performing arts nonprofit organization beer, wine, and liquor license holder for a hearing and impose a fine, as specified.

Multiple Licenses– Golf Simulator Facilities: *Senate Bill 746/House Bill 712 (both passed)* authorize the board of license commissioners to issue a Class GSF (golf simulator facility) alcoholic beverages license to the holder of one or more Class B licenses. A Class GSF license must be included in the maximum number of nine Class B licenses that may be issued to the same person in the county.

Alteration of License Quotas: *House Bill 715 (passed)* increases, from 4,000 to 4,750 individuals, the quota used by the board of license commissioners when issuing specified Class A licenses.

Howard County

Class D Licenses – Delivery: *Senate Bill 1036/House Bill 1387 (both passed)* authorize the holder of a Class D license or an employee of the license holder to deliver alcoholic beverages within the county in the same manner as the holder of a Class A license.

Class MT (Movie Theater) License: *House Bill 1494 (passed)* establishes the Class MT (movie theater) beer, wine, and liquor license and authorizes the Howard County Board of License Commissioners to issue the license to the owner of a movie theater that holds a crowd control training certification. The license holder may sell beer, wine, and liquor at retail at the place described in the license for on-premises consumption by a patron who has purchased a ticket to a current or future showing of a movie on the licensed premises.

Montgomery County

Beauty Salon and Barbershop License: *House Bill 1095 (passed)* expands the beauty salon beer and wine license to be the beauty salon and barbershop beer, wine, and liquor license. The license authorizes the license holder to provide up to 5 ounces of wine and 1.7 ounces of liquor for on-premises consumption by a beauty salon or barbershop customer, as specified. The bill also increases, from 5 to 12 ounces, the maximum amount of beer a license holder may provide to a customer for on-premises consumption.

Class BD–BWL Licenses – Multiple Licenses: *House Bill 1174 (passed)* increases, from one to two, the maximum number of Class BD-BWL licenses a licensee may hold, as specified. The second licensed premises must maintain average daily receipts from the sale of food that exceed the average daily receipts from the sale of alcoholic beverages.

Somerset County

Liquor Tasting License: *House Bill 1238 (passed)* establishes a liquor tasting license and authorizes the Somerset County Board of License Commissioners to issue the license to the holder of a Class A beer, wine, and liquor license. The license authorizes the holder to allow the consumption of liquor for tasting if (1) the license holder is authorized to sell the liquor and (2) the consumer is not charged for the liquor. An individual may consume liquor at a liquor tasting in a quantity of up to one-half ounce from each offering of liquor, and five offerings in one day.

St. Mary’s County

Alteration of Class A License Quota: *House Bill 476 (passed)* increases, from 1,350 to 4,000 individuals, the quota used by the St. Mary’s County Board of License Commissioners when issuing Class A alcoholic beverages licenses in the 8th election district of the county.

Civil Penalties for Sales Violations: *House Bill 486 (passed)* increases, from \$1,000 to \$2,500, the maximum civil penalty the board of license commissioners may impose on a person who violates a law relating to licensing the sale of alcoholic beverages.

Multiple Licensing Plans: *House Bill 574 (passed)* prohibits the board of license commissioners from issuing more than three Class B beer, wine, and liquor restaurant licenses for separate premises to an individual or for the use of a person, as specified. Only one of the three licenses specified may authorize the sale of alcohol for off-premises consumption.

Washington County

Senate Bill 503/House Bill 481 (both passed) alter the composition of the Washington County Board of License Commissioners. Specifically, based on the results of the preceding election for the Washington County Board of County Commissioners, two members must belong to the political party that received the highest aggregated number of votes, and

one member must belong to the political party that received the second highest aggregated number of votes.

Wicomico County

Temporary To-go Event Permit and Class C Per Diem Municipal To-go License: Senate Bill 798/House Bill 655 (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 Wicomico County Board of License Commissioners may issue the Class C per diem municipal to-go license to municipalities in the county. The license authorizes the license holder to allow beer, wine, and liquor sold by the holder of a temporary to-go event permit to enter a designated special event area described in the license for a period not exceeding seven consecutive days. The board may issue a temporary to-go event permit to the holder of a Class B beer, wine, and liquor 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

Chapters 254 and 255 of 2023 established a licensing and regulatory framework for the adult-use cannabis industry in the State by, among other things, (1) attributing cannabis-related duties to the renamed Alcohol, Tobacco, and Cannabis Commission (ATCC); (2) creating the Maryland Cannabis Administration (MCA) as an independent agency that is responsible for the regulation of adult-use and medical cannabis; (3) requiring all medical cannabis licensees to either convert to adult-use cannabis businesses or cease operations; and (4) establishing a 9% sales and use tax on the sale of adult-use cannabis.

Cannabis Reform

Senate Bill 215 (passed) makes various changes to provisions that govern the cannabis industry. Among other things, the bill (1) repeals the authorization for MCA to issue on-site consumption licenses during the second round of licensing, effectively delaying the issuance of the licenses; (2) authorizes an on-site consumption licensee to engage in specified activities; (3) extends until July 1, 2026, the authorization for a licensed dispensary to deliver medical cannabis and alters dispensary supply requirements; (4) clarifies the applicability of certain zoning provisions that relate to the location of licensed dispensaries; (5) authorizes the sale of a cannabis license through an employee stock ownership plan; and (6) explicitly specifies that a “cannabinoid beverage” is not a “food” for purposes of an exemption from the State sales and use tax.

Senate Bill 299/House Bill 1347 (both passed) exempt a cannabis agent employed to provide security services for a cannabis licensee or registrant as a “security guard” or by a “security guard agency” from the requirement to obtain a criminal history records check as a prerequisite for registration with MCA if the cannabis agent is authorized under the Business Occupations and Professions Article to provide security guard services.

Enhancement of Penalties and Enforcement

Senate Bill 214/House Bill 12 (Chs. 57 and 58) prohibit the sale or distribution of a product that (1) contains tetrahydrocannabinol (THC) if the product violates specified statutory and regulatory requirements or (2) is advertised as containing an amount of THC that exceeds a specified threshold. A cannabis licensee that violates these restrictions is subject to disciplinary action by MCA; any other violator is guilty of a misdemeanor and, on conviction, is subject to a \$5,000 maximum fine. The Acts also (1) authorize the Executive Director of ATCC to seize, destroy, or confiscate certain illegal products; (2) authorize ATCC's Field Enforcement Division to issue citations for specified violations involving THC; and (3) specify that, in a prosecution for selling THC without an appropriate license, the display or offering of certain THC products for sale is *prima facie* evidence of selling THC.

Office of Social Equity

The Office of Social Equity (OSE) is an independent office within MCA to promote and encourage full participation in the regulated cannabis industry by people from communities that have been disproportionately impacted by the war on drugs in order to positively impact those communities. *House Bill 1253 (passed)* creates the Department of Social and Economic Mobility (DoSEM) as a principal department in the Executive Branch. The bill establishes a related special fund and transfers to DoSEM all staff and funding from several offices, including OSE.

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025 (BRFA), requires, beginning in fiscal 2025, that the \$5.0 million that the Governor is required to provide annually for the Social Equity Partnership Grant Program managed by OSE be met with funds from the Cannabis Regulation and Enforcement Fund.

Senate Bill 894 (passed) alters OSE's duties by, requiring OSE, with the assistance of the Comptroller, to oversee the Community Reinvestment and Repair Fund (CRRF). In addition, the bill alters the authorized uses of CRRF, repeals several existing reporting requirements for OSE relating to CRRF, establishes a new reporting requirement for counties that receive CRRF funding, and establishes requirements for counties as recipients of CRRF funds.

Senate Bill 222/House Bill 46 (both passed) adds the Administrator of the Motor Vehicle Administration (or the Administrator's designee) and the Executive Director of OSE (or the Executive Director's designee) as members of the Cannabis Public Health Advisory Council.

Cannabis Sales and Use Tax

The BRFA of 2025 increases the State sales and use tax on the sale of adult-use cannabis from 9% to 12% beginning in fiscal 2026.

House Bill 619 (passed) exempts from the State sales and use tax the sale of cannabis between a licensed cannabis business and a registered cannabis nursery.

Part I

Financial Institutions, Commercial Law, and Corporations

Financial Institutions

Consumer Credit

Licensing Requirements

Under the Maryland Mortgage Lender Law, the Office of Financial Regulation (OFR) within the Maryland Department of Labor is responsible for licensing and regulating mortgage lenders, brokers, servicers, loan originators, and other financial institutions. In 2024, the Appellate Court of Maryland ruled, in part, that a Delaware statutory trust that had obtained a deed of trust by assignment and had attempted to foreclose on the property was subject to the licensing requirements of the Maryland Mortgage Lender Law. Prior to the Appellate Court's decision, OFR had not required passive trusts that held mortgage loans to be licensed.

Senate Bill 1026/House Bill 1516 (both passed) establish that Title 11 of the Financial Institutions Article, which includes the Maryland Mortgage Lender Law and governs licensing requirements for various types of consumer lenders, generally does not apply to a person that acquires or is assigned, in whole or in part (1) a mortgage, if the person does not otherwise make mortgages; (2) a mortgage loan, if the person does not otherwise make mortgages or engage in the mortgage lending business; or (3) an installment loan, if the person relies on another person to service or collect on the loan and does not otherwise make installment loans. The bills also establish that the licensing provisions of Title 11 generally do not apply to a trust that acquires or is assigned, in whole or in part, a mortgage loan if the trust does not otherwise make, broker, or service mortgage loans, not including the act of transmitting or directing payments received by a mortgage servicer. The bills also establish the Maryland Licensing Workgroup, staffed by OFR, to study and make recommendations on licensing requirements for persons that provide financial services in the State.

Lending

Senate Bill 689/House Bill 1018 (both passed) require banking institutions, credit unions, and mortgage lenders to include a provision in certain conventional home mortgage loans that allows any existing borrower, in the event of a divorce, to purchase the property interest of other borrowers on the loan by assuming the seller's portion of the mortgage if the purchaser qualifies for the loan. The provision must be included only if the conventional home mortgage loan is not already required to be assumable by State or federal law. The affected financial institutions must disclose the assumption provision in writing to a loan applicant before the completion of a loan application. The provisions related to borrowers being allowed to purchase the property interest of other borrowers apply retroactively to any conventional home mortgage loan entered into before October 1, 2025, if the sale is the result of a decree of absolute divorce entered into on or after October 1, 2025.

Virtual Currency

Senate Bill 305 (passed) requires a virtual currency kiosk operator to register a kiosk with the Commissioner of Financial Regulation to operate in the State and clearly identify each virtual currency kiosk as such. The bill 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 is not itself currency. A virtual currency kiosk operator must (1) renew their license annually and may be responsible for paying a renewal fee; (2) collect biographical information from a user; (3) provide the user a receipt for a transaction; and (4) ensure that a virtual currency kiosk does not accept or dispense in a single day an amount of cash, including value downloaded through prepaid access, or the equivalent in credit that exceeds \$2,000 for a new user or \$10,500 for an experienced user, as defined by the bill. A kiosk operator must provide a user with specified disclosures before each virtual currency service transaction, and the user must acknowledge receipt of the disclosures. The bill prohibits an operator from collecting a fee of more than \$5.00 or 15% of the amount of each virtual currency transaction, whichever is greater. In addition, the bill prohibits a virtual currency kiosk from operating as an automated teller machine.

Commercial Law

Credit Regulation

Although earned wage access services that offer consumers fast access to earned (but not yet paid) wages have been growing in popularity, the services often charge high fees and other hidden costs and are the subject of numerous consumer complaints. The Office of Financial Regulation within the Maryland Department of Labor has determined that earned wage access products are extensions of credit that are subject to the Maryland Consumer Loan Law (MCLL). *House Bill 1294 (passed)* expressly subjects earned wage access products to MCLL and other related statutory provisions that regulate entities that provide consumer credit. The bill explicitly treats certain earned wage access products as loans and establishes new rules for the acceptance of "tips" (*i.e.*, a voluntary payment by a consumer to a lender or third party who provides or arranges

a loan, as specified) in connection with the provision of earned wage access products and other credit under MCLL. The bill also requires licensing of entities offering earned wage access products. Finally, the bill establishes restrictions and notification requirements regarding the costs and fees associated with obtaining an earned wage access product and modifies the State’s credit licensing structure to account for new products, services, and fees.

Consumer Protection

Right to Repair Powered Wheelchairs

House Bill 31 (passed) generally requires a manufacturer to make available (on fair and reasonable terms and costs, as specified) any documentation, parts, embedded software, firmware, or tools that are intended for use with a powered wheelchair (or any part), inclusive of any updates, to an independent repair provider or owner. The bill applies only to documentation, parts, embedded software, firmware, or tools that are necessary for an independent repair provider or owner to perform services with respect to specified parts, such as batteries and battery chargers, nonprogrammable joysticks, joystick housings, or brackets. Among other things, the bill includes additional provisions regarding the liability of manufacturers and methods by which manufacturers may make the required items available.

Automatic Renewals

Senate Bill 49/House Bill 107 (both passed) establish a regulatory framework to govern “automatic renewals,” which the bills define as any contract, plan, or agreement between a consumer and a seller in which a paid subscription or purchasing agreement is automatically renewed for a subsequent term. Subject to specified exceptions, a person may not make an automatic renewal offer to a consumer unless certain requirements are satisfied, including the disclosure of the terms of the offer in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled. In addition to other requirements, a person making an automatic renewal offer must allow a consumer who accepts the offer to terminate the automatic renewal by providing the consumer a cost-effective, timely, and easy-to-use mechanism to (1) cancel the automatic renewal; (2) avoid being charged or avoid being charged an increased amount; and (3) immediately stop any recurring charges. The bills also include certain restrictions on applicability, may not be construed to authorize a private right of action, and have an effective date of June 1, 2026.

False Advertising of Digital Goods

State law includes certain prohibitions against false and fraudulent advertising. For example, for the purpose of purchasing, selling, or disposing of property or a service, a person may not advertise a statement containing a representation of fact that the person knows, or by the exercise of reasonable care should know, to be untrue, deceptive, or misleading.

House Bill 208 (passed) prohibits a person that is a seller from advertising or offering for sale a “digital good” using certain terminology unless, before executing the sale, one of the following conditions is met: (1) a specified affirmative acknowledgement is received from the

purchaser; or (2) the seller provides the purchaser with a disclosure meeting certain specifications. Digital good means a digital application or game, digital audio work, digital audiovisual work, digital book, or digital code, whether electronically or digitally delivered or accessed. The bill does not (1) require a person to download a digital good or (2) prohibit a person from storing a digital good on a server that can be accessed through the Internet. Additionally, the bill's requirements do not apply to a person who advertises or offers for sale (1) a subscription-based service that provides access to a digital good only for the duration of the subscription; (2) access to a digital good without the requirement for monetary consideration; or (3) a digital good for which the seller is unable to revoke access after completion of the sale, including a digital good that is, at the time of purchase, available for permanent offline download to an external storage source to be used without a connection to the Internet.

Consumer Contracts - Limitation Periods

House Bill 431 (passed) generally establishes that a provision in a consumer contract that sets a shorter time to bring an action under or on the contract than otherwise required by State law when the contract is issued or delivered is against State public policy, illegal, and void. "Consumer contract" means a contract involving the sale, lease, or provision of goods or services that are for personal, family, or household purposes. The bill includes certain limits on applicability and has an effective date of June 1, 2026.

Workgroup on Artificial Intelligence Implementation

House Bill 956 (passed) establishes the Workgroup on Artificial Intelligence (AI) Implementation to monitor issues and make recommendations related to AI, including (1) the regulation of AI used in decisions that significantly impact the livelihood and life opportunities of individuals in the State; (2) deployer and developer obligations related to labor and employment and protection of individual privacy rights; (3) protection of consumer rights; (4) current private sector use of AI; (5) general AI disclosures for all consumers; (6) enforcement authority for the Office of the Attorney General's Consumer Protection Division; and (7) the impact of the use of AI in the determination of government benefits. By July 1, 2026, and each year thereafter, the workgroup must report its findings and recommendations to specified committees of the General Assembly. For fiscal 2027 and each year thereafter, the Governor may include in the annual budget bill an appropriation of \$100,000 to support the workgroup. The bill's provisions terminate June 30, 2029.

Fair Medical Debt Reporting Act

House Bill 1020 (passed) prohibits (1) a consumer reporting agency from including certain information related to medical debt in a consumer report and (2) a person from using medical debt information included in a consumer report to make a determination regarding creditworthiness. The bill also prohibits a person (or the person's agent or assignee) whose primary business is providing medical services, products, or devices from disclosing any portion of a medical debt to a consumer reporting agency. Any such person must also include, in any contract entered into with a collection entity for the purchase or collection of medical debt, a provision prohibiting the disclosure of any portion of the medical debt to a consumer reporting agency. A contract entered

into on or after the bill’s effective date that does not include such a provision is void and unenforceable. The bill also makes generally conforming changes to statutory provisions governing hospital debt collection policies and requires, by November 1, 2025, hospitals that had reported adverse credit information about a patient to a consumer reporting agency to instruct the agency to delete the adverse information about the patient.

Commercial Law – Generally

Maryland Uniform Disposition of Abandoned Property Act

The Maryland Uniform Disposition of Abandoned Property Act (MUDAPA) governs abandoned property in the State; the Comptroller is the administrator of abandoned property. Statutory provisions establish a process by which specified types of property are presumed abandoned under certain conditions. The Comptroller’s Office advises that the MUDAPA is outdated and requires the office to make determinations related to types of property that did not exist when the MUDAPA was first codified. For instance, the MUDAPA fails to address digital means of communication and online record storage.

Senate Bill 665/House Bill 761 (both passed) make numerous changes to the MUDAPA, including (1) explicitly applying its requirements to additional forms of property (*e.g.*, virtual currency); (2) establishing various new requirements and procedures related to the administration of abandoned property claims; (3) specifying that additional actions (*e.g.*, logging into an account) are signs of continued ownership, thereby providing more opportunities for consumers to maintain control over their property; and (4) authorizing the Comptroller to retain additional proceeds from the sale of abandoned property to use for certain purposes.

Maryland Self-Service Storage Act

Under the Maryland Self-Service Storage Act, a “self-service storage facility” is any real property used for renting or leasing individual storage spaces in which the occupants themselves store and remove their own personal property on a “self-service” basis.

Senate Bill 844/House Bill 979 (both passed) require a self-service storage facility operator to provide an occupant a notice that includes certain information prior to conducting a lien sale of personal property. Specifically, at least 10 days before conducting a lien sale of personal property authorized under the Act, the operator must notify the occupant of the time, place, and terms of the sale by hand delivery, verified mail, or email at the occupant’s last known address. If an operator notifies the occupant via email and does not receive a response at least five days before the sale, the operator must promptly send a second notice to the occupant by verified mail (to the occupant’s last known postal address).

Corporations and Associations

Cooperatives

Limited Worker Cooperative Associations

State law authorizes five types of cooperatives (agricultural, consumer, electric, transportation, and housing) to do business in the State. These cooperatives are generally subject to the Maryland general corporation laws. *Senate Bill 144/House Bill 15 (both passed)* establish the Maryland Limited Worker Cooperative Association Act to provide for the formation, operation, and dissolution of a sixth type of cooperative, known as a limited worker cooperative association (LWCA). A limited liability company may elect to be an LWCA by including in its articles of organization a statement to that effect. Although an LWCA may include multiple classes of members whose rights and membership interests are determined by the cooperative agreement, an LWCA may further elect to be a collective worker cooperative (an LWCA that has only one class of membership consisting of working members who manage all of the affairs of the association). The bills include the stated policy of generally giving maximum effect to the principle of democratic self-management of LWCAs by their worker members. Unless the articles of organization provide otherwise, a debt, obligation, or other liability of an LWCA is not the debt, obligation, or liability of a member, and the organization of an LWCA may not create a presumption that worker members are employees of the association for any purpose.

Electric Cooperatives – Nonescheat Capital Credits

An electric cooperative is a cooperative nonprofit membership corporation organized under the Corporations and Associations Article for the purpose of supplying, promoting, and extending the use of electricity. If a person agrees to use electricity or other services supplied by the cooperative when the electricity or services are available through the cooperative's facilities, the person may become a member of the cooperative. An electric cooperative has broad statutory powers, including the power to distribute, sell, supply, and dispose of electricity to its members.

Senate Bill 561/House Bill 227 (both passed) establish that “nonescheat capital credits” held by an electric cooperative may not be presumed to be abandoned property. In addition, the bills authorize the use of nonescheat capital credits 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. 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 has not been claimed by the past member.

Securities Act Registration Fund and Agent Fees

State law generally requires broker-dealers (stock brokerage firms) that solicit or do business in Maryland to register with the Division of Securities in the Office of the Attorney General (OAG). Agents of such firms (stock brokers) must similarly register. *House Bill 352 (passed)*, the Budget Reconciliation and Financing Act of 2025 (BRFA), increases, from \$50 to \$65, the fee associated with an agent’s application for initial or renewal registration or transfer of registration. Under existing statute, a portion of the fee is required to be distributed to the Securities Act Registration Fund, a special fund authorized for use only to administer and enforce the Maryland Securities Act. The BRFA of 2025 also (1) increases, from \$15 to \$25, the amount of the agent application fee that is distributed to the special fund and (2) authorizes the fund to be used to support the general operations of OAG.

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. *House Bill 1171 (passed)* generally implements these recommendations by (1) establishing a process for the transfer of assets that are collateral for securing a mortgage, pledge, or security interest without the approval of stockholders; (2) establishing certain exceptions to the process for the transfer of assets that are secured collateral without the approval of the stockholders; and (3) repealing statutory provisions that specify what must be included in the articles of merger if a limited partnership, limited liability company, or partnership is a party to the articles.

Part J

Health and Human Services

Public Health – Generally

Prescription Drugs

Prescription Drug Affordability Board

Chapter 692 of 2019 established the Prescription Drug Affordability Board (PDAB) to protect State residents and other stakeholders from the high costs of prescription drug products. Chapter 692 tasked the PDAB with making determinations, collecting data, and identifying certain prescription drug products that may cause affordability challenges for the State’s health care system and patients. On October 22, 2024, the Legislative Policy Committee approved PDAB’s action plan for establishing upper payment limits (UPLs) for prescription drugs identified as causing or likely to cause affordability challenges. On approval of the plan, PDAB is authorized to set UPLs for prescription drug products that are (1) purchased or paid for by a unit of State or local government or an organization on behalf of a unit of State or local government; (2) paid for through a health benefit plan on behalf of a unit of State or local government; or (3) purchased for or paid for by the Maryland Medical Assistance Program.

Senate Bill 357/House Bill 424 (both passed) expand the duties of the PDAB by requiring the PDAB to determine whether it is in the best interest of the State to set UPLs for other purchases and payor reimbursements of prescription drug products in the State that have led or will lead to an affordability challenge. If PDAB makes an affirmative determination, it must establish a process for setting UPLs. If the board establishes the process, the board is required to set UPLs in accordance with the process. However, the authority to set the UPLs is contingent on the PDAB setting UPLs on two prescription drugs under the plan of action adopted on October 22, 2024, and those UPLs being in effect for at least one year. Additionally, the authority of PDAB to set UPLs under the new process does not apply to payor reimbursements under Medicare part C and D Plans, purchases under the federal 340B Drug Pricing Program, or purchases and payor reimbursements by federal agencies or federal program that the State is preempted from regulating by federal law. The bills also (1) authorize the PDAB to reconsider a UPL for a drug that becomes a “current

shortage”; (2) prohibit the PDAB from taking specified actions regarding UPLs, including applying a new UPL to a drug in current shortage; (3) modify the requirements for setting UPLs, including the criteria that must be considered in determining whether to set a UPL; (4) alter reporting requirements; and (5) add new members to the Prescription Drug Affordability Stakeholder Council. Before establishing a UPL that applies to Medicaid, the PDAB must confer with Medicaid to approve the application of the UPL by assessing whether the UPL will (1) conflict with the Medicaid Drug Debates Program, the Covered Outpatient Drug Rule, or another other federal requirements, as applicable and (2) require additional funding to be allocated to the Medicaid budget.

Prescription Drug Repository Program

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. Each pharmacy for which a pharmacy permit has been issued must dispose of prescription drugs or medical supplies in accordance with program policies. To participate, a pharmacy may not have any final disciplinary orders issued against it and must be approved by the board to accept donated drugs or medical supplies from a designated drop-off site, dispense the drugs or medical supplies to needy individuals, or dispose of prescription drugs or medical supplies not accepted for dispensing to needy individuals.

House Bill 1310 (passed) revises the program by, among other things, (1) allowing out-of-state entities to participate in the program and establishing separate provisions governing the participation of those entities in the program; (2) including the donation, dispensing, and disposal of over-the-counter drugs as part of the program; (3) allowing the program to accept prescription drugs and over-the-counter drugs that bear an expiration date that is less than 90 days from the date the drug is donated if the drug is in high demand; and (4) altering the persons who receive immunity for actions taken with respect to the program. Additionally, the bill removes the requirement that a health care practitioner indicate that an individual is a needy individual in order for the individual to receive drugs and medical supplies through the program and, instead, allows an individual, through self-attestation, to indicate that the individual is indigent, uninsured, underinsured, or enrolled in a public health benefits program and, therefore, eligible to receive donations made to the program.

Reproductive Health

Public Health Abortion Grant Program

Senate Bill 848/ House Bill 930 (both passed) establish the Public Health Abortion Grant Program and the Public Health Abortion Grant Program Fund in the Maryland Department of Health (MDH) to provide grants to improve access to abortion care clinical services. Under the

bills, the Secretary of Health must provide operating grants to eligible organizations to support equitable access to abortion care clinical services. Grant funds must be used to support abortion care clinical services for which federal funding is prohibited for individuals without sufficient resources, including for the administrative costs of managing services provided under the grant. Individuals without sufficient resources are the uninsured, the underinsured, and individuals who are deterred from using insurance because of risks posed by insurance carrier communications. MDH must award at least 90% of funds appropriated for the program as grants to eligible organizations. MDH is prohibited from (1) releasing, publishing, or otherwise disclosing any identifying information for staff of an eligible organization that applies for or receives a grant or reimbursement from grant funding under the program or an individual health care practitioner or staff who provides abortion care for an eligible organization that receives a grant or reimbursement from grant funding under the program or (2) collecting identifying information for individuals who request or obtain support for abortion care clinical services from an eligible organization awarded a grant under the program. Additionally, MDH is prohibited from restricting the use of funds granted under the program or allowing an eligible organization that is awarded a grant under the program to restrict the use of funds in a manner that is inconsistent with State laws governing the provision of abortions. The program is funded through the transfer to the fund of certain segregated premium funds collected by insurance carriers for abortion coverage in accordance with the federal Affordable Care Act (ACA).

The bills terminate if the federal Centers for Medicare and Medicaid Services advises the Maryland Insurance Administration that the bills' provisions violate the ACA.

MDH special fund revenues increase by \$19.3 million in fiscal 2026, and by \$2.5 million annually thereafter due to transfers from carriers' segregated accounts. MDH special fund expenditures increase by \$2.0 million in fiscal 2026, and by \$2.5 million annually thereafter from the mandated appropriation. General fund revenues increase minimally from interest earnings of the new special fund through fiscal 2028.

Marland Collaborative to Advance Implementation of Coverage of Over-the-counter Birth Control

Senate Bill 674/House Bill 939 (both passed) require the Maryland Commission for Women to establish the Maryland Collaborative to Advance Implementation of Coverage of Over-the-Counter Birth Control. The purpose of the collaborative is to study and make recommendations to advance access to over-the-counter (OTC) birth control through (1) implementation of State coverage requirements for OTC birth control at pharmacies; (2) advancement of point-of-sale coverage options at retail counters, virtual retail platforms, and vending machines; (3) identification of public health initiatives to increase access to OTC birth control for individuals who do not have OTC birth control coverage or cannot access OTC birth control coverage; and (4) enhancement of education and engagement of consumers, health care practitioners, public health and community programs, and health care industry stakeholders. The bills terminate on June 30, 2028.

Medicaid

The Medical Care Programs Administration within MDH is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children's Health Program (MCHP) that provide comprehensive somatic and behavioral health benefits to almost 1.4 million Marylanders.

Medicaid Coverage

Self-measured Blood Pressure Monitoring: Senate Bill 94/House Bill 553 (both passed) require Medicaid, beginning January 1, 2026, to provide coverage for self-measured blood pressure monitoring to recipients who are pregnant, are postpartum, or have been diagnosed with chronic kidney disease, diabetes, heart disease, or a cardiometabolic disease. Coverage must include (1) the provision of validated home blood pressure monitors and (2) reimbursement of health care provider and other staff time, specifically for patient training, transmission of blood pressure data, interpretation of blood pressure readings and reporting, remote patient monitoring, and the delivery of co-interventions, including educational materials or classes.

Calcium Score Testing: A coronary artery calcium test is a CT scan of the heart that shows any calcium deposits in the coronary arteries ("calcium score"). The calcium score may help predict the risk of a future heart attack and help determine risk for cardiovascular disease. ***Senate Bill 60/House Bill 666 (both passed)*** require Medicaid to cover calcium score testing in accordance with the most recent guidelines issued by the American College of Cardiology that expand the scope of preventive care services for the benefit of consumers.

Pediatric Hospitals: Currently, Medicaid covers medically necessary inpatient hospital services and medically necessary services performed in an acute rehabilitation hospital under specified conditions. ***House Bill 1301 (passed)*** prohibits Medicaid and MCHP from requiring prior authorization for a transfer to a special pediatric hospital. Special pediatric hospitals are facilities in the State that provide nonacute medical, rehabilitation, therapy, and palliative services to individuals younger than age 22 or who are at least 2 years old and younger than age 23 and have co-occurring physical and behavioral health conditions.

Maryland Interested Parties Advisory Group

House Bill 1142 (passed) generally codifies the federally required Maryland Interested Parties Advisory Group (IPAG) in MDH. The primary purpose of IPAG is to advise and consult on Medicaid payment rate sufficiency, ensuring adequate access to homemaker, home health aide, personal care, and habilitation services (applicable service categories). IPAG must (1) evaluate the sufficiency of Medicaid payment rates for applicable service categories and (2) evaluate challenges to accessing care for applicable Medicaid home- and community-based services. Beginning November 1, 2025, IPAG must meet annually. By September 1, 2026, and each year thereafter, IPAG must report on its activities and recommendations to the Governor and the General Assembly.

Nursing Homes

Medicaid utilizes a cost-based reimbursement model for nursing homes under which MDH currently oversees annual cost reporting by nursing homes with assistance from contractors. Nursing home rates are rebased every two years after contractors complete a desk audit of nursing facilities' cost reports. *House Bill 933 (passed)* requires MDH to review the cost reports and other data submitted by each nursing home that participates in Medicaid, including data related to revenue allocated to contracted nursing care services and salaries and wages of all direct care non-administrative staff. By October 1, 2025, and annually thereafter through 2029, MDH must report the findings resulting from the review to the Governor, the Senate Finance Committee, and the House Health and Government Operations Committee.

Implementation of the Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model

Population Health Improvement Fund

House Bill 1104 (passed) establishes the Population Health Improvement Fund to support statewide population health targets under the AHEAD Model and any successor models. Activities paid for by the fund must support the goal of meeting the statewide population health targets outlined in the AHEAD Model State Agreement and have at least one of the following functions: (1) reducing rates of common preventable health conditions; (2) addressing health-related social needs; or (3) reducing or eliminating health disparities. Each year of Total Cost of Care Model, AHEAD Model, or any successor model, the Health Services Cost Review Commission (HSCRC) may assess a uniform, broad-based, and reasonable amount in hospital rates to be credited to the fund. HSCRC must include the full amount of the assessment in hospital rates. The fund terminates at the end of 2030, while the authority of HSCRC to make the specified assessment terminates at the end of 2027.

The bill also authorizes the use of electronic health care transaction information to support the State's participation in the AHEAD Model and any successor models.

HSCRC special fund revenues are projected to increase by \$25 million in fiscal 2026 from the assessment; special fund expenditures increase accordingly. The fiscal 2026 budget includes funding for Medicaid to pay the increased hospital rates associated with the assessment.

Medicaid Primary Care Program Fund

The Budget Reconciliation and Financing Act (BRFA) of 2025, *House Bill 352 (passed)*, establishes the Medicaid Primary Care Program Fund within MDH to serve as the foundation for advancing primary care in the State under the AHEAD model. The fund may be used to (1) implement a Medicaid primary care advanced payment model program as required under the AHEAD cooperative agreement and (2) support primary care providers serving enrollees of the

Medicaid through investments that include increased reimbursement for evaluation and management codes, care management fees to eligible practices, and quality incentives.

Behavioral Health

Behavioral Health Crisis Response

The Maryland Behavioral Health Crisis Response System (BHCRS) in the Behavioral Health Administration operates a statewide network that provide skilled clinical intervention to help prevent occurrences such as suicide and unnecessary hospitalizations and respond quickly and effectively to community crisis situations. *Senate Bill 900/House Bill 1146 (both passed)* require that BHCRS have a State 9-8-8 Suicide and Crisis Lifeline, rather than a crisis communication center, in each jurisdiction that, in addition to providing a single point of entry to the system, coordinates with the national 9-8-8 Suicide and Crisis Lifeline to provide the full range of services provided by the national 9-8-8 Suicide and Crisis Lifeline. Additionally, the crisis response system must include an evaluation of outcomes of services in each jurisdiction or region, including 9-8-8 volumes, answer rates, and resolution data and mobile crisis team dispatch volume, response time, and resolution data. The data derived from the evaluation must be collected, analyzed, and publicly reported on or before December 1 each year, beginning in 2026.

The Behavioral Health Crisis Response Grant Program within MDH provides funds to local jurisdictions to establish and expand community behavioral health crisis response systems. *Senate Bill 599 (passed)* extends the requirement that the Governor provide a \$5 million annual appropriation for the program from fiscal 2027 through 2029.

Behavioral Health Care Treatment and Access

Commission on Behavioral Health Care Treatment and Access: The Commission on Behavioral Health Care Treatment and Access makes recommendations to provide appropriate, accessible, and comprehensive behavioral health services that are available on demand to individuals in the State across the behavioral health continuum.

Senate Bill 790/House Bill 1083 (both passed) require the Behavioral Health Advisory Council and the Commission (through its workgroup on youth behavioral health, individuals with developmental disabilities, and individuals with complex behavioral health needs) to provide recommendations to implement the federal Centers for Medicare and Medicaid Services' State Health Official letter #24-005: *Best Practices for Adhering to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Requirements*. By January 1, 2026, MDH must submit a report of its findings and recommendations to the General Assembly.

House Bill 1066 (passed) requires the commission to establish an additional workgroup on improvement of health, social, and economic outcomes related to substance use. The bill requires the workgroup to (1) evaluate and review certain information and data related to substance use disorder and recover support services, including data related to individuals involved in the criminal justice system; (2) evaluate and review the MDH's regulations on the standards for discharge of

patients from substance use treatment programs; (3) make recommendations on changes to State laws, policies, and practices to mitigate the harms related to the criminalization of substance use; and (4) make recommendations on changes to State laws, policies, and practices related to the discharge of patients from substance use treatment programs to consider the patient’s mental health or substance use disorder diagnosis in making an appropriate placement.

Substance Use Treatment Programs: On December 20, 2024, The New York Times published an investigative report about PHA Healthcare, a company that ran a substance use disorder (SUD) treatment program in Baltimore City and placed some patients in apartment buildings filled with rampant drug use, leading to overdoses and deaths. MDH issued PHA a cease-and-desist order on December 23, 2024. As of January 24, 2025, the SUD treatment program ended its treatment services, though some patients still live in housing provided by PHA. ***House Bill 722 (passed)*** requires MDH, by December 1, 2025, and December 1, 2026, to report to specified committees of the General Assembly on the revision to Maryland regulations concerning SUD treatment programs, improvements to oversight of the programs, and procedures for the certification, monitoring, and oversight of recovery residences.

Buprenorphine Training Grant Program: ***House Bill 1131 (passed)*** establishes the Buprenorphine Training Grant Program in MDH to assist a county with offsetting the cost of training paramedics to administer buprenorphine. A county may apply to MDH for a grant from the program, which may be used only to train paramedics to administer buprenorphine. The program is funded using funds from the Opioid Restitution Fund. The program terminates after five years. Additionally, by December 31, 2025, the Maryland Office of Overdose Response must establish a workgroup to study access to buprenorphine in the State and report its findings and recommendations to specified committees of the General Assembly.

Forensic Review Board

House Bill 32/Senate Bill 43 (both passed) require MDH to establish a forensic review board at each facility that has charge of a person who has been committed to MDH as no criminally responsible under the test for criminal responsibility. Each member of a board must be a health care provider licensed in the State. At least once per year, each board is required to review each committed person’s eligibility for release and, by majority vote, determine whether to recommend to the court that the committed person is eligible for discharge or conditional release. An additional review must be undertaken if the committed person’s treatment team determines that the person is eligible for discharge or conditional release before the scheduled annual review. A committed person may appoint an authorized agent to attend the portion of a board meeting concerning the committed person. The bills also establish record keeping and notice requirements. The treatment team is required to implement recommendations, if any, from the board and make arrangements for necessary treatment to rehabilitate the committed person.

Opioids

Standing Advisory Committee on Opioid-Associated Disease Prevention and Outreach Programs: Chapter 348 of 2016 authorized a local health department or a community-based

organization, with the approval of MDH and the appropriate local health officer, to establish an opioid-associated disease prevention and outreach program. Further, it required a program to provide for substance use outreach, education, and linkage to treatment services, including distribution and collection of hypodermic needles and syringes. Finally, Chapter 348 required MDH to establish a Standing Advisory Committee on Opioid-Associated Disease Prevention and Outreach Programs to provide technical assistance on program protocols and procedures and adopt regulations to implement the Act. *Senate Bill 224/House Bill 94 (Chs. 27 and 28)* alter the membership of the committee, and thus the responsibility for chairing the committee and handing appeals of an adverse decision to operate an opioid-associated disease prevention and outreach program, by replacing the Deputy Secretary for Public Health Services with the Secretary of Health, or the Secretary's designee.

Opioid Restitution Fund: The Opioid Restitution Fund (ORF) is a special fund that retains any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services. The Opioid Restitution Fund Advisory Council provides recommendations to the Governor and the Secretary of Health regarding the allocation of money from ORF. MDH's Overdose Response Program (ORP) allows for U.S. Food and Drug Administration (FDA)-approved opioid overdose reversal drugs to be offered to specified individuals – free of charge – by multiple providers, programs, and entities. Maryland also has a statewide standing order for opioid overdose reversal drugs that authorizes any Maryland-licensed pharmacist to dispense unlimited prescriptions and refills of naloxone and devices for its administration to any individual, as specified.

Senate Bill 589/House Bill 798 (both passed) require the Maryland Office of Overdose Response, in collaboration with MDH, to develop and maintain an interactive dashboard on ORF, to the extent possible, by using existing platforms that provide data on opioid use and overdoses in the State. ORF monies, as appropriated through the State budget, must be used for the dashboard. If there is a State, county, or municipal website that provides access to additional information on the use of opioid-related settlement funds by the State, county, or municipality, the dashboard must include a link to that website. In certain instances, a county or municipality that receives settlement funds must provide MDH with specified information to include on the dashboard. MDH must establish an online portal for a county or municipality to report or upload information and upload opioid-related settlement information submitted by a county or municipality in compliance with the terms of a settlement.

Senate Bill 594/House Bill 729 (both passed) repeal the explicit delineation of certain authorized uses of the ORF and instead specifies that ORF may be used only to provide funds for the purposes specified in settlement agreements and judgments relating to claims by the State against the opioid industry for violations of State law. The bills establish that these purposes include addressing racial and socioeconomic disparities in access to prevention, harm reduction, treatment, and recovery support services. Finally, the bills alter training on responding to an opioid overdose that MDH may provide under the ORP to include emphasizing the restoration of breathing, avoiding withdrawal, and compassionate post overdose support and care.

Senate Bill 495/House Bill 728 (both passed) alter the authorized uses of the ORF to include providing funds for operating expenses and personnel costs for investigations, enforcement actions, and other activities of the Opioids Enforcement Unit of the Office of the Attorney General (OAG) that are related to the recovery of funds from opioid-related judgments or settlements. By October 1, 2025, and annually thereafter, the OAG must report to the Governor and the General Assembly on the status of the Opioids Enforcement Unit, including the number of investigations and the number and disposition of lawsuits filed. The bills terminate on June 30, 2029.

Developmental Disabilities

The Developmental Disabilities Administration (DDA) within MDH provides a coordinated service delivery system for people with developmental disabilities. DDA also provides self-directed services through three special Medicaid waiver programs known as the Medicaid home- and community-based services (HCBS) programs. Medicaid waiver programs allow states to make exceptions to specified rules and enable services to be provided in different settings that are tailored to individuals with different needs or varying income levels. For those who qualify, the waiver programs offer services within the community as an alternative to receiving services in an institution.

The DDA Waiver Advisory Council provides input on (1) how DDA-operated Medicaid waiver programs are designed; (2) how services are delivered and accessed by people; (3) federal rules; (4) improving access to Medicaid services; and (5) strategies to make sure services continue to improve. *House Bill 1244 (passed)* generally codifies the council in DDA, with changes to the membership compared to the existing council.

The BRFA of 2025 repeals the prohibition on the Waiting List Equity Fund from being used to supplant funds appropriated for emergency community placements or transitioning students and the prohibition on the DDA establishing a dollar amount of individual-directed and family directed goods and services provided to a recipient. The bill also requires DDA, beginning for fiscal 2026, to establish a cap of no less than \$500, rather than \$2,000, of low-intensity support services per individual per fiscal year to a qualifying individual.

Infants and Children

Pediatric Hospital Overstay Patients

The Maryland Children’s Cabinet established a three-year plan for 2021 through 2023 for (1) identifying children in crisis and meeting their needs; (2) developing residential treatment center capacity for individuals with dual diagnoses; and (3) near real-time tracking by the Department of Human Services (DHS) of youth with behavioral health needs who are in hospitals. In response, MDH established the Adolescent Hospital Overstay Grant Program. The focus of the program is to provide care to children and adolescents who are the hardest to move out of hospitals, resulting in hospital overstays.

Senate Bill 696/House Bill 962 (both passed) require MDH, or 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. If a pediatric hospital overstay patient remains in the hospital for more than 48 hours and the Maryland Mental Health and Substance Use Disorder Registry and Referral System indicates that an appropriate inpatient bed is available, the hospital is required to seek the transfer to maintain the clinical stability of the patient. A hospital may concurrently seek in-state and out-of-state placement options to ensure that the pediatric overstay patient is treated in the least restrictive setting. MDH and DHS are also required to establish a pediatric hospital overstay coordinator in each department. The coordinators are required to 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. Additionally, *Senate Bill 969/House Bill 962* establish a Workgroup on Children in Unlicensed Settings and Pediatric Hospital Overstays staffed by the State Council on Child Abuse and Neglect. By October 1, 2025, the workgroup must report its findings and recommendations to the Governor and the General Assembly. The bills also specify that the Maryland Mental Health and Substance Use Disorder Registry and Referral System includes private and State inpatient and outpatient mental health and substance use services. For fiscal 2026, the Governor may include in the annual budget bill an appropriation necessary to staff five additional beds at the John L. Gildner Regional Institute for Children and Adolescents. General fund expenditures increase by approximately \$3 million annually beginning in fiscal 2026 to fund staffing for the five additional beds.

Workgroup on Universal Newborn Nurse Home Visiting Services

Senate Bill 156/House Bill 334 (both passed) establish a Workgroup on Newborn Nurse Home Visiting Services. The workgroup must (1) compile updated participant data and expenditures per participant from home visiting for families with newborns programs operating in the State; (2) compare that data to data for evidence-based models for universal nurse home visiting for families with newborns; (3) identify specified service gaps, opportunities to align evidence-based models with home visiting for families with newborns programs operating in the State, and potential funding sources to close identified service gaps; and (4) identify workforce needs for evidence-based models for universal newborn nurse home visiting for families with newborns and recommendations to address such needs.

Cannabis Public Health Advisory Council

Chapter 26 of 2022 established the Cannabis Public Health Advisory Council to study and annually report its findings and recommendations on specified public health impacts of cannabis legalization. *Senate Bill 222/House Bill 46 (both passed)* add the Administrator, or the Administrator's designee, of the Motor Vehicle Administration, and the Executive Director, or the Executive Director's designee, of the Office of Social Equity as members of the Council.

Consumer Protection

Family Planning Services and Disclosure of Sensitive Health Services

House Bill 1045 (passed) updates references to federal law related to family planning services under the Family Planning Program in MDH. The bill alters the definitions of “legally protected health care” and “sensitive health services” to include gender-affirming care with respect to disclosure of information regarding sensitive health services.

Phenibut

House Bill 996 (passed) generally requires a retailer that prepares, distributes, sells, or exposes for sale a phenibut product to disclose on the product label the factual basis on which any representations regarding the phenibut product are made. A phenibut product is a product marketed for human consumption containing any beta-phenyl-gamma-aminobutyric acid HCL, which is an unregulated drug used to improve sleep, and treat anxiety, depression, post-traumatic stress, stuttering and vestibular disorders. A violator is subject to a civil penalty.

A retailer is prohibited from preparing, distributing, selling, or exposing for sale (1) a phenibut product that does not comply with the disclosure requirement; (2) a phenibut product that has not been recognized by the FDA as a dietary ingredient or approved drug; (3) a phenibut product that is adulterated with or contaminated with a dangerous substance other than phenibut; or (4) a product containing phenibut that does not include on its package or label the amount of beta-phenyl-gamma-aminobutyric acid HCL contained in the product. Additionally, a retailer is prohibited from distributing, selling, or exposing for sale a phenibut product to an individual younger than age 21. A violator is guilty of a misdemeanor and subject to a criminal penalty. A retailer may not, directly or indirectly, advertise or market a phenibut product to minors, or advertise a therapeutic benefit of phenibut.

Disease Prevention

Alzheimer’s Disease and Related Dementias

MDH, in partnership with the Maryland Department of Aging, the Virginia I. Jones Alzheimer’s Disease and Related Disorders Council, and the Greater Maryland Chapter of the Alzheimer’s Association, are required to incorporate information regarding cognitive impairment, Alzheimer’s disease, and other types of dementias into relevant public health outreach programs administered by MDH. *Senate Bill 748/House Bill 1004 (both passed)* expand the information these entities are required to incorporate to include information (1) for health care providers on treatments approved by the FDA for Alzheimer’s disease and related dementias, including relevant information on treatment use and outcomes and (2) for the purpose of increasing public understanding and awareness on the value of treatment of Alzheimer’s disease and related dementias and FDA-approved treatments and relevant information on treatment use and outcomes. MDH, and the State-designated health information exchange must establish, maintain, and update

annually, a publicly accessible website that includes specified information regarding Alzheimer's disease and related dementias in a downloadable format.

Human Immunodeficiency Virus and AIDS

The AIDS Prevention Sterile Needle and Syringe Exchange Pilot Program in Baltimore City was established by Chapter 360 of 1994 to reduce the sharing of needles and the rate of HIV infection. The program educates participants about the dangers of contracting HIV through needle sharing practices and refers participants to substance abuse treatment programs. *House Bill 1502 (passed)* renames the program to be the HIV Prevention Syringe Services Program. The bill also alters program requirements, the composition and responsibilities of the program's oversight committee, the program-related duties of the director and the Baltimore City Health Department, and data collection and program evaluation processes. The bill repeals language specifying that program staff and participants are not immune from criminal prosecution various activities.

Senate Bill 356/House Bill 39 (both passed) repeal the misdemeanor prohibition against and associated penalty for knowingly transferring or attempting to transfer HIV to another.

Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program

The Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program, administered by MDH, provides grants to local fire departments and volunteer fire companies and departments to procure innovative cancer screening tests that are not otherwise conducted during routine physical examinations or not covered by insurance. The goal of the program is to reduce cancer mortality among firefighters while advancing the adoption of novel technologies that may also benefit the health of Marylanders and the economy of the State. *Senate Bill 849/House Bill 757 (both passed)* increase the minimum amount the Governor may include in the annual budget for the program from \$500,000 to \$1,000,000. Further, the bills authorize the Secretary of Health to use up to 20% of program funds to support research centers, including the University of Maryland Institute for Health Computing, in collecting, analyzing, and processing program outcome data to assess and improve the effectiveness and clinical utility of the cancer screening funded by the program.

Emergency-Use Epinephrine

Chapter 552 of 2012 required each county board of education to establish a policy to authorize certain school personnel to administer auto-injectable epinephrine to a student in anaphylaxis. Chapter 552 defined "anaphylaxis" as a sudden, severe, and potentially life-threatening allergic reaction that occurs when an individual is exposed to an allergen. Chapter 552 also defined "auto-injectable epinephrine" as a portable, disposable drug delivery device that contains a premeasured single dose of epinephrine that is used to treat anaphylaxis in an emergency. *Senate Bill 459/House Bill 420 (both passed)* alter the definition of "auto-injectable epinephrine" to include other products approved by the FDA that contain a

premeasured single dose of epinephrine that is used to treat anaphylaxis in an emergency, thereby including non-injectable forms of epinephrine in the existing program. To reflect the expansion of the program, the bills rename the Emergency Use Auto-Injectable Epinephrine Program to the Emergency Use Epinephrine Program.

Food Establishments

Every 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 544/House Bill 559 (both passed)* allow specified food establishments – a business that conducts agritourism, Class 4 limited wineries, and Class 8 farm breweries – to comply with these requirements by providing a portable chemical toilet that otherwise meets statutory requirements and is placed at least 25 feet from a well.

Public Health Equity Dashboard

Senate Bill 684/House Bill 1100 (both passed) require MDH, in collaboration with the Maryland Commission on Health Equity, to develop a clear and easy-to-understand graphic data dashboard that includes age-adjusted health disparity data disaggregated by race, ethnicity, and gender. The data dashboard must include information on health insurance access, cardiovascular disease, chronic disease, mental health and substance use, cancer, HIV/AIDS, sexually transmitted infection, body mass index, and any other health indicators determined relevant by MDH. The dashboard must be updated on a quarterly basis, as determined by data availability.

Federally Qualified Health Centers Grant Program

The Federally Qualified Health Center (FQHC) Grant Program makes capital grants for projects involving a facility designated as a FQHC under § 330 of the federal Public Health Service Act and wholly owned and operated by a county, municipal corporation, or nonprofit organization. *Senate Bill 1005/House Bill 43 (both passed)* authorize the Board of Public Works, on the recommendation of the Secretary of Health, to make grants to counties, municipal corporations, and nonprofit organizations for the acquisition of land for the construction or use of a FQHC.

Health Occupations

All Occupations

Applicants for renewal of a license or certificate from a health occupations board must attest to completion of an implicit bias training program approved by the Office of Minority Health and Health Disparities and the Cultural and Linguistic Health Care Professional Competency Program. *House Bill 783 (passed)* expands the scope of the required training to include structural racism. Applicants for the renewal of a license or certificate issued by a health occupations board

must attest to completion of an approved implicit bias and structural racism training program the first time they renew their license or certificate after April 1, 2026.

Among other things, *Senate Bill 72/House Bill 367 (both passed)* prohibit a health occupations board from requiring an applicant to provide additional evidence of English proficiency if the individual holds a valid, unrestricted license, certification, or registration from another state that requires such evidence for licensure, certification, or registration. Each health occupations board that requires evidence of English proficiency must prominently maintain on its website a statement about this exemption.

Senate Bill 67 (passed) authorizes each health occupations board to establish a process to include a notation of an individual's veteran status on a license, certificate, registration, or public profile. If a health occupations board establishes the process, an application must allow an applicant to indicate consent to (1) having a notation of veteran status on the applicant's credential or public profile and (2) being contacted by appropriate Executive Branch agencies about eligibility for State or federal veterans benefits. On request from an Executive Branch agency, a board that establishes the process must electronically transmit appropriate information about the applicant.

Senate Bill 749/House Bill 723 (Chs. 11 and 12), among other things, require the Maryland Department of Health (MDH) to develop a plan for temporary or permanent authorization to practice a health occupation in the State for individuals who (1) are not licensed or otherwise authorized to practice the health occupation in the State; (2) hold a license or other authorization issued by another state equivalent to the authorization required in Maryland; and (3) left employment with a federal agency after January 20, 2025. MDH must submit the plan by October 1, 2025.

Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists

Senate Bill 217/House Bill 256 (Chs. 31 and 32), among other actions, extend the termination dates for five separate health occupations boards – including the State Board of Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists – which is extended by five years to July 1, 2031.

Chiropractors

Senate Bill 52/House Bill 514 (Chs. 21 and 22) make numerous changes to the State Board of Chiropractic Examiners and the law governing chiropractic licensure. Licensure changes include (1) altering board member appointment methods; (2) expanding disciplinary grounds and granting the board authority to conduct certain examinations of licensees and inspections; (3) revising licensure qualifications, including changes to educational requirements and board-administered examinations; (4) replacing the extern license with a preceptorship (an organized system of clinical experience that allows a student in a chiropractic program to be paired

with a clinical preceptor for learning purposes); and (5) authorizing the board to issue temporary licenses instead of extern licenses. An extern license authorizes an individual to practice chiropractic under the direct supervision of a board-approved licensed chiropractor.

Dentists, Dental Hygienists, and Dental Assistants

The Maryland Dent-Care Program is a loan assistance repayment program intended to increase access to oral health services for underserved Maryland Medicaid recipients by increasing the number of dentists and dental hygienists who treat that population. To be eligible for an award, an applicant must (1) be licensed to practice in Maryland by the State Board of Dental Examiners (BDE); (2) demonstrate financial need; (3) be employed full time as a dentist or dental hygienist; (4) agree to have at least 30% of their patient population be Maryland Medicaid recipients; and (5) meet any other criteria established by the Office of Student Financial Assistance (OSFA). *Senate Bill 456/House Bill 265 (both passed)* expand eligibility for the Maryland Dent-Care Program to include dentists and dental hygienists employed on a part-time basis. The bills also require OSFA, in collaboration with MDH, to establish prorated loan repayment assistance for any part-time dentists and dental hygienists participating in the program.

In addition to requiring MDH to prepare a plan regarding former federal employees as noted above, *Senate Bill 749/House Bill 723* require BDE to issue a license or certificate to a dentist, dental hygienist, or dental radiation technologist (DRT) licensed in another state within 15 business days after receiving the applicant's completed application if the applicant otherwise meets the requirements for licensure. The Acts also specify the requirements a DRT authorized to practice in another state must meet to be qualify for a DRT certificate from BDE, including examination requirements and a lack of charges or discipline against the applicant.

An expanded function dental assistant (EFDA) is a licensed dental assistant who is certified by BDE to perform specific intraoral procedures. An EFDA may perform a procedure if a licensed dentist gives specific instructions to perform the procedure and directly supervises the procedure. *Senate Bill 792/House Bill 573 (Chs. 23 and 24)* expand the authorized courses of study an applicant may complete to qualify for an EFDA certificate. A course of study for initial certification must include at least 35 hours of instruction consisting of both online and in-person instruction. BDE must adopt regulations (1) requiring continuing education, including clinical hands-on training, for EFDAs to be offered by State-based dental professional societies affiliated with national dental organizations and other specified entities and (2) specifying the required number of hours for in-person instruction, online instruction, and clinical hands-on training. BDE must reinstate an EFDA certificate that is expired only if the holder (1) has completed the continuing education requirements set by BDE; (2) has submitted a renewal application before the deadline set by the board; and (3) pays a renewal fee.

Massage Therapists

In addition to extending the termination dates for four other health occupations boards, *Senate Bill 217/House Bill 256* increase the membership of the State Board of Massage Therapy

Examiners from seven to nine members and extend the termination date of the board by five years to July 1, 2031.

Nurses

Building Opportunities for Nurses Act of 2025

House Bill 19 (passed) extends the termination date for the Maryland Board of Nursing (MBON) by five years to July 1, 2030, and extends the Secretary of Health's authority over MBON infrastructure operations through June 30, 2030. The bill alters education requirements for licensure, adds an exception for licensure by endorsement, and repeals provisions regarding nursing assistant training programs. The bill delays the date by which (1) a certified nursing assistant (CNA) must obtain certification as a CNA-I or CNA-II to March 31, 2026, and (2) MBON must notify individuals of the licensure requirements and update regulations to January 1, 2026. The termination dates for specified preceptorship income tax credit programs are extended to June 30, 2030.

House Bill 19 also expands eligibility for the Maryland Loan Assistance Repayment Program (MLARP) for Nurses and Nursing Support Staff to additional nurses and nursing support staff with for-profit employment in an area of the State identified by MDH as having a health care workforce shortage or public health need. MDH may also assist in the repayment of an education loan owed by a nurse or nursing support staff who (1) practices a medical specialty that has been identified by MDH as being in shortage in the geographic area of the State where the nurse practices and (2) commits to practicing in the area for a period determined by MDH.

Licensure By Endorsement and English Proficiency

MBON may issue a license by endorsement and waive any appropriate examination requirement for an applicant who has an active unencumbered registered nurse (RN) or licensed practical nurse (LPN) license in any other state or country if the applicant (1) submits an application; (2) submits to a criminal history records check; (3) pays the application fee; and (4) provides adequate evidence that they met Maryland's educational requirements at the time they graduated from a nursing education program, passed an examination at the time they were licensed that is similar to the Maryland examination, and meet the qualifications otherwise required. *Senate Bill 72/House Bill 367 (both passed)*, among other things, clarify that to attain licensure by endorsement from MBON, an applicant may hold a valid, unencumbered multistate license under the Nurse Licensure Compact (NLC) as an alternative to providing the evidence described above.

To obtain an RN or LPN license, an applicant must demonstrate written or oral competency in English. *Senate Bill 72/House Bill 367* also permit two additional methods for demonstrating such competency – passing an English proficiency exam approved by the U.S. Department of Health and Human Services or holding a valid, unencumbered multistate license under the NLC.

Advanced Practice Registered Nurses

In Maryland, an individual must be licensed as an RN and certified as an advanced practice registered nurse (APRN) by MBON to practice as a nurse practitioner, nurse anesthetist, nurse midwife, or clinical nurse specialist. *Senate Bill 407/House Bill 602 (both passed)* require MBON to hold discussions with the state nursing licensing boards for Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia to pursue reciprocity agreements for APRN licensure and specialty certification. By November 1, 2025, and each November 1 thereafter for the next four years, MBON must submit a report regarding the discussions to specified committees of the General Assembly.

Direct-Entry Midwifery

Senate Bill 854/House Bill 838 (both passed) specify that the practice of direct-entry midwifery is independent and does not require oversight by another health care practitioner. The scope of practice for direct-entry midwifery and the medical conditions under which a licensed direct-entry midwife must consult or transfer the care of a patient are altered. Among other things, the bills (1) repeal a reporting requirement; (2) alter the requirements for specified written plans and procedures for hospital transfer; (3) clarify the actions MBON may take if an applicant to practice direct-entry midwifery or a licensed direct-entry midwife violates a ground for discipline; and (4) extend the termination date of the statutory provisions that govern direct-entry midwives by five years to July 1, 2030.

House Bill 664 (passed) clarifies the actions that MBON may take if an applicant to practice direct-entry midwifery or a licensed direct-entry midwife violates a ground for discipline. MBON may deny or grant a license (including a license subject to a reprimand, probation, or suspension) to an applicant, reprimand a license, place a licensee on probation, or suspend or revoke the license of a licensee.

Pharmacists

Senate Bill 371/House Bill 565 (both passed) require the State Board of Pharmacy to send renewal notices by email instead of first-class mail, unless otherwise requested. At least one month before a pharmacy license, wholesale distributor permit, pharmacy technician registration, or pharmacy intern registration expires, and before March 1 of the expiration year of a pharmacy permit, the board must send a renewal notice to the last known email address of the licensee or permit or registration holder. If requested, the board must instead send a renewal notice by first-class mail to the individual's last known address.

Senate Bill 217/House Bill 256 extend the termination dates of five separate health occupations boards, including the State Board of Pharmacy, which is extended by five years to July 1, 2030.

Physical Therapists

Senate Bill 47/House Bill 3 (both passed) alter the definition of “physical therapist assistant” by clarifying that the term applies to an individual licensed by the State Board of Physical Therapy Examiners who practices limited physical therapy and has passed a specified exam. The bills also (1) add a second licensed physical therapist assistant member to the board; (2) require the board to send a license renewal notice via electronic means and provide such notice by first class mail only when requested by the licensee; and (3) change the contents of the renewal notice by including the date by which the renewal application must be received by the board for the renewal to be issued (rather than issued and mailed) before the license expires.

Physicians and Allied Health Care Practitioners

The State Board of Physicians (MBP) has regulatory authority over physicians, physician assistants (PAs), radiographers, radiation therapists, nuclear medicine technologists, radiologist assistants, respiratory care practitioners, polysomnographic technologists, athletic trainers, perfusionists, naturopathic doctors, and genetic counselors. *Senate Bill 423/House Bill 776 (both passed)* alter, clarify, and make consistent provisions of law regarding physicians, PAs, and the allied health professionals regulated by MBP. Among other actions, the bills alter disciplinary grounds and the disciplinary process, licensure requirements, board duties, specified notification requirements, and provisions governing the allied health professional advisory committees. The bills authorize MBP, except as otherwise specified, to adopt regulations regarding its advisory committees governing members’ terms of office, procedures for filling committee vacancies, the removal of members, and the duties of each officer. The bills also alter the membership, procedures, and responsibilities of all MBP advisory committees to make them more uniform and rename the Respiratory Care Professional Standards Committee to the Respiratory Care Advisory Committee and the Polysomnography Professional Standards Advisory Committee to the Polysomnography Advisory Committee. The bills increase existing civil penalties and establish new administrative penalties for specified violations.

Professional Counselors and Therapists

Generally, a licensed professional counselor cannot provide services to a patient unless they are physically located in the state where the counselor is licensed. *House Bill 1474 (passed)* authorizes the State Board of Professional Counselors and Therapists to issue a temporary telehealth license to an out-of-state licensed professional counselor who (1) is licensed, certified, or otherwise authorized by law to provide clinical professional counseling or counseling services in another state; (2) is in good standing with the regulatory authority in that state; (3) meets any other qualifications set by the board in regulations; and (4) submits a temporary telehealth license application. The temporary telehealth license allows the counselor to provide clinical professional counseling services through telehealth to an out-of-state student enrolled at and residing at or near an institution of higher education in Maryland, so long as the student and counselor have a previously established therapeutic relationship of at least six months. The temporary license has a six-month term and cannot be renewed.

To expedite the licensing process for behavior analysts, *House Bill 745 (passed)* requires the State Board of Professional Counselors and Therapists to issue a license within 30 days after receiving a completed application from a qualified applicant. If an applicant submits an incomplete application but is determined to meet licensure requirements based on additional information submitted, the board must issue a license within 50 days of receiving the additional information. The board must notify an applicant for a behavior analyst license by email several times throughout the application review process.

Senate Bill 217/House Bill 256 extend the termination dates of five separate health occupations boards, including the State Board of Professional Counselors and Therapists (and the Behavior Analyst Advisory Committee), which is extended by two years to July 1, 2028.

Social Workers

The Interstate Social Work Licensure Compact is intended to facilitate interstate practice of regulated social workers by improving public access to competent social work services and to preserve the regulatory authority of states to protect public health and safety through the current system of state licensure. *Senate Bill 174/House Bill 345 (Chs. 9 and 10)* enter Maryland into the compact. The Acts establish (1) specified procedures and requirements for a social worker to practice under a multistate license (a license to practice as a regulated social worker issued by a home state licensing authority that authorizes the regulated social worker to practice in all member states under multistate authorization to practice) in a member state; (2) the composition, powers, and responsibilities of the Social Work Licensure Compact Commission; and (3) requirements related to the oversight, dispute resolution, and enforcement of the compact.

Health Care Facilities and Regulation

Health Services Cost Review Commission

The Health Services Cost Review Commission (HSCRC) is an independent commission that oversees acute and chronic care hospitals and is charged with establishing hospital rates to promote, among other things, access to care, equity, and hospital accountability. HSCRC's special fund consists of user fees assessed on hospitals and related institutions. User fees must be used exclusively to cover the actual documented direct costs of fulfilling the statutory and regulatory duties of HSCRC, including administrative costs incurred by the Maryland Department of Health (MDH) on behalf of the commission. *Senate Bill 229/House Bill 54 (Chs. 25 and 26)* repeal the June 30, 2025 termination date on the formula used to determine the maximum amount of user fees that may be assessed by HSCRC. The user fee cap will continue to be based on 0.1% of budgeted hospital revenue or the largest cap amount determined during the immediately preceding five fiscal years.

HSCRC is also responsible for implementing the Total Cost of Care (TCOC) Model, under which it regulates hospital population-based revenues (commonly referred to as global budgets).

The federal Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model allows Maryland to continue statewide efforts to improve health care quality and control costs under TCOC. AHEAD seeks to drive state and regional health care transformation and multi-payer alignment, with the goal of improving the total health of a state population and lowering costs across all payers. *House Bill 1104 (passed)* establishes the Population Health Improvement Fund to support statewide population health targets under the AHEAD Model and any successor models. Each year of TCOC, AHEAD, or any successor model, until December 31, 2027, HSCRC may assess a uniform, broad-based, and reasonable amount in hospital rates to be credited to the fund.

Hospitals

Financial Assistance and Medical Debt Collection

Each hospital in the State is required to develop a financial assistance policy and a debt collection policy. Each hospital's debt collection policy must prohibit the hospital from selling patient debt. However, *House Bill 765 (passed)* authorizes a hospital to sell debt owed by specified patients for specified hospital services to a governmental unit, an entity under contract with the unit, or to a tax-exempt nonprofit organization for the sole purpose of canceling the debt. The patient is not responsible to the hospital, the governmental unit, the contractor, or the nonprofit organization for any amount of the debt that is sold, or any interest, fees, or costs associated with the debt or the sale.

A hospital's debt collection policy must prohibit the hospital from reporting adverse information about a patient to a consumer reporting agency for nonpayment for a specified amount of time after issuing the initial patient bill. *House Bill 1020 (passed)* prohibits a consumer reporting agency from including certain information related to medical debt in a consumer report. Additionally, a person may not use medical debt information included in a consumer report to make a determination regarding creditworthiness. A person whose primary business is providing medical services, products, or devices may not disclose any portion of a medical debt to a consumer reporting agency.

Senate Bill 349/House Bill 428 (both passed) prohibit the creation of a lien on owner-occupied residential property by contract or as a result of a breach of contract for the payment of medical debt. If a lien is created in violation of the legislation's provisions, the court must remove the lien. The bills also require that a complaint seeking a money judgment indicate whether the judgment sought is for medical debt.

Each hospital must establish a financial assistance policy for providing free and reduced cost medically necessary care to patients who lack health care coverage or whose health care coverage does not pay the full cost of the hospital bill. A patient's family income must be calculated at the time of service or updated, as appropriate, to account for any change in financial circumstances of the patient that occurs within 240 days after the initial hospital bill is provided. *Senate Bill 981/House Bill 268 (both passed)* require a hospital to reduce a patient's out-of-pocket expenses for medically necessary care by a specified percentage based on the patient's family

income and alter notice requirements for hospital financial assistance policies. The bills alter the components of each hospital's debt collection policy by, among other things, (1) prohibiting a hospital from filing a civil action to collect debt against a patient under specified circumstances; (2) increasing the number of days before interest payments on medical debt may be assessed or a hospital is authorized to take civil action to collect debt; (3) altering the monthly payment amount for an income-based payment plan for medical debt; and (4) prohibiting a hospital from charging interest on the debt owed on a bill for specified patients before a court judgement is obtained. The bills exclude from the statute of limitations on civil actions a contract that is related to an obligation of a consumer to pay consumer debt that arises from hospital services and between a consumer and a hospital.

Nonprofit Hospitals and Community-Based Organizations

Each nonprofit hospital in the State must conduct an annual community health needs assessment (as required by the federal Patient Protection and Affordable Care Act) and submit an annual report to HSCRC detailing the community benefits provided by the hospital during the preceding year. A community benefit is a planned, organized, and measured activity that is intended to meet identified community health needs within a service area. *House Bill 871 (passed)* authorizes a community health worker (CHW) workforce program between a nonprofit hospital and a community-based organization to be considered a community benefit. The purpose of a CHW workforce program must be to provide services to patients that are intended to improve health outcomes and address social determinants of health. A nonprofit hospital and a community-based organization may establish a specified memorandum of understanding and collaborate to address costs associated with increasing administrative capacity within the community-based organization necessary to participate in the partnership.

Maternal Health

A certified doula is a nonmedical professional who provides continuous physical, emotional, and informational support to the birthing parent throughout the prenatal, labor, and postpartum periods. *House Bill 1251 (passed)* requires a hospital that provides obstetric care to adopt a doula policy, an informed consent policy for significant medical intervention for the birthing parent, and a transfer acceptance policy. Each hospital must provide evidence to MDH that the hospital has adopted the policies by January 1, 2026, and whenever the policies are updated. MDH must make the policies provided by a hospital available to the public on request. If requested by MDH, an insurer that issues or delivers medical professional liability insurance policies in the State must provide information regarding the insurer's policy related to coverage of obstetric services, including coverage for a vaginal birth after cesarean.

Senate Bill 676/House Bill 1380 (both passed) require MDH, in coordination with the Maryland Institute for Emergency Medical Services Systems, to adopt regulations establishing minimum perinatal care standards that meet or exceed the Maryland Perinatal System Standards for each hospital that provides obstetrical services and for freestanding birthing centers. MDH

must adopt the regulations by October 1, 2026. Each hospital that provides obstetrical services and freestanding birthing centers must meet the standards as a condition of licensure.

The Maternal and Child Health Population Health Improvement Fund is intended to invest in maternal and child population health improvements in Medicaid and MDH's Prevention and Health Promotion Administration through calendar 2025. Funding is derived from a uniform, broad-based assessment built into hospital rates, which must be approved by HSCRC. *Senate Bill 213/House Bill 170 (Chs. 29 and 30)* extend, from December 31, 2025, to December 31, 2027, the date through which the fund may be used for maternal and child health population health improvements. Through calendar 2027, MDH may spend any monies remaining in the fund on December 31, 2025.

Health Care Facilities

In General

Generally, a health care facility is a facility or an office where health care is provided to patients by a health care practitioner or group of health care practitioners licensed, certified, or otherwise authorized by law to provide health care services. *Senate Bill 740 (passed)* authorizes a health care facility to screen each patient for information on the patient's eligibility as a service member community member (a service member, a veteran, the spouse of a service member or veteran, or a child or stepchild of a service member or veteran) and include the information in the patient's medical record. Each health care facility may identify service member community members as a vulnerable population and comply with the standards associated with the National Patient Safety Goal to Improve Health Care Equity established by the Joint Commission.

After an individual receives a verdict of not criminally responsible (NCR), a court ordinarily is required to order the defendant committed to a facility designated by the Maryland Department of Health (MDH) for appropriate care or treatment. *Senate Bill 43/House Bill 32 (both passed)* require MDH to establish a forensic review board consisting of health care providers at each facility that has persons committed as NCR to annually review and determine whether to recommend to the court that a committed person is eligible for discharge or conditional release. Each forensic review board must maintain a written record containing its recommendations and findings and, if applicable, the request for an eligibility review by the treatment team and the clinical reasons behind its determination that a committed person is eligible for discharge or conditional release. The board's written record must be included in the committed person's medical record, and a document or record produced by a board must be provided on request to the committed person, counsel for that person, the court, the State's Attorney, or MDH. The treatment team must implement any recommendations from the board and make arrangements for necessary treatment to rehabilitate the committed person.

Nursing Homes

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. *Senate Bill 376 (passed)* requires OHCQ, beginning July 1, 2025, and every six months thereafter, to report to the local area agency on aging for each county the name of each nursing home in the county that was surveyed in the immediately preceding six months and the date each survey was conducted. MDH must also report every three months to specified committees of the General Assembly on the number of surveys conducted in each county, disaggregated by the types of surveys.

Residential Service Agencies

A residential service agency is a business that employs, or contracts with, individuals to provide home health care services for compensation to an individual in their home. *House Bill 1478 (passed)* requires MDH to report on the feasibility of establishing and maintaining an online directory of home health care providers to (1) allow an individual seeking home health care services to identify a home health care provider in a statewide directory based on specified criteria and (2) support statewide communication to home health care providers for retention and recruitment, workforce development, and to facilitate communication in the event of a public health or other emergency. MDH must consult with specified stakeholders and submit a report to the General Assembly on information regarding a home health care provider directory.

Health Insurance

Access to Affordable Health Insurance

State-Based Young Adult Health Insurance Subsidies Program

Chapters 777 and 778 of 2021 required the Maryland Health Benefit Exchange (MHBE) to establish and implement the State-Based Young Adult Health Insurance Subsidies Pilot Program to help make health insurance more affordable for uninsured young adults. *Senate Bill 5/House Bill 297 (both passed)* rename the pilot program to be the State-Based Young Adult Health Insurance Subsidies Program and make the program permanent. MHBE is authorized, rather than required, to establish and implement the program and may not implement the program for calendar years in which specified funds are not available. For calendar 2026 and thereafter, MHBE, in consultation with the Insurance Commissioner, may designate funds from the MHBE Fund to provide annual subsidies to young adults who meet the program's subsidy eligibility and payment parameters.

State-Based Health Insurance Subsidies Program

The federal Patient Protection and Affordable Care Act (ACA) established advanced premium tax credits (APTCs) to help eligible households lower their payments toward premiums for qualified health plans offered through exchanges. Under the ACA, APTCs were available to

individuals with household incomes between 100% and 400% of the federal poverty level. The federal American Rescue Plan Act (ARPA) expanded eligibility for and the amount of APTCs for calendar 2021 and 2022, which resulted in larger subsidy amounts. The federal Inflation Reduction Act extended ARPA provisions through calendar 2025; however, the enhanced APTCs are scheduled to terminate December 31, 2025.

House Bill 1082 (passed) requires MHBE, in consultation with the Insurance Commissioner and as approved by the MHBE Board, to establish and implement a State-Based Health Insurance Subsidies Program to provide subsidies to individuals for the purchase of health benefit plans in the individual market. The program must be designed to maintain affordability for individuals purchasing health benefit plans through MHBE and target individuals who experience an increase in the federal applicable percentages for premiums based on household income in calendar 2026 and 2027, as compared to calendar 2025 due to the loss of enhanced federal APTCs.

Maryland Health Insurance Coverage Protection Commission

Chapter 17 of 2017 established the Maryland Health Insurance Coverage Protection Commission. The commission met throughout the 2017 through 2022 interims to monitor federal actions and issued six annual reports. The commission terminated June 30, 2023.

House Bill 718 (passed) reestablishes the commission to (1) monitor potential and actual federal changes to the ACA, the federal Mental Health Parity and Addiction Equity Act, Medicaid, the Maryland Children's Health Program, Medicare, and the Maryland All-Payer Model; (2) assess the impact of such changes; and (3) provide recommendations for State and local action to protect access to affordable health coverage. By December 31 each year, the commission must submit a report on its findings and recommendations. The commission terminates June 30, 2029.

Consumer Protections

Chapters 620 and 621 of 2020 established, in a new subtitle, the consumer protection provisions of the ACA that were specified through cross-references in Maryland law and established nondiscrimination provisions. The Acts generally apply to any health benefit plan offered in the small group, individual, or large group markets and specify exceptions for grandfathered plans. The Insurance Commissioner must enforce these provisions.

Preventive Services

House Bill 974 (passed) updates Maryland consumer protection provisions by requiring the Insurance Commissioner to enforce the requirement that each carrier provide coverage for specified preventive services without cost-sharing requirements, including copayments, coinsurance, or deductibles, consistent with the recommendations and guidelines in effect on December 31, 2024, as set by specified entities and related federal rules or guidance. Further, the Commissioner may adopt regulations, consistent with federal statutes, rules, and guidance in effect either on December 31, 2024, or at a later date that enhance the scope of preventive services to the benefit of consumers in the State.

Discrimination in Health Insurance

House Bill 1045 (passed), among other things, specifies that the Insurance Commissioner and the Maryland Commission on Civil Rights have concurrent jurisdiction to enforce consumer protection provisions related to discrimination in health insurance. The Commissioner may adopt regulations, consistent with federal statute, rules, and guidance in effect on December 31, 2024. The bill also updates references to federal rules and guidance relating to health insurance consumer protection provisions.

Adverse Decisions

Senate Bill 776/House Bill 995 (both passed) establish a Workgroup to Study the Rise in Adverse Decisions in the State Health Care System. The workgroup must (1) review existing State adverse decision reporting requirements for all health payers in the State and include specified information in its final report; (2) make recommendations to improve State reporting on adverse decisions; (3) develop strategies for, and make recommendations to reduce, the number of adverse decisions; and (4) develop recommendations for legislation to address the rise in adverse decisions and standardize State reporting requirements regarding adverse decisions across all payers. By December 1, 2025, the workgroup must report its findings and recommendations to specified committees of the General Assembly.

Senate Bill 474/House Bill 848 (both passed) expand the required contents of (1) the written notice a carrier must provide to a member, a member’s representative, and a health care provider acting on behalf of the member when the carrier renders a nonemergency adverse decision or grievance decision and (2) the quarterly appeals and grievances report each carrier must submit to the Insurance Commissioner. The bills also require a private review agent to (1) have a direct telephone number and monitored email address dedicated to utilization review; (2) respond to voicemails or emails within a certain period of time; and (3) post utilization review criteria and standards in a specified manner.

House Bill 820 (passed) requires carriers, pharmacy benefits managers (PBMs), or private review agents that use artificial intelligence (AI), algorithms, or other software tools for utilization review (including working through an entity that uses such tools) to ensure that such tools are used in a specified manner. The bill also alters the information that carriers must submit in their quarterly appeals and grievance reports to include whether an AI, algorithm, or other software tool was used in making an adverse decision.

Mandated Coverage and Cost Sharing

Insulin

A “step therapy or fail-first protocol” is a protocol established by a carrier that requires a prescription drug or sequence of prescription drugs to be used by an insured or enrollee before a prescription drug ordered by a prescriber is covered. *Senate Bill 646/House Bill 970 (both passed)*

prohibit carriers from imposing a step therapy or fail-first protocol for insulin or an insulin analog that is approved by the U.S. Food and Drug Administration (FDA) and used to treat Type 1, Type 2, or gestational diabetes.

Calcium Score Testing

Calcium score testing shows any calcium deposits in the coronary arteries of the heart and may help predict the risk of a future heart attack and help determine risk for cardiovascular disease. *Senate Bill 60/House Bill 666 (both passed)* require carriers, as well as Medicaid, to cover calcium score testing in accordance with the most recent guidelines issued by the American College of Cardiology that expand the scope of preventive care services for the benefit of consumers.

Hearing Aids

Chapters 951 and 952 of 2024 require certain carriers to provide coverage for medically appropriate and necessary hearing aids for an adult if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist. *Senate Bill 641/House Bill 1355 (both passed)* expand this mandate to require coverage if the hearing aids are ordered, fitted, and dispensed by a licensed hearing aid dispenser.

Anesthesia

House Bill 1086 (passed) establishes requirements for certain carriers, as well as Medicaid, regarding coverage for anesthesia. If anesthesia is covered for a procedure for which a licensed provider issues an order, a carrier or Medicaid must cover (1) the delivery of anesthesia for the entire duration of the procedure and (2) medical care related to the delivery of anesthesia for the procedure that is provided immediately before and after the procedure. A carrier or Medicaid may not establish, implement, or enforce a policy, practice, or procedure that places time limitations on the delivery of anesthesia.

Advanced Metastatic Cancer

Under current law, a carrier may not impose a step therapy or fail-first protocol on an insured or enrollee for an FDA-approved prescription drug used to treat stage four advanced metastatic cancer if the use of the drug is supported by peer-reviewed medical literature and is consistent with the FDA-approved indication or the National Comprehensive Cancer Network Drugs & Biologics Compendium indication for the treatment of stage four advanced metastatic cancer. *Senate Bill 921/House Bill 1087 (both passed)* expand this prohibition to include drugs prescribed by a treating physician to treat a symptom or side effect of stage four advanced metastatic cancer. Use of the prescription drug must be consistent with best practices for the treatment of stage four advanced metastatic cancer, or a condition or side effect associated with stage four advanced metastatic cancer and supported by peer-reviewed medical literature. The prescription drug must be covered under the terms of the policy or contract of the insured or enrollee.

Childhood and Adolescent Immunizations

House Bill 1315 (passed) specifies that the recommendations of the Centers for Disease Control and Prevention’s Advisory Committee on Immunization Practices (ACIP) that govern the administration of vaccinations by pharmacists refer to federal statutes, rules, and guidance in effect either on December 31, 2024, or at a later date to account for any new vaccines recommended by ACIP after that date. Specified insurance policies and nonprofit health service plans must include – in their minimum package of child wellness services required under current law – all visits for and costs of childhood and adolescent immunizations recommended by ACIP as of December 31, 2024. The Insurance Commissioner may adopt regulations, consistent with federal statutes, rules, and guidance in effect either on December 31, 2024, or at a later date to account for any new vaccines recommended by ACIP.

Pharmacy Benefits and Services

Upper Payment Limits

The Prescription Drug Affordability Board (PDAB) was established in 2019. The board’s enacting statute specified that, if PDAB finds that it is in the State’s best interest to establish a process for setting upper payment limits (UPLs) for prescription drug products that it determines have led or will lead to an affordability challenge, it must draft a plan of action. On October 22, 2024, the Legislative Policy Committee approved PDAB’s action plan for establishing UPLs for prescription drugs identified as causing or likely to cause affordability challenges. The action plan applies to prescription drug products that are (1) purchased or paid for by a unit of State or local government or an organization on behalf of a unit of State or local government; (2) paid for through a health benefit plan on behalf of a unit of State or local government, including a county, bicounty, or municipal employee health benefit plan; or (3) purchased for or paid for by Medicaid.

Senate Bill 357/House Bill 424 (both passed) require PDAB to determine whether it is in the State’s best interest to set UPLs for all purchases and payor reimbursements of prescription drug products in the State that have led or will lead to an affordability challenge. If PDAB makes this determination, it must establish a specified process and set UPLs accordingly. For these provisions to take effect, PDAB must set UPLs on two prescription drugs in accordance with the approved action plan and each UPL must be in effect for one year.

The bills also, among other things, (1) repeal reporting requirements for PDAB regarding UPLs; (2) authorize PDAB to reconsider a UPL for a drug that becomes a current shortage (a drug listed as current on FDA’s Drug Shortage Database or otherwise determined by PDAB to be in short supply in the State); (3) prohibit PDAB from taking specified actions that pertain to UPLs; (4) modify the requirements and criteria for setting UPLs; (5) imposes additional reporting requirements on PDAB; and (6) adds new members to the Prescription Drug Affordability Stakeholder Council.

Workgroup to Study Pharmacy Benefits Managers

House Bill 813 (*passed*) requires the Maryland Insurance Administration (MIA) and the Maryland Department of Health (MDH), in consultation with PDAB, to convene a workgroup of interested stakeholders and third-party experts in the field of drug pricing in Medicaid. The workgroup must review (1) reimbursement for pharmacists; (2) coverage requirements for specialty drugs; (3) exemptions for pharmacy benefits management regulation under the Employee Retirement Income Security Act of 1974; (4) the costs associated with pharmacies contracting with commercial plans versus pharmacies contracting with Medicaid; and (5) provisions of State law regarding PBMs, specialty pharmacies, and anti-steering. MIA and MDH must submit an interim report on the workgroup's findings and recommendations to specified committees of the General Assembly by December 31, 2025, and a final report by December 31, 2026.

Specialty Drugs

Senate Bill 975/House Bill 1243 (*both passed*) prohibit certain carriers, including those that provide prescription drug coverage through a PBM, from excluding coverage for a covered specialty drug administered or dispensed by a provider if the carrier determines that (1) the provider is an in-network provider of covered oncology services and complies with State regulations for the administering and dispensing of specialty drugs and (2) the drug is auto-injected, an oral targeted immune modulator, or an oral medication that requires complex dosing based on clinical presentation or is used concomitantly with other infusion or radiation therapies. If this prohibition applies, the reimbursement rate for a covered specialty drug must be agreed to by the carrier and the covered, in-network provider and billed at a nonhospital level of care or place of service. The bills do not prohibit a carrier from refusing to authorize or approve or denying coverage of a covered specialty drug administered or dispensed by a provider if administering or dispensing the drug fails to satisfy medical necessity criteria.

Calculation of Cost Sharing Contributions

Senate Bill 773 (*passed*) requires a carrier, including a carrier that provides prescription drug coverage through a PBM, when calculating an enrollee's or beneficiary's contribution to an applicable cost sharing requirement, to include any payments made by, or on behalf of, the enrollee or beneficiary, except as specified. An administrator, carrier, or PBM may not directly or indirectly set, alter, implement, or condition the terms of health benefit plan coverage based on information about the availability or amount of financial or product assistance available for a prescription drug or biological product. A specified annual limitation on cost sharing must apply to all health care services covered under a health benefit plan offered or issued by an administrator or a carrier in the State. Additionally, a third party that provides financial assistance on behalf of an enrollee toward an applicable cost sharing (or out-of-pocket) expense for a covered prescription drug must comply with specified requirements.

Miscellaneous

Access to Nonparticipating Providers

Under Maryland law, each carrier must establish and implement a procedure by which a member may request a referral to a specialist or nonphysician specialist that is not part of the carrier's provider panel if the member is diagnosed with a condition or disease that requires specialized health care services or medical care. The procedure must provide for a referral if the carrier does not have a specialist or nonphysician specialist with the professional training and expertise to treat or provide health care services for the condition in its provider panel or cannot provide reasonable access to such a specialist without unreasonable delay or travel.

Senate Bill 902/House Bill 11 (both passed) alter and expand the scope of these provisions by requiring that referrals also be made if the member is seeking mental health or substance use disorder (SUD) care and the carrier cannot provide reasonable access to a specialist or nonphysician specialist within the reasonable appointment waiting time and travel distance standards established in regulation for mental health and SUD services. If a carrier approves a member's request for a referral, the carrier may not require utilization review other than what would be required if the covered benefit were provided by a provider on the carrier's provider panel. Additionally, the bills repeal the termination date of Chapters 271 and 272 of 2022, under which a carrier must ensure that mental health and SUD services provided by a nonparticipating specialist or nonphysician specialist to which a member is referred are provided at no greater cost to the covered individual than if the services were provided by a participating provider. The bills specify that a carrier must ensure that the mental health and SUD services are provided *for the duration of the treatment plan* at no greater cost than if the services were provided by a participating provider. If a member cannot access mental health or SUD services through the referral procedure, a carrier must provide additional assistance to the member in identifying and arranging coverage of mental health or SUD services by a nonparticipating specialist or nonphysician specialist.

Prior Authorization for Transfers to Special Pediatric Hospitals

House Bill 1301 (passed) prohibits certain carriers, as well as Medicaid and the Maryland Children's Health Program, from requiring prior authorization for a transfer to a special pediatric hospital (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).

Medicare Supplement Policies

Senate Bill 956 (passed) requires a carrier to pay the same commission rates to an insurance producer for the sale of a Medicare supplement policy – without regard to whether the policy is sold during an open enrollment period, as an underwritten policy, or within 30 days following the individual's birthday. The bill applies to a Medicare policy issued within 30 days following the individual's birthday or to an individual at least age 65.

Credentialing for Behavioral Health Care Professionals

A provider seeking to participate on a carrier's provider panel must submit an application to the carrier. Within 30 days after receipt of a completed application, a carrier must send the provider written notice of the carrier's intent to continue to process the provider's application or the carrier's rejection of the provider for participation on the provider panel. If a carrier provides notice of its intent to continue to process the provider's application, the carrier must, within 120 days after the date the notice is provided, accept or reject the provider for participation and send written notice of the acceptance or rejection to the provider. *House Bill 1351 (passed)* specifies that, within 60 days after receipt of a completed application submitted by certain behavioral health providers, a carrier must (1) accept or reject the application for participation on the carrier's provider panel and (2) send written notice of the acceptance or rejection at the address listed in the application.

Provider Directory

House Bill 1292 (passed) replaces the term "network directory" with the term "provider directory" to conform with the federal No Surprises Act. The bill alters the time period by which a carrier must update the online provider directory after notification from a participating provider of a change in the applicable information from within 15 working days to within 2 working days. A dental carrier must update such information within 15 working days. By January 1, 2026, the Insurance Commissioner must report to the General Assembly on any changes to regulations related to the accuracy of provider directories.

Prohibition on Discretionary Clauses

Chapter 155 of 2011 prohibits insurers and nonprofit health service plans from selling, delivering, or issuing a disability insurance policy that contains a clause that purports to reserve sole discretion to the carrier to interpret the terms of the policy, or to provide standards of interpretation or review that are inconsistent with the laws of the State. Discretionary clauses in insurance contracts generally give the insurance carrier full discretion to determine when insurance benefits are due. *House Bill 1069 (passed)* prohibits carriers from selling, delivering, or issuing a health insurance policy, a life insurance policy, an annuity contract, or a health maintenance organization contract that contains a clause that purports to reserve sole discretion to the carrier to interpret the terms of the policy, or to provide standards of interpretation or review that are inconsistent with the laws of the State.

Electronic Notice of Cancellation or Nonrenewal of Coverage

When a carrier elects not to renew a product for all small employers in the State, the carrier must provide written notice of the nonrenewal at least 90 days before the date of the nonrenewal to each affected small employer and enrolled employee, as well as the Insurance Commissioner. *House Bill 936 (passed)* requires a carrier to send such notice by electronic means in addition to the written notice required under current law. The notice must include information on additional health benefit coverage options, including continuation of coverage through the Consolidated

Omnibus Budget Reconciliation Act, if available, and plans available through the Maryland Health Benefit Exchange.

Social Services

Public Assistance

Temporary Cash Assistance (TCA) provides monthly cash grants to eligible individuals and is funded with general funds, federal Temporary Assistance for Needy Families funds, and certain child support collections. The amount of assistance provided is computed by counting no more than four weeks of earned income in any month and disregarding 20% of that earned income. Also, the first \$100 of child support collected in a month for one child and the first \$200 of child support collected in a month for two or more children must pass through to the family and be disregarded in computing the amount of assistance. The remaining amount of child support collected on behalf of families receiving TCA is retained by the State, with a portion used to reimburse the federal government for its share of the collections. The portion retained by the State is primarily used to offset the costs of TCA and child support-related contracts.

House Bill 881 (passed) establishes that, beginning in fiscal 2028, the amount of child support collected in a month that passes through to a family seeking assistance must gradually increase each fiscal year, as specified, so that beginning in fiscal 2031, 100% of child support collected in a month passes through to the family and is disregarded in computing the amount of assistance. Consequently, to account for the loss of the State share of child support collections and for necessary reimbursements to the federal government, general fund expenditures increase by an estimated \$2.4 million in fiscal 2028, by gradually increasing amounts through fiscal 2030, and by \$13.9 million annually beginning in fiscal 2031.

Children

Community Programs

Boys and Girls Clubs of Maryland: The Governor’s Office for Children (GOC) provides a coordinated, comprehensive, interagency approach to (1) promoting the well-being of children and families through a network of supports, programs, and services that are family- and child-oriented and (2) reducing the number of children living in poverty. *Senate Bill 880 (passed)* requires, for fiscal 2027 through 2030, the Governor to include an appropriation of \$250,000 in the annual budget bill for GOC to provide grants to fund operating expenses of the Boys and Girls Clubs of Maryland.

Youth Transportation Companies: Although programs operating as part of the “troubled teen industry” claim to rehabilitate youth struggling with behavioral issues, the programs often face allegations of neglect, abuse, and the infliction of psychological trauma. Some of the more high-profile allegations involve the methods by which companies transport youth to the facilities.

Senate Bill 400/House Bill 497 (both passed) prohibit a youth transportation company, when the final intended destination is a “residential child care program,” from using specified visual impairment or physical or mechanical restraints, except under specified circumstances. In addition, the bills prohibit physical restraints from being used as punishment, for convenience, or as a substitute for staff supervision. If restraints are necessary due to a substantial likelihood of imminent serious physical harm to a child or others, and there are no less restrictive alternatives that will alleviate this circumstance, the restraints may be used only as long as the imminent risk persists. Only youth transportation company staff who have been adequately trained in restraint device usage may use and apply restraints during transportation. When the final intended destination is a residential child care program, the bills also prohibit a youth transportation company from picking up a child for transport between the hours of 9:00 p.m. and 6:00 a.m., unless the youth transportation company is under contract with the Department of Human Services (DHS). The Attorney General is authorized to bring an action against a youth transportation company that violates these prohibitions. The bills also create a private right of action.

Generally, under the bills, a “residential child care program” includes a facility or program that (1) provides a residential environment, such as a boot camp experience or behavioral modification program and (2) serves children who have a history of certain diagnoses, such as an emotional, behavioral, or mental health disorder or a substance misuse or use disorder. A residential child care program does not include certain facilities, including a hospital or detention facility licensed by the State, a youth correctional facility, or a foster family home meeting certain requirements.

Private Treatment Foster Care Homes

DHS, through its Social Services Administration, has the primary responsibility for child welfare services throughout the State. DHS administers a program of out-of-home placement for minor children, which may include family foster care, group and residential care, kinship care, and treatment foster care. A treatment foster care home is part of a program designed and implemented by a child placement agency to provide intensive casework and treatment in a family setting to children with special physical, emotional, or behavioral needs. A child is eligible for such a placement if the local department of social services determines that the child otherwise qualifies for foster care and has one or more of several specified conditions, such as a developmental disability. *Senate Bill 833 (passed)* requires DHS to conduct a study to determine the types of State support, in the form of funding or otherwise, that would be appropriate and beneficial to assist private providers of treatment foster care homes in the provision of services. DHS must report its findings and recommendations to the General Assembly by December 1, 2025.

Individuals with Disabilities

Maryland Assistive Technology Program

The Maryland Technology Assistance Program (MDTAP) was established by the Maryland Department of Disabilities (MDOD) in 1989 to implement federal grant funds

authorized under the federal Technology-Related Assistance for Individuals with Disabilities Act. *Senate Bill 208/House Bill 214 (both passed)* codify the federally funded MDTAP as the Maryland Assistive Technology Program to provide access to or conduct “assistive technology services” that include any activity described in the federal 21st Century Assistive Technology Act. “Assistive technology service” means any service that assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. The purpose of the program is to (1) increase access to “assistive technology devices” and assistive technology services for individuals with disabilities; (2) support the State’s efforts to improve the provision of assistive technology to individuals with disabilities of all ages, including underrepresented populations, through comprehensive statewide programs of technology-related assistance; (3) ensure statewide access to assistive technology lending libraries; and (4) implement activities required by federal grants. “Assistive technology device” means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

The Assistive Technology Services Fund is also established by the bills to receive revenue from assistive technology services provided by the program. The fund may only be used to support operations of the program, including the purchase of assistive technology devices.

Adapted Vehicle Access Pilot Program

Through the Maryland Assistive Technology Reuse Center, MDTAP solicits assistive technology donations (including, on occasion, adapted vehicles) and connects donors directly to recipients in need. MDTAP also operates the Assistive Technology Guaranteed Loan Program to provide eligible individuals with disabilities and their families low-interest loans to buy assistive technology equipment (including vehicles and vehicle modifications) to help the individual live, work, and learn more independently. *House Bill 1481 (passed)* establishes the Adapted Vehicle Access Pilot Program to provide adapted vehicles to “eligible individuals” who do not qualify for other programs offered by MDOD that provide access to adapted vehicles. “Eligible individual” means an individual who requires a mobility aid, is a licensed driver, and is qualified to drive an adapted vehicle. MDOD must (1) prioritize individuals who reside in areas with limited access to public transportation and (2) request, apply for, and facilitate donations of vehicles, vehicle modification and adaptive services, and funds from individuals or public or private corporations to implement the program. MDOD may apply for, receive, and spend federal funds and grants for the program. By December 1, 2028, MDOD must report to the Governor and the General Assembly on (1) the number of recipients of vehicles under the program; (2) how the program has affected recipients’ independence, mobility, job opportunities, and dependency on public subsidies; (3) the availability of vehicles, modification and adaptation services, and funds; and (4) a recommendation on whether the program should be extended or expanded. Authorization for the program terminates September 30, 2030.

Maryland Disability Service Animal Program

Senate Bill 157/House Bill 384 (both passed) establish the Maryland Disability Service Animal Program within MDOD. The purposes of the program are to select at least one nonprofit training entity to pair “eligible individuals” with an appropriate service animal and provide additional funding mechanisms to assist such individuals in the program. An “eligible individual” means a resident of the State with a disability, as defined in the federal Americans with Disabilities Act. A selected nonprofit training entity must, among other responsibilities, develop and implement a training protocol that will teach each program participant methodologies, strategies, and techniques for partnering with service animals and facilitate training using the entity’s protocol. The Maryland Disability Service Animal Program Fund, as established in the bills, must pay a nonprofit training entity and cover the costs of administering the program. For each fiscal year, the Governor must include in the annual budget bill an appropriation of \$25,000 to the fund. However, the bills are contingent on MDOD certifying, by October 1, 2026, that it has sufficient staff to administer the program. If MDOD certifies that it lacks sufficient staff to administer the program by that date, the bills are null and void.

Disability Employment Advancement

House Bill 502 (Ch. 1) establishes the Office of Disability Employment Advancement and Policy (ODEAP) in MDOD. The purpose of ODEAP, as it relates to the employment, training, and career-readiness of individuals with disabilities, includes (1) the development and implementation of strategies in the State Disabilities Plan; (2) performing specified duties necessary to support statewide policies and standards; (3) collecting information and data from units of State government; and (4) implementing the Maryland as a Model Employer Initiative. Beginning July 1, 2026, ODEAP is responsible for implementation and oversight of the initiative. The purpose of the initiative is, among other things, to (1) promote the recruitment, hiring, retention, and career advancement of people with disabilities across State government; (2) conduct and coordinate outreach to job seekers with disabilities and State government to encourage participation in the initiative; (3) develop and deliver specified trainings to State agencies and units; (4) promote access to and acquisition of assistive technology for new State employees with disabilities; and (5) evaluate State employment practices and policies and make recommendations regarding ways to reduce barriers for job seekers and employees with disabilities. ODEAP must submit an annual report to the Governor and the General Assembly on the progress and outcomes of the initiative and recommendations developed by the initiative for continued improvement of State government employment practices for people with disabilities. Beginning in fiscal 2027, the Governor may include in the annual budget bill an appropriation of \$250,000 for ODEAP.

Elderly

Miscellaneous Aging Services

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. The

department also administers programs and activities under the provisions of the federal Older Americans Act. According to MDOA, certain programs have struggled with stagnant growth and inefficient use of funds, and these programs are separately authorized under outdated statutes and regulations that provide different eligibility criteria. *Senate Bill 212/House Bill 36 (Chs. 33 and 34)* make the statutory changes necessary to combine the Senior Care, Senior Assisted Living Subsidy, and Congregate Housing Services Provider programs under the Senior Care statute, effectively combining the services under a single statutory, programmatic, and budgetary framework. To implement these changes, MDOA must engage with key stakeholders to conduct program transition planning and co-design the new consolidated program, as well as develop transition plans for specified individuals. Among other provisions, the Acts also repeal the Interagency Committee on Aging Services, transfer specified committee responsibilities to MDOA, and clarify and expand those responsibilities. Although provisions relating to transition planning take effect June 1, 2025, remaining provisions take effect July 1, 2026.

Senior Call-Check and Social Connections Program

The existing Senior Call-Check Service and Notification program within MDOA generally facilitates having a telephone call made or received each day at a regularly scheduled time to the residence of an eligible participant (a resident of the State who is at least age 65) to verify that the participant is able to receive notifications and answer the telephone or place a call from the telephone. MDOA may contract with a private vendor or nonprofit organization to provide the senior call-check and notification service. *Senate Bill 223/House Bill 158 (Chs. 35 and 36)* rename the program to be the Senior Call-Check and Social Connections Program and broaden the program to provide regular, direct communication, as further specified, to an eligible participant to promote wellness and purposeful social engagement. MDOA must integrate services with the Telecommunications Access of Maryland (TAM) Program within MDOD by promoting awareness of the availability of accessible telecommunications equipment and using educational outreach materials produced by TAM. MDOA may enter into agreements or contracts as appropriate with a private vendor, a nonprofit organization, a village incorporated in and serving older adults in the State, an area agency on aging, or any other person to provide program services. The Acts include additional provisions in regard to interagency agreements, the acceptance of funds to provide program services, and the liability of entities that provide services under the program.

Other Social and Human Services

Local Departments of Social Services

At least once every three years, the Office of the Inspector General (OIG) in DHS is required to conduct or contract for a financial and compliance audit of each local department of social services and prepare a written report of the audit findings. According to DHS, it is difficult to maintain the existing audit cycle due to staff shortages. In order to allow OIG to prioritize audit resources for local departments classified as higher-risk and ensure that these local departments receive necessary attention from OIG in a more frequent and timely manner, *Senate*

Bill 230/House Bill 251 (both passed) alter the standard frequency of financial and compliance audits of local departments to once every four years. However, OIG may determine, on a case-by-case basis, that an audit occur at an interval of three years. In determining the audit interval for a local department, OIG must take into consideration (1) the materiality and risk profile of the local department's programs and fiscal activities; (2) the nature and extent of prior audit findings of the local department; and (3) any other factor related to risk.

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 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 local department must begin a thorough investigation within five working days after the receipt of the report or within 24 hours after receipt if the report indicates that an emergency exists.

Senate Bill 347/House Bill 542 (both passed) authorize a local department of social services to request assistance from federal law enforcement officers in an investigation relating to an alleged vulnerable adult, as appropriate, and make necessary changes in statutory provisions to allow for the disclosure of relevant information.

Senate Bill 205/House Bill 246 (Chs. 37 and 38) similarly specify an exception to the general prohibition against the disclosure of any information concerning an applicant or recipient of specified services. Under the Acts, in relation to adult protective services, disclosure of information is not prohibited to an officer or employee of any state or local government or the United States if the officer or employee is responsible for conducting an investigation in an official capacity and the disclosure is relevant to the investigation. Among other provisions, the Acts also (1) authorize mandatory reporters of alleged vulnerable adult maltreatment to make the required report using the statewide reporting hotline and (2) require mandatory reporting by individuals holding certain licenses issued by the Emergency Medical Services Board (cardiac rescue technicians, emergency medical responders, emergency medical technicians, and paramedics).

Part K

Natural Resources, Environment, and Agriculture

Natural Resources

Water Quality

The Chesapeake Bay Legacy Act, *House Bill 506 (passed)*, makes several changes to provisions of State law regarding, among other things, water quality and the harvesting and processing of finfish.

The bill establishes that a person who has a tidal fish license or commercial Chesapeake Channa license and harvests and processes finfish on a vessel by ikejime for direct sale to restaurants does not need to be licensed as a food establishment.

The bill also establishes a Water Quality Monitoring Program within the Department of Natural Resources (DNR) to (1) provide for a consistent statewide approach for improving water quality monitoring data; (2) conduct long-term and targeted short-term monitoring and assessments; (3) integrate monitoring data into planning processes; and (4) provide the general public with readily available monitoring data to guide recreational and other passive uses.

The bill modifies the Whole Watershed Restoration Partnership by requiring the State management team and project sponsors to meet to develop a plan for permitting a project as soon as possible after the project is approved and to invite and coordinate with certain entities to expedite the permitting process. The bill also alters provisions regarding a specified permit tracking dashboard.

The bill requires the Maryland Department of the Environment (MDE), by December 31, 2025, to (1) authorize oyster restoration projects funded in whole or in part by federal, State, or local governments to be eligible to generate water quality trading credits and (2) develop a process for certifying water quality trading credits generated by oyster restoration projects.

Finally, the bill establishes that requirements relating to stream and floodplain restoration projects (which under current law do not take effect until July 1, 2025) do not apply to permit or license applications submitted to MDE before July 1, 2025.

House Bill 1467 (passed) is an emergency measure that modifies existing law governing special taxing districts for financing erosion prevention or control projects. Specifically, the bill establishes that (1) an existing requirement that construction of an erosion prevention or control project be requested by a petition signed by at least 75% of real property owners in the district does not apply to construction of a project and related activities in a district in Anne Arundel County and (2) requirements of notice and a hearing prior to a decision to proceed with a project do not apply to Anne Arundel County. In addition, under provisions that are generally applicable and not limited to Anne Arundel County, the bill establishes that (1) the entity administering a shore erosion control district may use tax funds for the maintenance, repair, or restoration of an existing project after conducting a public hearing and without a petition, regardless of the initial source of funding for the project and (2) any interest earnings on money deposited for a special taxing district established to finance erosion prevention or control projects must be credited to the district.

House Bill 1470 (passed) – under provisions that apply only in Prince George’s County and to real property of less than five acres that is not zoned for commercial use – (1) requires the Prince George’s County Department of Permitting, Inspections, and Enforcement to record a specified lien within 90 days after issuing a notice of violation for unauthorized cutting or clearing of trees in the Chesapeake and Atlantic Coastal Bays Critical Area and (2) establishes that a lien recorded in such a manner is required in order to hold a current property owner liable for a violation by a previous owner. The bill applies retroactively with respect to a specified violation occurring on or before November 7, 2018, where the current property owner purchased the property in good faith after the previous owner’s violation and requires (1) any administrative enforcement actions for the violation to be vacated and (2) Prince George’s County to reimburse the current property owner for all costs and fees associated with such enforcement actions.

Boating

State Boat Act

House Bill 719 (passed) makes several changes to the State Boat Act. The bill increases fees as follows:

- the cap on a manufacturer and dealer license fee is increased from a maximum of \$25 to a maximum of \$50;
- the fee to issue a certificate of title, transfer of title, or a duplicate or corrected certificate of title for a vessel is increased from \$2 to \$20;

- the application fee for a two-year certificate of number (including for manufacturers and dealers) is increased from \$24 to \$70, while the fee for a replacement or corrected certificate is increased from \$2 to \$20; and
- the fee for a Maryland use sticker is increased from \$10 to \$70 and the fee for a replacement sticker is set at \$20.

In addition, the bill establishes an optional \$12 nonmotorized vessel decal for individuals who opt to register their nonmotorized vessel with the State. As a result of these fee increases, special fund revenues for the State Boat Act Fund in DNR increase by approximately \$4.9 million annually beginning in fiscal 2026.

The bill also, among other things, makes technical changes to State Boat Act definitions, repeals certain advertising requirements and grants DNR authority to take certain actions by public notice, and alters the permitted uses of the Waterway Improvement Fund and the fund expenditure amount under which DNR does not need legislative approval.

Senate Bill 23/House Bill 425 (both passed) exclude a licensed auctioneer from the definition of “dealer” under the State Boat Act if (1) the auctioneer is acting on behalf of a seller, secured party, or owner; (2) title does not pass to the auctioneer; and (3) the auction is not for the purpose of avoiding the provisions of Title 10 (“Waters”) of the Natural Resources Article (which includes the State Boat Act).

Under current law, if any vessel that is subject to the State Boat Act is involved in an accident while on the waters of or outside of the State and the accident results in the death, disappearance, or injury of any person or in property damage of \$2,000 or more, or for in-state incidents there is complete loss of the vessel, the operator must file a report with DNR. Under current law, for incidents on waters of the State the report must be made within 48 hours if the accident caused a death or a disappearance or if a person receives medical treatment beyond first aid; any other accident involving personal injury or property damage must be reported within 10 days. For waters outside of the State the report must be made within 30 days. *Senate Bill 103 (passed)* specifies that, for purposes of these reports, “property damage to a vessel” includes damage to navigational aid markers, lights, or identifiers.

Use and Operation of Vessels

Senate Bill 1028/House Bill 1322 (both passed) prohibit a person from operating a specified gasoline-powered vessel manufactured after July 31, 2007, on the waters of the State unless the vessel has carbon monoxide warning labels affixed in conspicuous locations in the vicinity of both the transom (rear) and the helm (steering area) of the vessel. DNR may not impose a penalty on a person that violates this prohibition.

Under current law, the operator of a vessel involved in a collision, accident, or other casualty must, to the extent it is safe to do so, render all practical and necessary assistance to

affected persons and provide the other party with certain identifying information. *Senate Bill 123 (passed)* additionally requires the operator of a vessel involved in a collision, accident, or other casualty that results in bodily injury to or the death of another person to stop the vessel as close as possible to the scene of the incident so the operator can comply with the existing statutory requirements to render assistance and provide requisite information. The bill establishes associated criminal penalties for failure to stop and establishes a criminal penalty for failure to comply with the existing duty to render aid and provide identifying information.

Transmission Line Siting

Senate Bill 399 (passed) exempts any NextEra Energy Transmission MidAtlantic, Inc., transmission line from being designated as part of Big Savage Mountain Wildland, Bear Pen Wildland, or Dan's Mountain Wildland, provided that the transmission line (1) runs parallel to the existing Potomac Edison transmission line, as specified, and (2) a Certificate of Public Convenience and Necessity (CPCN) is obtained from the Public Service Commission (PSC). For the construction of a new overhead transmission line that passes through any of those wildlands, PSC must require a CPCN applicant to provide wildland impact mitigation guarantees, including working with DNR to acquire and replace certain wildland acreage in a specified manner and develop and implement a land conservation management plan for the affected area.

Wildlife

House Bill 731 (passed) establishes the Maryland Connectivity Coalition to, generally, improve wildlife habitat connectivity and reduce wildlife and motor vehicle collisions in the State. While the coalition must develop criteria for prioritizing and evaluating wildlife connectivity projects, the State Highway Administration (SHA) has final say regarding any decision relating to the placement, funding, or design of wildlife crossings. Local jurisdictions must consider wildlife movement and habitat connectivity when enacting, adopting, amending, or executing their comprehensive plans. The Maryland Department of Planning must coordinate with DNR and SHA to provide related and specified information to local governments.

The Indiana bat, the eastern small-footed bat, the northern long-eared bat, and the tricolored bat are listed as endangered under the State's Nongame and Endangered Species Conservation Act. *Senate Bill 946/House Bill 894 (both passed)* authorize the Secretary of Natural Resources to issue an incidental taking permit for each of these species if an applicant submits a conservation plan and the Secretary makes certain findings. An "incidental taking" occurs when a species is unintentionally harassed, harmed, wounded, killed, or trapped during the undertaking of an otherwise lawful activity.

Department of Natural Resources Operations

Statewide Operations

Senate Bill 73 (passed) renames the Chesapeake Conservation Corps Program to be the Thomas V. Mike Miller, Jr. Chesapeake Conservation and Climate Corps Program after Senator Thomas V. Mike Miller, Jr. who served as the President of the Maryland Senate from 1987 through 2020 and sponsored the legislation creating the Chesapeake Conservation Corps Program.

House Bill 717 (passed) authorizes DNR to establish one or more affiliated foundations to work with the Maryland Park Service, the Maryland Forest Service, the Wildlife and Heritage Service, the Office of Outdoor Recreation, and the Natural Resources Police to (1) solicit and accept funds to expand and enhance the equitable use of and access to certain lands; (2) promote activities that enhance public programming and offerings, restore or maintain public access to natural resources, or support operation, maintenance, and law enforcement activities within DNR-managed lands; and (3) partner with individuals, corporations, and other entities to support innovative projects that enhance visitors' experiences at lands managed by DNR. DNR is required to develop policies for operating each affiliated foundation, subject to Attorney General and State Ethics Commission review.

The bill further authorizes the Governor to reallocate funding from the Program Open Space (POS) State land acquisition balance if (1) the balance is more than \$80 million at the end of a given fiscal year and (2) DNR's existing special fund sources are insufficient to cover existing salaries for permanent, classified positions responsible for operating and maintaining land administered and managed by the department. After such a fund transfer, the remaining balance must be at least \$80 million. DNR may use any amount of the transferred funds as a one-time fiscal year expenditure for (1) operation and maintenance of lands administered and managed by the department; (2) administrative expenses related to land acquired by the department under POS; or (3) law enforcement activities, services, salaries, and related expenses of the Natural Resources Police. DNR may also transfer any amount of the transferred funds to the Forest or Park Reserve Fund.

In addition, the bill modifies existing provisions regarding (1) the use of acquisition funds for initial or periodic updating of local land preservation and recreation plans; (2) the extent to which certain counties that have met specified land acquisition goals can use POS local funding for development projects; and (3) the percentage of certain project costs that the State must provide. Finally, the bill makes changes to the provisions governing DNR's acquisition of real property and easements, including requiring DNR to request funds to create new permanent, classified positions after acquiring a fee simple real property interest and establishing a Land and Property Management Program within DNR to process real property transactions that involve property owned by DNR.

Senate Bill 980 (passed) modifies the amount and use of funding transferred from POS to the Maryland Heritage Areas Authority (MHAA) Financing Fund. First, the bill increases the

overall amount authorized to be transferred, from up to \$6 million to up to \$12 million, and modifies 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). Further, the bill repeals an authorization for up to \$300,000 of the amount transferred to be distributed to the Maryland Historical Trust for noncapital historic preservation grants. Additionally, the bill limits the amount of certain grants from the MHAA Financing Fund to no more than \$300,000. Finally, the bill increases the percentage of project (or plan development) costs for which a grant from the MHAA Financing Fund may be awarded from up to 50% to up to 80%.

Local Operations

House Bill 720 (passed) repeals provisions establishing and governing the Somers Cove Marina Commission and the Somers Cove Marina Improvement Fund and, in place of those provisions, transfers management of the marina from the Somers Cove Marina Commission to DNR. The bill establishes and delegates authority over the marina to the Somers Cove Marina Advisory Commission within DNR. Further, the bill makes the Secretary of Natural Resources responsible for certain activities relating to the marina. Lastly, the bill transfers the remaining balance from the Somers Cove Marina Improvement Fund to the Natural Resources Property Maintenance Fund in DNR, which also receives ongoing revenue from the marina and may be used by DNR for managing, operating, maintaining, and developing the marina.

Senate Bill 968 (passed) allows DNR to use mechanical or motorized equipment to retain, maintain, remove or replace existing trails within the Patuxent River Wildland and remove, replace, or dispose of nonnative spaces within the Patuxent River Wildland if the use of such equipment is done to preserve, maintain, study, research, and educate the public about the area's ecological features and rare habitats.

Hunting and Fishing

In General

Senate Bill 282/House Bill 494 (both passed) clarify, expand, and harmonize the availability of recreational benefits and privileges for service members and veterans. In particular, among other things, the bills (1) clarify and expand eligibility for hunting, fishing, aquatic, and other recreational activities under the Healing Hunting and Fishing Fund and other State programs; (2) clarify and expand eligibility for hunting and fishing license exemptions and complimentary licenses; (3) clarify and expand eligibility for pausing the lapse of a commercial fishing license; and (4) codify existing practice by allowing an active service member, member of the Maryland National Guard, or veteran to enter a State park without paying a day-use entry fee or any per-vehicle fee.

Hunting

Pursuing Wounded Deer

A person may not hunt any game bird or mammal, except raccoon and opossum, at nighttime. *House Bill 857 (passed)* allows a person who is authorized by the Department of Natural Resources (DNR) to hunt deer and who wounds a deer during legal hunting hours to pursue and kill the deer in an authorized manner after legal hours. The person may use a light, such as a spotlight, headlight, or any similar device, while pursuing the wounded deer.

Canada Geese Bag Limits

DNR establishes the State’s hunting seasons, bag limits, and possession limits for migratory game birds in conformance with regulations adopted by the U.S. Fish and Wildlife Service (FWS). *Senate Bill 335 (passed)* requires that during the migratory Canada goose (Atlantic population) hunting season, the bag limit for all Canada geese in the State, including geese found in the Atlantic Flyway Resident Population Hunt Zone and the Atlantic Population Hunt Zone, must conform to the bag limit for the Atlantic population adopted annually by FWS. The bill, however, does not apply in Allegany, Frederick, Garrett, and Washington counties and the portion of Carroll County geographically west of Maryland Route 31 and Maryland Route 97.

Fishing and Aquaculture

License and Stamp Fees

To support existing nontidal fishery management efforts and provide funding for additional nontidal fishery projects and infrastructure needs, *Senate Bill 258/House Bill 40 (Chs. 45 and 46)* increase recreational fishing license and trout stamp fees, as shown in **Exhibit K-1**. The Acts also repeal the exemption that allowed resident consolidated senior sport fishing license holders to fish for trout in designated areas without a trout stamp. Special fund revenues increase by \$565,800 in fiscal 2025 and by \$3 million in fiscal 2026 and future years.

Exhibit K-1
Recreational Fishing License and Stamp Fees
Under Current Law and Chapters 45 and 46 of 2025

<u>License/Stamp</u>	<u>Current Law</u>	<u>Under the Bill</u>
Senior sport fishing license (available to residents age 65 and older; authorizes recreational fishing in nontidal and tidal waters)	\$5.00	\$12.00
Angler's license (available to individuals age 16 and older; authorizes recreational fishing in nontidal waters)		
Resident		
Annual	20.50	32.00
7-day	7.50	16.00
Nonresident (**nonresidents are charged the greater of the fee amounts shown or the fee amount charged a Maryland resident by the nonresident's home state for a similar license**)		
Annual	30.50	55.00
7-day	7.50	45.00
3-day	5.00	35.00
Trout stamp (authorizes fishing for trout in areas designated by DNR)		
Resident	5.00	20.00
Nonresident	10.00	30.00

Source: Department of Legislative Services

Administrative Penalties for Oyster Authorizations

A commercial tidal fish license holder must obtain license authorizations to engage in certain commercial activities, including catching oysters for sale. DNR may revoke a holder's oyster authorization and prohibit any work or engagement in the oyster fishery if the license holder is found to have knowingly committed certain violations in the oyster fishery. *House Bill 893 (passed)* alters this administrative penalty by requiring DNR to suspend a person's oyster authorization for up to five years for a first offense for knowingly committing these violations in the oyster fishery and to revoke the authorization for a subsequent offense. The bill also clarifies that certain gear violations apply only if the person is more than 200 feet inside a prohibited area. In addition, if a person's oyster authorization was revoked before July 1, 2025, DNR is required to reinstate the person's entitlement to engage or work in the oyster fishery and may reissue the oyster authorization beginning five years after the revocation date.

Programs and Plans

Invasive Blue Catfish Pilot Program: *Senate Bill 186/House Bill 446 (both passed)* require DNR to establish and implement an Invasive Blue Catfish Pilot Program to curb the spread of the invasive blue catfish in the Chesapeake Bay and its tributaries. The pilot program consists of the For-Hire/Commercial Blue Catfish Program, the Mid-and Lower-Bay Blue Catfish Trotline Program, and any other program that DNR determines to be effective. Under the For-Hire/Commercial Blue Catfish Program, DNR may allow eligible participants to run for-hire and commercial blue catfish trips at the same time and may make any changes needed to boost commercial harvest. Under the Mid-and Lower-Bay Blue Catfish Trotline Program, DNR is required to allow the use of finfish trotlines to harvest blue catfish south of the William Preston Lane Jr. Memorial Bridge (Chesapeake Bay Bridge) to the maximum extent feasible, while implementing restrictions based on bycatch, user conflicts, or other relevant issues. DNR must consider the use of certain equipment and harvesting techniques in implementing the pilot program and report its findings and recommendations under the pilot program to the Governor and General Assembly by December 1, 2025.

Fishery Management Plans: Among other things, *House Bill 506 (passed)* modifies provisions of State law governing fishery management plans, including reducing the number of specifically identified species for which DNR is required to prepare a fishery management plan and authorizing DNR to follow interstate or regional fishery management plans (with Maryland-specific supplements, if necessary). The bill also (1) requires DNR to consider environmental and climate factors in its fishery management plans and (2) ensures that commercial and recreational license holders, fishing guides, and charter boats are addressed in fishery management plans.

Aquaculture

House Bill 506 (passed) also makes changes to procedures and requirements applicable to the issuance of an aquaculture lease, most notably (1) clarifying/establishing the timing of when a public informational meeting on, and/or a protest of, a lease application may be requested/submitted; (2) allowing DNR to require mediation before transmitting a protest to the Office of Administrative Hearings; (3) authorizing DNR, in consultation with the Aquaculture Coordinating Council, to charge a lease applicant reasonable advertising and survey fees; and (4) modifying an annual reporting deadline to give a leaseholder additional time to report on the use of the lease during the prior year.

Environment and Energy

New Energy Generation

Several bills were introduced in an effort to support additional in-state energy generation from a variety of sources. Broadly, *Senate Bill 937/House Bill 1035 (both passed)* establish or

modify various provisions of law affecting electricity generation, utility cost recovery, and large customer interconnections, among other related changes. The bills also create a solicitation, evaluation, and approval process for a minimum of approximately 3,100 megawatts of dispatchable energy generation and large energy resources for expedited Certificates for Public Convenience and Necessity (CPCN). Additionally, the bills establish that it is the policy of the State to encourage the development of nuclear power and make several changes to further that policy, including establishing an application process for new nuclear energy procurement. The bills also declare a State goal related to distribution-connected front-of-the-meter energy storage devices and establish two rounds of applications and approvals by the Public Service Commission (PSC) for such devices. The bills also establish a process to provide two residential electric customer bill credits in fiscal 2026. Finally, the bills remove waste-to-energy and refuse-derived fuel from eligibility for inclusion in the State Renewable Energy Portfolio Standard.

Utility scale solar development is seen as an efficient method to rapidly procure new electricity generation. However, the complexity of the CPCN process and various regulatory requirements have inhibited the rapid deployment of solar in the State. *Senate Bill 931/House Bill 1036 (both passed)* modify the approval process for solar projects, by, among other things, curtailing local authority over the construction and development of solar energy generating stations and establishing an expedited approval process for certain solar projects. The bills also establish an array of additional siting, buffering, and setback requirements that owners of solar energy generating stations must comply with in order to obtain approval for solar projects. Among other things, *Senate Bill 931/House Bill 1036*:

- establish requirements for the construction of energy storage devices and solar energy generating stations and impose specified requirements and limitations on local jurisdictions with respect to their construction and development;
- create an expedited Distributed Generation Certificate of Public Convenience and Necessity for solar energy generating systems with a capacity to produce more than 2 megawatts but not more than 5 megawatts of alternating current;
- modify community solar requirements to allow for banked bill crediting;
- establish warranty requirements related to residential rooftop solar energy generating systems and mandate the creation of a new license for their installation and maintenance;
- modify the definition of agrivoltaics;
- require the Department of Natural Resources to take specified actions to assist the State in meeting its solar energy commitments;
- require PSC to conduct two studies and report on the results of those studies by a specified date; and

- specify that a presently existing obligation or contract right may not be impaired in any way by the bills.

Energy Planning

In order to plan for future generation, transmission, and distribution needs in the State, *Senate Bill 909/House Bill 1037 (both passed)* establish the Strategic Energy Planning Office (SEPO), as an independent office within PSC. SEPO is funded through assessments imposed on public service companies through an existing process administered by PSC. By September 1, 2028, and every three years thereafter, SEPO must develop and submit a Comprehensive Wholesale Energy Markets and Bulk Power System Risk Report to the Governor and the General Assembly. The bills also establish reporting requirements for PSC, the Maryland Department of Transportation (MDOT), and the Maryland Energy Administration (MEA).

Senate Bill 116/House Bill 270 (both passed) require the Maryland Department of the Environment (MDE), MEA, and the University of Maryland School of Business, in coordination with the Department of Legislative Services (DLS), to conduct an analysis of the likely environmental and economic impacts of data center development in the State. DLS must synthesize the respective assessments into a final report and submit the report to the Governor and the General Assembly by September 1, 2026.

Transmission Line Development

Senate Bill 399 (passed) exempts certain areas in the Big Savage Mountain Wildland, Bear Pen Wildland, and Dan's Mountain Wildland from being designated as a wildland if certain conditions are met, including that a CPCN is obtained for a NextEra Energy Transmission MidAtlantic, Inc., transmission line. The bill also requires PSC to require an applicant for a CPCN for the construction of the overhead transmission line described in the bill to provide wildland impact mitigation guarantees.

Climate Planning and Mitigation

Senate Bill 149/House Bill 128 (both passed) require the Comptroller, in coordination with the Department of Commerce and MDE, to conduct a study to assess the total cost of greenhouse gas (GHG) emissions in the State and report the findings to specified committees of the General Assembly by December 1, 2026. The report must include (1) a summary of the various cost-driving effects of covered GHG emissions on the State, as specified; (2) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for each such cost-driving effect; (3) a categorized calculation of the costs that have been incurred and costs that are projected to be incurred by the State and its residents for related adaptation efforts, as specified; and (4) an economic analysis to determine if there would be a cost passed on to taxpayers if each fossil fuel company that has a sufficient nexus to the State and that emitted more than 1.0 billion tons of GHG emissions globally between 1995 and 2024 were required to compensate the State for climate change.

Solar Energy

House Bill 1111 (passed) expands eligibility under the Small Solar Energy Generating System Incentive Program to include solar energy generating systems located on or over a water retention pond or quarry currently or previously designated for industrial use. The systems must have generating capacities between 20 kilowatts and 5 megawatts and otherwise meet all other program eligibility requirements. The bill authorizes local governments to grant a property tax credit for nonresidential solar energy generating systems constructed on a brownfield or a water retention pond or quarry currently or previously designated for industrial use.

Extended Producer Responsibility for Packaging and Paper Products

Product stewardship is a voluntary or mandatory action that minimizes the health, safety, environmental, and social impacts of products and packaging throughout all lifecycle stages of the products and packaging while maximizing the economic benefits. Generally, the producer of a product has the greatest ability to minimize adverse impacts, but other stakeholders, such as suppliers, retailers, and consumers, also play a role. Extended producer responsibility is a type of mandatory product stewardship that requires producers to be responsible for ensuring that their products are responsibly collected and disposed of or recycled.

Chapter 465 of 2023 laid the foundation for establishing an extended producer responsibility program in the State for packaging materials. The Act established the Producer Responsibility Advisory Council to provide advice and make recommendations regarding establishing and implementing such a program. The Act also required MDE's Office of Recycling to hire an independent consultant to conduct a statewide recycling needs assessment and report the results of the assessment to the Governor and General Assembly. Published on February 21, 2025, the needs assessment concluded that a well-designed extended producer responsibility program covering both paper and packaging products could, among other benefits, increase recycling rates for paper and packaging products from 34% to 50% or more, decrease GHG emissions by more than 1 million metric tons of carbon dioxide equivalent, and create more than 2,000 jobs.

Senate Bill 901 (passed) builds off of Chapter 465 by establishing an extended producer responsibility program in the State for packaging and paper products (collectively defined as "covered materials"). Broadly, the bill:

- requires producers of covered materials to, individually or through the producer responsibility organization (PRO) selected by MDE, submit a producer responsibility plan to MDE and take certain actions in accordance with that plan;
- allows the PRO to collect fees from member-producers;
- allows certain local governments and private entities that provide recycling or composting services to seek reimbursement from the PRO for certain costs related to providing recycling services to residential properties, schools, and public buildings; and

- provides for oversight and enforcement of the program by MDE.

Producer responsibility plans must be submitted to MDE for review and approval by July 1, 2028, and every five years thereafter. Producer responsibility plans must, among other things, establish performance goals for covered material types and include a financing method that establishes a fee structure for participating producers that is set in a manner to cover program costs (including reimbursing service providers). Beginning on a date set by MDE in regulation, a producer may not sell, offer for sale, distribute, or import for sale or distribution covered materials for use in the State unless the producer has an approved producer responsibility plan.

Senate Bill 901 also, among other things, (1) requires MDE to develop a statewide list of covered materials that are determined to be recyclable or compostable through curbside programs; (2) establishes provisions relating to service providers, who must register with MDE and are eligible to request reimbursement from a producer responsibility organization for costs associated with collecting, transporting, and processing covered materials; and (3) requires MDE to contract for additional statewide recycling needs assessments every 10 years to gather information related to recycling, organics recycling, and reuse in the State.

Water Quality and Management

Wastewater and Septic Systems

Chapter 428 of 2004 established the Bay Restoration Fund (BRF) in MDE. The primary purpose of the fund is to support upgrades to Maryland's 67 major publicly owned wastewater treatment plants with enhanced nutrient removal technology; funds are also used for on-site sewage disposal system (septic system) upgrade grants, among other things. *Senate Bill 117/House Bill 131 (both passed)* modify the prioritization and eligibility for projects that receive funding from the BRF Septics Account. Under the bills, priority is given as follows: (1) first, for failing systems in the Chesapeake and Atlantic Coastal Bays Critical Area; (2) second, to failing systems that are located within a Maryland Chesapeake Bay 8-digit watershed that has a relative effectiveness for total nitrogen reduction of 9.24 or higher based on the Chesapeake Bay watershed model; (3) third, to failing systems that are located within the 500-year floodplain; and (4) fourth, to other failing systems that MDE determines are a threat to public health or water quality. Priority is then given to low- and moderate-income owners, rather than just low-income owners, for the costs of repairing or replacing a failing septic system with a best available technology septic system and other wastewater treatment systems.

Drinking Water Resources

Potable reuse is the use of reclaimed water as a municipal drinking water source. Surface water augmentation is an indirect potable reuse (IPR) method that involves discharging reclaimed water into a surface water environmental buffer, such as a reservoir, river, stream, lake or similar water body above ground. The water is then directed to a water treatment plant, where it goes through additional processing before being distributed as drinking water. Groundwater

augmentation, also known as groundwater replenishment, is the addition of water to artificially enhance groundwater resources. Groundwater augmentation into an aquifer used for drinking water can be done with non-reclaimed water, or as an IPR project, with reclaimed water.

Senate Bill 265/House Bill 25 (both passed) establish the Reservoir Augmentation Program in MDE and prohibit a person from performing “reservoir augmentation,” or the planned placement of reclaimed water into a surface water reservoir used as source for a drinking water treatment facility, without a permit. The bills establish provisions governing permit applications and the issuance, modification, renewal, and terms of the permits. MDE must adopt regulations that, among other things, set a reasonable permit application fee. The bills also extend the termination of the IPR Pilot Program established under Chapters 122 and 123 of 2023 from June 30, 2028, to June 30, 2030.

Senate Bill 930/House Bill 1296 (both passed) establish the Managed Aquifer Recharge (MAR) Pilot Program in MDE to authorize, regulate, and evaluate the use of treated reclaimed water as a source for groundwater augmentation through MAR permits. A person may not perform groundwater augmentation unless authorized under the bills. MDE must accept applications for MAR permits from January 2, 2026, through January 3, 2028, but is prohibited from issuing more than one MAR permit under the pilot program. A permit is effective for five years, and MDE is authorized to refuse, revoke, or renew a permit, as specified. The bills establish annual reporting requirements for MDE and a permittee.

Dredged Materials Management

Senate Bill 168 (passed) defines a “confined aquatic disposal cell” as a dredged material management option where a depression or cell is excavated into the bottom of a body of water, any sand excavated is reused in a beneficial manner, and the depression or cell is filled with dredged materials, including dredged materials from Baltimore Harbor. The bill temporarily prohibits (1) MDE from processing or making any recommendation to the Board of Public Works (BPW) regarding an application for the alteration of any tidal wetland or waters of the State submitted for the purpose of constructing a confined aquatic disposal cell, from June 1, 2025, through May 31, 2029, both inclusive and (2) BPW from approving such an application.

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, the CSNA requires MDE to administer building energy performance standards (BEPS). Under *House Bill 49 (passed)*, among other things, MDE regulations implementing BEPS must (1) include additional special provisions, exceptions, and exemptions and (2) include an annual reporting fee of \$100 per covered building. The bill also alters the definition of “covered building” to exclude hospitals and requires MDE to certify a county BEPS program under specified conditions. MDE is also required to conduct an analysis of the potential costs and benefits of BEPS policy options that feature direct emissions reduction

requirements, energy use intensity requirements, and a combination of both requirements, as specified, and develop related recommendations, as specified. MDE must submit the analysis and recommendations to the Governor and the General Assembly by December 31, 2026.

Statute prohibits State funds from being used to install or replace a permanent outdoor luminaire on the grounds of any State building or facility unless certain standards are met, including that the luminaire is designed to maximize energy conservation and minimize light pollution, glare, and light trespass. *House Bill 452 (passed)* alters this prohibition by (1) including State parks and trails in the prohibition and (2) exempting lighting used to illuminate the field of play at a sports facility. It also specifies that, except for a luminaire installed or replaced by MDOT, a luminaire installed or replaced using State funds must have a correlated light temperature that is less than or equal to 3,000 Kelvin, subject to existing waiver procedures. Finally, the bill requires (1) the Maryland Green Building Council to update or develop related guidance, as specified, and (2) MDOT to conduct a review of its highway lighting practices, as specified.

Senate Bill 96/House Bill 277 (both passed) require, beginning October 1, 2025, with specified exceptions, that at least one “water bottle filling station” or a combined water bottle filling station and drinking fountain (1) be installed in all new construction at each location where a drinking fountain is required under the current version of the International Plumbing Code (IPC) adopted by the State or State or local law or regulation; (2) be installed in any building undergoing a renovation if the installation of a drinking fountain is required under the current version of IPC adopted by the State or State or local law or regulation; and (3) replace a drinking fountain in an area of a building undergoing a renovation if the renovation includes replacing the drinking fountain.

Senate Bill 856 (passed) requires MDE, in consultation with the Maryland Department of Health (MDH), the Department of Housing and Community Development (DHCD), the Maryland Department of Labor, and the Department of General Services (DGS), to develop and update as necessary (1) a centralized website that provides information about mold remediation and dampness and (2) an informational pamphlet that includes specified resources. The bill establishes various requirements for landlords relating to mold in rental units, including, among other things, performing a mold assessment and remediation under specified conditions. The bill establishes a compliance requirement for a local government or local housing authority with respect to residential property owned or managed by a local government, but otherwise does not require a local government or local health department to conduct a mold assessment or remediation. By June 1, 2027, MDE, in consultation with MDH, DHCD, and DGS, must adopt regulations to establish uniform standards for mold assessment and remediation, as specified.

Chapter 114 of 1994 established the Lead Poisoning Prevention Program within MDE. The program serves as the coordinating agency of statewide efforts to eliminate childhood lead poisoning. 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. *House Bill 1367 (passed)* establishes a civil penalty of up to \$50,000 for the falsification of information submitted in a verified report of the result of lead-contaminated

dust testing or visual inspection provided to MDE pursuant to statutory provisions related to the reduction of lead risk in housing.

Management of Toxic and Hazardous Materials

A chemical warfare material that is a solid waste is a controlled hazardous substance (CHS). In addition to the standard CHS requirements, State law establishes additional requirements specific to the incineration of chemical warfare materials. More specifically, MDE may not issue a permit to construct, materially alter, or operate a CHS facility that will be used for the treatment of the incineration of a chemical warfare material unless the permit applicant can demonstrate to MDE's satisfaction that certain requirements have been met. *Senate Bill 253 (passed)* creates an exception to these requirements for the incineration of chemical warfare materials at a research facility designated by the U.S. Department of Defense, if the incineration is done for research, development, or demonstration purposes under a research, development, and demonstration (RDD) permit issued by MDE. The bill establishes numerous environmental, health, and safety requirements relating to such permits, which are in addition to any general requirements for RDD permits.

Coal combustion by-products (CCB) are the residue generated by, or resulting from, the burning of coal. CCBs are produced primarily from the burning of coal in coal-fired power plants. The CCB Management Fund is comprised of fees collected by MDE on each ton of CCBs generated. The money generated from the fee must be used to administer and implement programs to control the disposal, use, beneficial use, recycling, processing, handling, storage, transport, or other requirements related to CCB management. *Senate Bill 425 (passed)* alters how MDE assesses generator fees (discussed in more detail below) and repeals a requirement that MDE reduce the CCB fees in the following fiscal year if, in any fiscal year, the fee schedule set by MDE generates revenue that exceeds program costs. Instead, under the bill, MDE must use any excess fee revenue to take action necessary to increase the beneficial reuse of CCBs and mitigate human health and environmental impacts due to the release of CCBs from priority sites. The bill also requires MDE to adopt regulations to implement the final rule governing legacy coal combustion residuals as adopted on May 8, 2024, and establishes the Statewide CCB Coordinating Committee.

Departmental Programs and Functions

Senate Bill 89 (passed) authorizes MDE to establish a process in collaboration with one or more boards under its direction and control that requires a board to include a notation of an individual's veteran status on a professional license or certificate. The bill establishes additional specifications for any process implemented by MDE.

Senate Bill 722/House Bill 1155 (both passed) establish a definition of "ecological restoration" in the Environment Article. The term means an activity undertaken with the goal of recovering, re-establishing, or enhancing a degraded, damaged, or destroyed ecosystem through (1) improvements to physical, chemical, or biological characteristics or processes; (2) returning natural or historical functions or services; or (3) protecting or improving resiliency.

Senate Bill 315/House Bill 344 (Chs. 47 and 48) alter the composition of the Board of Directors of the Maryland Environmental Service by replacing the State Treasurer with the Secretary of Planning (or the Secretary’s designee) and adding two nonvoting members – one member from each of the Senate of Maryland and the House of Delegates.

New, Altered, and Increased Fees

According to MDE, many of the environmental fees established in statute have not been increased since the 1990s or early 2000s. In recent years, fees have not generated sufficient revenue to offset program costs, which has resulted in an increasing reliance on general funds.

Senate Bill 250 (passed) increases fees and penalties that support various programs and special funds within MDE. The bill also, among other things, (1) authorizes MDE to establish new fees for specified programs; (2) alters and enhances the State’s regulatory framework governing dams and establishes a related special fund; and (3) makes various administrative, clarifying, and technical changes. Generally, the bill:

- effective June 1, 2025, makes the following changes to the Maryland Clean Air Fund: (1) expands the purpose of the fund to include mitigating and reducing air pollution in the State; (2) repeals the requirement that when the fund balance is at least \$2 million, any additional money received by MDE for the fund must be deposited into the general fund; and (3) increases the cap on the emissions-based air quality operating permit fees set by MDE from \$50 per ton of regulated emissions to \$200 per ton of regulated emissions;
- alters and enhances the regulatory framework governing the construction, reconstruction, repair, removal, modification, and operation of dams by, among other things, (1) requiring dam owners to annually register with MDE; (2) establishing a new Private Dam Repair Fund; and (3) establishing dam registration and dam safety permit fees that are paid into the new special fund;
- authorizes MDE to charge specified fees related to on-site sewage disposal system (septic system) permits and individual well construction permits under specified circumstances;
- increases the per-barrel oil transfer fee that supports the Maryland Oil Disaster Containment, Clean-up and Contingency Fund (Oil Fund) from 5.0 cents per barrel to 9.0 cents per barrel from July 1, 2025, to June 30, 2030; and
- requires MDE to include additional information in the factors used to calculate the annual fees that must be paid by a generator of CCBs (which accrue to the State Coal Combustion By-Products Management Fund) and, consequently, requires additional entities to pay the fee.

Senate Bill 250 and *Senate Bill 425* both establish additional factors that MDE must use when calculating the annual fees that must be paid by a generator of CCBs. Specifically, in addition

to the existing factors, MDE must base the fees on the volume of CCBs that have been disposed of and remain in landfills or other storage units in the State that are subject to inspection and monitoring, not including CCBs that have been (1) added to cement products; (2) used in coal mine reclamation; or (3) beneficially reused in a manner acceptable to MDE.

House Bill 352 (passed), the Budget Reconciliation and Financing Act of 2025 (BRFA), affects MDE fees in several ways. Specifically, the BRFA of 2025:

- increases existing fees under the Wetlands and Waterways Program (deposited to the Wetlands and Waterways Program Fund), establishes new additional application fees for activities proposed in a Tier II High Quality Watershed, and explicitly authorizes MDE to adjust the fees for inflation without legislative enactment;
- authorizes MDE to establish by regulation a fee (deposited to the Maryland Clean Water Fund) for processing and issuing training certifications required for specified personnel involved in on-site clearing and grading operations or sediment control associated with a construction project;
- alters and increases several fees (deposited to the Lead Poisoning Prevention Fund) under the Reduction of Lead Risk in Housing Subtitle of the Environment Article;
- increases the Voluntary Cleanup Program application fee (deposited to the Voluntary Cleanup Fund) from \$6,000 to \$10,000, and requires an applicant to pay certain additional costs incurred by MDE under certain circumstances;
- increases and alters specified surface mining license and permit fees (deposited to the Surface Mined Land Reclamation Fund); and
- sets the tire recycling fee (deposited to the State Used Tire Cleanup and Recycling Fund) imposed on the first sale of a new tire in the State by a tire dealer at \$1.00 (effective January 1, 2026) and authorizes the fee to be adjusted for inflation every two years (up to \$2.00 per tire).

Taken together, based a preliminary analysis, the changes included in *Senate Bill 250*, *Senate Bill 425*, and the BRFA of 2025 are expected to increase revenues for special funds that support MDE programs by approximately \$8.7 million in fiscal 2026. These preliminary estimates are summarized in Exhibit K-2.

Exhibit K-2
Estimated Special Fund Revenue Increases
Under *Senate Bill 250*, *Senate Bill 425*, and the BRFA of 2025

<u>Special Fund</u>	<u>Fiscal 2026</u>
Maryland Clean Air Fund	\$1,923,100
Private Dam Repair Fund	380,000
Maryland Clean Water Fund	375,000
Maryland Oil Disaster Containment, Clean-up and Contingency Fund	2,685,000
Wetlands and Waterways Program Fund	524,300
Lead Poisoning Prevention Fund	1,900,000
Voluntary Cleanup Fund	400,000
State Coal Combustion By-products Management Fund	0
Surface Mined Land Reclamation Fund	311,700
State Used Tire Cleanup and Recycling Fund	243,900
Total	\$8,743,000

Note: Totals may not sum due to rounding.

Source: Department of Legislative Services

Further, *Senate Bill 250*, *Senate Bill 425*, and the BRFA of 2025 also trigger several million dollars in special fund contingent appropriations in the fiscal 2026 Budget Bill.

Agriculture

Agricultural Conservation Practices

House Bill 506 (passed) is an Administration bill that encompasses a number of initiatives related to the protection and restoration of the Chesapeake Bay. Among other things, the bill establishes the Maryland Leaders in Environmentally Engaged Farming (LEEF) Program to incentivize farmers' adoption of (1) environmental (including bay- and climate-related) conservation practices and (2) practices that demonstrate engagement with Maryland communities. The program is intended, in part, to encourage adoption of multiple practices across a farming operation or multiple farming operations and provides certification, according to tiers of recognition, for program participants. The program is to be administered by the Maryland Department of Agriculture (MDA), in coordination with other agencies, and is supported by a LEEF Program Fund. The LEEF Program Fund may only be used to support actions associated with fulfilling the program's purpose and to cover MDA's costs to administer the program;

however, not more than 20% of the fund may be used for MDA’s administrative costs each fiscal year. The bill requires the Governor to include in the annual budget bill, for fiscal 2026 and each fiscal year thereafter (through fiscal 2030), an appropriation of at least \$900,000 to the fund. The fiscal 2026 budget as introduced included \$900,000 for the program but that amount was reduced to \$500,000 in the budget as passed by the General Assembly.

House Bill 506 also includes “regenerative practices and traditions” under the definition of “healthy soils” under the Maryland Healthy Soils Program. “Regenerative practices and traditions” are a form of land management and stewardship approaches and practices that (1) draws on traditions and innovations from African, Indigenous, and original land stewards; (2) promotes culturally important food and climate justice programs and initiatives; and (3) enhances the land and ecosystem. The bill also authorizes the Department of Natural Resources to lease department-owned or -managed land to a person implementing practices that support healthy soils and regenerative practices and traditions. The lease term may be for a minimum of 10 years.

Agritourism

Senate Bill 544/House Bill 559 (both passed) allow, among other things, a food establishment that is a business that conducts agritourism to comply with the requirement to have a convenient lavatory by providing a portable chemical toilet that is (1) supplied with soap, water, and a method to dry hands; (2) kept in sanitary condition; (3) properly ventilated; and (4) placed at least 25 feet from a well.

The construction, alteration, or modification of an agricultural building for which agritourism is an intended subordinate use is exempted from adhering to the Maryland Building Performance Standards in various counties. In those counties, an existing agricultural building used for agritourism is not considered a change of occupancy that requires a building permit if specified conditions are met. **House Bill 749 (passed)** exempts an existing agricultural building in Washington County from obtaining a change of occupancy permit if (1) the building’s use of agritourism does not require it to be occupied by more than 200 people at any one time and (2) the width of egress for the building meets specified building code standards.

Departmental Programs, Boards, and Functions

Weights and Measures

MDA’s Weights and Measures Program inspects and certifies the accuracy of measuring and weighing devices in the State to ensure the fairness and equity of all commercial transactions involving determination of quantity. **House Bill 352 (passed)**, the Budget Reconciliation and Financing Act of 2025 (BRFA), repeals the registration fee schedule for weights and measures used for commercial purposes in statute, and instead authorizes the Secretary of Agriculture to set reasonable fees by regulation. The BRFA of 2025 also requires the Secretary to send registration renewal notices and forms at least one month before registration expiration and allow a 60-day

grace period after expiration, when a registration can be renewed retroactively with payment of the renewal fee and a late fee.

Restricted Use Pesticides

In 2023, the U.S. Environmental Protection Agency (EPA) revised its regulations regarding restricted use pesticides (RUP) to require states to either (1) impose specified standards for noncertified pesticide applicators to apply RUPs under the direct supervision of a certified applicator (including annual training) or (2) not permit the use of RUPs by noncertified applicators. In its EPA-approved plan, MDA adopted the second option. In accordance with that plan, [*Senate Bill 249/House Bill 114 \(Chs. 41 and 42\)*](#) require that each commercial application of a RUP be done by a certified pest control applicator or certified public agency applicator, eliminating the ability of noncertified individuals to do commercial applications of RUPs under the supervision of a certified pest control applicator or certified public agency applicator. The Acts also establish additional requirements that must be met in order for a noncertified individual to do a private application of a RUP under the supervision of a certified private (agriculture) applicator: (1) the noncertified individual must be working under the direct supervision of a certified private applicator who is certified in the specific category of application being utilized by the individual; and (2) the certified private applicator must ensure that specified federal requirements are met.

Nursery Inspection, Certification, and Licensing Fees

The Secretary of Agriculture has various responsibilities and authority to control plant diseases (pests), including (1) inspecting nurseries annually for any nursery stock infested or infected with dangerously injurious plant pests and certifying that the nurseries meet MDA standards; (2) inspecting and licensing plant brokers and dealers; (3) the ability to establish quarantines to control, retard, or eradicate dangerously injurious plant pests; (4) the ability to disseminate pesticides by aircraft if necessary to control any plant infestation, plant infection, or animal or human disease with a known or suspected arthropod vector; and (5) the ability to enter any public or private property in the State to inspect, destroy, treat, or experiment with dangerously injurious plant pests. Fees are collected for the certifications and licenses – as well as for inspections – and are deposited in the Plant Protection Fund, which is used to partially defray the cost of administering the plant protection provisions. The BRFA of 2025 increases various fees collected by the Secretary for the certification of nurseries, the licensing of brokers and dealers, and the inspection of nursery stock under statutory provisions related to plant disease control.

Tree Plantings on Agricultural Land

Under the Conservation Reserve Enhancement Program (CREP), eligible participants receive payments in return for removing cropland and marginal pastureland from agricultural production and converting the land to native grasses, trees, and other vegetation. To maximize participation in the CREP, Chapter 645 of 2021 established a one-time signing bonus of up to \$1,000 per acre of land enrolled in the CREP for a landowner who enrolls land planted with a forested streamside buffer. Chapter 645 required the Governor, in fiscal 2024 through 2031, to

include an annual appropriation of \$2.5 million in the State budget for tree plantings under the CREP and other tree planting programs on agricultural land. The BRFA of 2025 reduces the amount of funding that the Governor must provide for tree planting on agricultural land from \$2.5 million to \$0.5 million for fiscal 2025 through 2031. The fiscal 2026 budget includes \$2.0 million in general fund reductions in fiscal 2025 and 2026, contingent on the enactment of legislation reducing the mandate.

Maryland Farms and Families Fund

Chapters 395 and 396 of 2017 established the Maryland Farms and Families (MFF) Program within MDA to double the purchasing power of food-insecure Maryland residents with limited access to fresh fruits and vegetables and to increase revenue for farmers through redemption of federal nutrition benefits at Maryland farmers markets. The program is supported by the MFF Fund. *Senate Bill 226/House Bill 104 (Chs. 39 and 40)* alter the stated purpose and authorized uses of the MFF Fund. Specifically, the Acts alter the purpose of the fund to (1) match purchases made with specified federal nutrition benefits at participating farmers markets and farm stands; (2) support nonprofit farmers markets to implement the program by providing logistical and marketing support to increase the use of federal nutrition programs at these farmers markets; and (3) support nonprofit organizations and other responsible persons to implement the program in partnership with one or more participating local farmers markets. Under the Acts, MDA must use the fund for either one or both of the following purposes: (1) to implement, in whole or in part, the program within MDA; and (2) to provide funds to a qualified nonprofit organization or other responsible person to implement, in whole or in part, the program.

Maryland Horse Industry Board

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. The BRFA of 2025 requires MHIB to send horse establishment license renewal notices and forms at least one month before license expiration and allows (1) a 60-day grace period after expiration, when a license can be renewed retroactively with payment of the renewal fee and any late fee and (2) after the grace period, license reinstatement, with payment of the renewal fee and a reinstatement fee.

Maryland Agricultural Commission and Committee on Young Farmers

The Maryland Agricultural Commission (MAC) consists of members appointed by the Governor that represent various agriculture and agriculture-related industries. To ensure that the agricultural industry is represented and reflective of modern agriculture, *Senate Bill 240/House Bill 262 (Chs. 43 and 44)* seek to modernize the appointed representation on MAC, remove duplicative representation, and create new members to represent agriculture in the 21st century. For purposes of efficiency, the Acts also repeal the Young Farmers Advisory Board within MDA and instead establish the Committee on Young Farmers with similar duties.

Part L

Education

Education – Primary and Secondary

State Funding

Fiscal 2026 major State education aid was impacted by several factors, including student enrollment changes and ongoing implementation of the Blueprint for Maryland’s Future (Blueprint) legislation. Overall, State aid for public schools increases by \$663.9 million, or 7.3%, from \$9.1 billion in fiscal 2025 to \$9.8 billion in fiscal 2026. State education aid provided directly to the county boards of education increases by \$599.3 million, or 7.3%, while retirement aid increases by \$64.6 million, or 7.0%. These changes include Blueprint special funds allocated to major State aid and other Blueprint programs.

Excellence in Maryland Public Schools Act

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, and Chapter 33 of 2022. 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.

Among these policy programs is a specified career ladder for teachers. Under Chapter 36, as amended by Chapter 55, an eight-year phase-in, beginning July 1, 2025, was put in place, during which the minimum percentage of worktime that teachers must devote to classroom teaching time was reduced. The remaining time in teachers’ schedules was to be devoted to “collaborative time” in which teachers worked with other teachers and with students in small groups to achieve better student and teacher outcomes. Under these Acts, collaborative time is funded through a portion of the per-pupil foundation amount to provide county boards with the funds necessary to implement collaborative time and then by a collaborative time per-pupil amount that must be distributed to

the schools and expended in accordance with the collaborative time implementation plan of each county board of education.

Another policy program established under the Blueprint is a program for community schools – public schools that establish a set of strategic partnerships between the school and other community resources – using a student-centered framework to promote inclusive student achievement, positive learning conditions, and the well-being of students, families, educators, and the community through a variety of engaging practices, including the provision of wraparound services. Community schools under the Blueprint are funded through the concentration of poverty grant (CPG) program. Under the Blueprint, CPG funds must generally be distributed by the county board to each eligible school. However, if the local school system has at least 40 eligible schools, the county board may expend up to 50% of CPG personnel and per-pupil grants on behalf of eligible schools.

Funding: *House Bill 504 (passed)* makes numerous changes to the Blueprint. The bill delays the date by which collaborative time must begin to be implemented to July 1, 2028, and makes the period during which it is implemented a seven-year phase-in, rather than an eight-year phase-in. While the requirement to begin implementation of the collaborative time does not begin until fiscal 2029, the overall per-pupil foundation amount (PPFA) for fiscal 2026 through 2028 retains a portion of funding, \$163 per pupil, originally designated for collaborative time, and instead allows the county boards to use that extra funding for any purpose. **Exhibit L-1** compares the PPFA under current law and under the bill. Formulas that are based on the PPFA, including funding for special education, for compensatory education, for English language learners, for the SEED School, the Maryland School for the Blind, and the Maryland School for the Deaf, are altered so that the amount of funds remains the same as under current law. The PPFA and other education aid's funding must not be increased in the annual budget bill if the estimate reported by the Board of Revenue Estimates in December is more than 3.75% below the reported March general fund estimate for the fiscal year.

Current law authorizes county governing bodies to set property tax rates or revenues higher than allowed in their charters to fund education. The bill expands this authority to include payments to the Teachers' Pension System and the Teachers' Retirement System that the county governing body makes on behalf of the county board. Finally, mandated funding for the Maryland Consortium on Coordinated Community Supports is decreased, placing funding at \$70 million in fiscal 2026 and \$100 million going forward.

Exhibit L-1
Per-pupil Foundation Amount
Fiscal 2026-2035

<u>Fiscal Year</u>	<u>Current Law</u>	<u>Under the Bill</u>	<u>Difference</u>	<u>% Difference</u>
2026	\$9,226	\$9,226	\$0	0.0%
2027	9,732	9,561	(171)	-1.8%
2028	10,138	9,789	(349)	-3.4%
2029	10,564	10,200	(364)	-3.4%
2030	11,004	10,625	(379)	-3.4%
2031	11,442	11,047	(395)	-3.5%
2032	11,898	11,483	(415)	-3.5%
2033	12,365	11,931	(434)	-3.5%
2034	12,635	12,381	(254)	-2.0%
2035	12,910	12,843	(67)	-0.5%

Note: For current law, fiscal 2034 and beyond reflects inflation.

Source: Department of Legislative Services

Community Schools: *House Bill 504* expands existing funding distribution flexibility under CPG to each county board that has at least 10 eligible community schools or if at least 35% of a local school system’s schools are eligible schools. A local school system that meets this threshold is authorized to expend no more than 50% of the funds at the county level in a manner that directly benefits an eligible school. Each county board that spends funds in this way must provide each eligible school with an itemized list of services provided, the amount of funds spent on each service, and the amount of funds spent on central administrative support. Additionally, the bill authorizes the Maryland State Department of Education (MSDE) to establish requirements for community school implementation plans and countywide implementation plans. Either type of implementation plan must include measurable goals that will be measured at least once every two years. If MSDE determines that a community school has not expended funds in accordance with its implementation plan, MSDE may direct a county board to expend funds on behalf of the community school in accordance with the implementation plan.

Academic Excellence Program: The bill establishes the Academic Excellence Program within MSDE, and a related special fund. The purpose of the program is to strengthen educator capacity by providing State-hired individualized coaching to improve professional practice and targeted professional development. Regional coaching teams will support teachers in implementing evidence-based strategies to improve student academic growth. The bill prohibits any money from the Blueprint for Maryland’s Future Fund from being used to fund the program.

Maryland Leadership Academy: The bill alters the Maryland Leadership Academy to strengthen and develop school leadership in schools by targeting training for school principals, assistant principals, and other school leaders in a 12-month program.

Grow Your Own Educators Grant Program: The bill also makes several changes to the Grow Your Own Educators Grant Program, established by Chapters 227 and 228 of 2024. The focus of the program is directed toward experiential learning opportunities. Grants under the program are provided only to local school systems to support collaboratives. The types of collaborative models that may be awarded grants are expanded. Teacher candidate participants must be provided access to a mentor for the duration of their program. Also, teacher candidates may serve as a substitute teacher, subject to specified conditions.

Career Counseling: The bill extends funding directed to local workforce development boards for the Career Counseling Program for Middle and High School Students. A local workforce development board receives from a county board \$62 per student, set aside from the foundation formula for fiscal 2027 and 2028. The Accountability and Implementation Board (AIB) must conduct a study on the program's effectiveness and submit a report to the Governor and the General Assembly by January 1, 2027.

Maryland Teacher Relocation Incentive Grant: The bill establishes the Maryland Teacher Relocation Incentive Grant, to provide up to \$2,000 to incentivize out-of-state licensed teachers to move to the State.

National Teacher Recruitment Campaign: Under the bill, MSDE may establish a national teacher recruitment campaign to bring licensed and prospective teachers to the State.

Miscellaneous Changes: [House Bill 504](#) also requires that:

- appropriations in the annual budget bill for AIB be jointly certified by the Governor and the General Assembly's Presiding Officers;
- MSDE, in consultation with AIB, contract with an independent entity to conduct a study of funding for special education in the State;
- MSDE, after consultation with certain institutions of higher education in the State, evaluate the CPG program and establish requirements for the community schools implementation plans;
- in fiscal 2026 only, MSDE provide technical assistance to local school systems to develop innovative models that can be replicated for teacher collaboration at the school or local school system level (MSDE may contract with an external partner with specified experience to provide that support); and

- for a three-year period beginning with the 2025-2026 school year, digital tools that utilize artificial intelligence to support student learning be exempt from specified procurement requirements regarding accessibility standards.

Statewide Education Policies

Restorative Practices Schools

The State Board of Education (SBE) must establish guidelines that define a State code of discipline for all public schools with standards of conduct and consequences for violations of the standards. SBE must also (1) upon request, provide technical assistance and training to county school boards on the use of restorative approaches (renamed restorative practices under the bill) and (2) assist each county school board with implementing the guidelines. *Senate Bill 68/House Bill 197 (both passed)* require MSDE, on or before July 1, 2026, and in consultation with specified stakeholders, to develop a comprehensive plan for the establishment of restorative practices schools that includes specified components. If a county board of education chooses to establish a restorative practices school within the local school system, the county board must use the comprehensive plan developed by MSDE.

Notification of Incidents of Student Elopement

House Bill 1204 (passed) requires that each time a student attempts or accomplishes an elopement (leaving a school campus without the permission of a responsible school staff member), the school must notify the student’s parent or guardian on the same day the incident occurred. At least one time each year, a school or a student’s individualized education program (IEP) team must review and address wandering or elopement behavior in updating the student’s IEP or behavioral intervention plan. The bill applies to public schools, the Maryland School for the Blind, Maryland School for the Deaf, and nonpublic schools. A school must develop policies and procedures to implement the requirements of the bill.

Chronic Absenteeism in Schools

House Bill 879 (passed) establishes the Task Force to Improve Attendance and Reduce Chronic Absenteeism in Schools. The task force must analyze data regarding chronic absenteeism by students in schools in the State; identify and evaluate local and national strategies and best practices to address chronic absenteeism; and identify differentiated and comprehensive responses for chronic absenteeism that prioritize prevention and intervention, among other duties. By December 31, 2025, the task force must submit a report of its findings and recommendations to the Governor and the General Assembly, and MSDE must update regulations relating to student attendance to incorporate the task force’s recommendations. By June 30, 2026, MSDE must distribute a toolkit for school leaders on identifying and preventing chronic absenteeism and provide guidance to each local school system on effective prevention strategies.

Detecting Deadly Weapons at Schools

The Maryland Center for School Safety (MCSS) is an independent unit of State government that provides grants, training, and support to public, nonpublic special education, and private schools throughout Maryland pertaining to school safety initiatives. *House Bill 782 (passed)* requires MCSS to study how best to detect deadly weapons on public middle and high school properties and how best to have schools rapidly report the detection of a deadly weapon to a law enforcement agency. MCSS must submit reports by December 1, 2025, and December 1, 2026, respectively, to the Presiding Officers of the Senate and the House of Delegates and specified committees of the General Assembly in a manner that does not jeopardize school safety. The bill terminates on June 30, 2027.

Policies for County Boards of Education

Curriculum Discrepancies

In Maryland, the process for curriculum development requires SBE to adopt the content standards and frameworks (the knowledge and skills that every student must learn and apply at each grade level from prekindergarten to grade 12) and the county boards of education to develop and adopt the curriculum (how teachers teach the content standards). The Maryland College and Career Readiness Standards were adopted in 2010 and undergo review by MSDE at least once every eight years. Department regulations require each county board to certify to MSDE that their adopted curriculum is aligned with State content standards. *House Bill 161 (passed)* clarifies in law that the curriculum guides and courses of study adopted by county boards must align with State content standards adopted by SBE. The bill establishes a process for correcting discrepancies identified by the State Superintendent of Schools in a county board's curriculum guides and courses of study that do not align with State content standards, including specified penalties.

Equal Pay for High School Sports Officials

The Maryland Public Secondary School Athletic Association (MPSSAA), in cooperation with MSDE and county boards, is tasked with promoting, facilitating, and overseeing all interscholastic athletic activities provided for public high school students in the State. *Senate Bill 923 (passed)* requires MSDE, in consultation with MPSSAA, to develop a list of similar high school sports for boys and girls, by considering whether the sports occur in the same season, have comparable rules, require a similar number of officials, require similar officiating services, and feature competition of comparable lengths of time. Each county board must ensure that sports officials providing similar officiating services for sports categorized as similar receive the same pay. Additionally, county boards are required to reject a bid for proposal or a procurement contract that would result in different pay or fees for officials offering similar officiating services in similar sports.

Publication of Special Education Delivery Models

Senate Bill 602/House Bill 702 (both passed) require each county board of education to develop and publish on its website a list of all special education service delivery models provided by the local school system to parentally placed private school students within the jurisdiction of the local school system. “Parentally placed private school student” means a child with a disability enrolled by the parent or guardian of the child in a private elementary or secondary school or facility, including a religious school or facility, in accordance with relevant federal statute. It does not include a child with a disability placed in or referred to nonpublic placement by a public agency to ensure appropriate educational services are provided to the child.

Educator Training and Assistance

Initial Teacher Certification

Beginning July 1, 2025, for initial teacher certification, graduates from approved or alternative teacher preparation programs in the State must either (1) pass a nationally recognized, portfolio-based assessment of teaching ability or (2) complete a local school system’s rigorous teacher induction program. They must also meet one additional qualification, including (1) pass a basic literacy skills assessment approved by MSDE; (2) hold a degree from a regionally accredited institution with a minimum cumulative grade point average of 3.0 or its equivalent; or (3) provide satisfactory documentation of effective evaluations from a local school system for three years. *House Bill 888 (passed)* allows an individual to pass a portfolio-based assessment developed by a nationally accredited teacher preparation program instead of passing a nationally recognized, portfolio-based assessment of teaching ability.

Antibias Training

Chapter 128 of 2024 requires local school systems to provide antibias training to school employees based on guidelines developed by MSDE. *Senate Bill 293/House Bill 324 (both passed)* require each member of a county board of education to complete an antibias training program at least once during their term. The training program must be the same as provided to public school employees; however, the antibias training for board members must be conducted separately from the training provided to public school employees.

Holocaust Education Assistance Grants

House Bill 71 (passed) establishes the Holocaust Education Assistance Grant Program in MSDE to assist local school systems with providing Holocaust education in public schools. Grants provided to a local school system may be used only for Holocaust-related teacher training or teaching materials.

Miscellaneous

High School Diploma by Examination

A Maryland resident may obtain a high school diploma by examination (*e.g.*, GED) if the individual is at least 18 years old and has not obtained a high school diploma. To qualify, the individual, except for an English language learner, must have withdrawn from a regular full-time public or private school program. *Senate Bill 451/House Bill 325 (both passed)* require the Maryland Department of Labor (MD Labor) to allow an individual to take all components of the GED in either English or Spanish. Additionally, MD Labor must identify other appropriate languages in which to offer the GED and study the feasibility and cost of offering the examination in additional languages.

Student Technology Resources

House Bill 1316 (passed) requires the National Center for School Mental Health (NCSMH) at the University of Maryland School of Medicine, in consultation with MSDE, to develop and publish a youth-centric technology and social media resource guide that meets specified requirements. To assist in the development of the guide, NCSMH must develop a needs assessment by September 1, 2026. The guide must be completed before the 2027-2028 school year, and NCSMH must periodically update the guide. The guide must be posted on the MSDE and each county board's website and distributed to each public school and each parent teacher association for each public school in the State on or before the first day of each school year, beginning with the 2027-2028 school year.

Public Ethics Law Compliance

Senate Bill 109 (passed) requires county boards of education in the State to certify to the State Ethics Commission that a county board is in compliance with the Maryland Public Ethics Law regarding conflicts of interest and financial disclosure statements for (1) members of the county board and (2) officials and employees of the school system.

Higher Education

Operating Funding

Operating funding State support for higher education in the fiscal 2026 budget totals \$3.1 billion, a decrease of \$102.4 million, or 3.2%, compared to fiscal 2025, as shown below in **Exhibit L-2**. State funding (which includes general funds and Higher Education Investment Funds) for the public four-year institutions decreases by \$131.0 million combined. However, the allowance includes \$61.9 million budgeted to the public four-year historically Black colleges and universities (HBCUs) related to the settlement funding for the HBCUs.

Exhibit L-2
State Support for Higher Education
Fiscal 2025-2026

	<u>2025¹</u>	<u>2026²</u>	<u>\$ Change</u> <u>2025-2026</u>	<u>% Change</u> <u>2025-2026</u>
University System of Maryland	\$2,127,184,128	\$1,990,999,800	-\$136,184,328	-6.4%
Morgan State University	167,495,046	170,037,605	2,542,559	1.5%
St. Mary’s College of Maryland	39,033,515	41,684,737	2,651,222	6.8%
HBCUs Settlement	62,224,757	61,903,682	-321,075	-0.5%
MHEC Special Grants ³	27,692,807	13,616,459	-14,076,348	-50.8%
Community Colleges ⁴	476,340,884	503,133,925	26,793,041	5.6%
Baltimore City Community College	51,334,581	48,367,088	-2,967,493	-5.8%
Independent Institutions	72,594,106	73,322,724	728,618	1.0%
MHEC Administration ⁵	10,348,525	12,029,645	1,681,120	16.2%
MHEC Student Financial Aid	205,192,562	221,911,963	16,719,401	8.1%
Total	\$3,239,440,911	\$3,137,007,628	-\$102,433,283	-3.2%

HBCUs: historically Black colleges and universities

MHEC: Maryland Higher Education Commission

¹ Fiscal 2025 general funds are adjusted to reflect deficiencies as well as a transfer from MHEC to the University of Maryland, Baltimore Campus (UMB) for the WellMobile. Fiscal 2025 general funds do not include general salary increases, which are budgeted in the Statewide Account in the Department of Budget and Management (DBM).

² Fiscal 2026 general funds are adjusted to reflect an anticipated transfer from MHEC to UMB for the WellMobile. Fiscal 2026 general funds do not include general salary increases that are budgeted in DBM.

³ MHEC Special Grants include those funded with State general and special funds. Fiscal 2026 amount includes the Next Generation Scholars, which was previously funded through the Maryland State Department of Education.

⁴ Community Colleges funding includes the Senator John A. Cade formula, other programs, and fringe benefits.

⁵ Special funds encompassed in the total for MHEC Administration include only those fees associated with academic program review and online certification.

Source: Maryland State Budget Books; Department of Legislative Services

Public Four-year Institutions

Funding specifically for the University System of Maryland (USM) decreases by \$136.2 million, or 6.4%, compared to fiscal 2025. However, it should be noted that, while the working appropriation does not include the fiscal 2025 general salary increases that are budgeted centrally in the Statewide Account in the Department of Budget and Management, the *impacts* of

the fiscal 2025 general salary increases are included in the fiscal 2026 allowance. The fiscal 2026 budget also provides USM's HBCUs – specifically, Bowie State University (BSU), the University of Maryland Eastern Shore (UMES), and Coppin State University (CSU) – a total of \$34.3 million in settlement funding, as mandated by Chapters 41 and 42 of 2021 (which is shown as part of the HBCUs Settlement funding in the exhibit). Also included for USM is funding mandated by Chapter 683 of 2021 and Chapter 181 of 2024.

The General Assembly also added \$12.5 million to fund various programs and initiatives at three USM institutions. In addition, the allowance includes \$1.3 million to fund two initiatives: \$1.0 million to CSU fund program development for the student services building; and \$0.3 million to UMES to provide State matching funds for the agriculture extension program. The additional funding noted above is largely offset by decreased funding attributed to a \$155.5 million, or a 5%, reduction to the appropriation across institutions; \$5.2 million in one-time legislative additions in the fiscal 2025 budget; and \$1.5 million less in BSU's allocation of HBCU settlement funds.

Morgan State University (MSU) receives an increase of \$2.5 million, or 1.5%, over fiscal 2025. However, the increase is largely driven by the inclusion of \$11.0 million in fiscal 2025 salary increases. Otherwise, State funds decrease by \$7.7 million when accounting for HBCU settlement funds. In addition to its base funding, MSU received \$27.6 million of HBCU settlement funds, an increase of \$0.8 million, or 3.1%, over fiscal 2025 (which is shown as part of the HBCUs Settlement funding in the exhibit) and \$50,000 for the Center for Equitable Artificial Intelligence and Machine Learning Systems.

St. Mary's College of Maryland (SMCM) receives an increase of \$2.7 million, or 6.8%, in State support over fiscal 2025. This increase encompasses the annualization of cost-of-living adjustment increments.

Independent Institutions

Independent institutions receive \$73.3 million through the Joseph A. Sellinger Formula in fiscal 2026, an increase of \$0.7 million, or 1.0%, over fiscal 2025. The increase in fiscal 2026 can be attributed to a slight increase (0.3%) in undergraduate full-time equivalent student (FTES) enrollment at the independent institutions.

Community Colleges

State funding for local community colleges increases by \$26.8 million over fiscal 2025. Among other increases, funding under the Senator John A. Cade Funding Formula increases by \$16.8 million, while funding for community college retirement programs increases by \$5.0 million. The growth in funding is largely being driven by a consecutive year increase in student enrollment, despite the change to the funding formula, which now sets State support at 27.2% of funding provided to the selected public four-year institutions. (This level is the statutory maximum funding to be received under the changes of the funding formula based on the Budget Reconciliation and Financing Act (BRFA) of 2024.)

Baltimore City Community College

Baltimore City Community College (BCCC), Maryland’s only State-administered community college, has a separate statutory funding formula. Overall, State funding for BCCC decreases by almost \$3.0 million, or 5.8%, from fiscal 2025 – primarily due to a deficiency appropriation for that amount for fiscal 2025. BCCC’s overall FTES enrollment total increased 24.5%. In fiscal 2026, the total amount that would be provided by the calculated formula is \$27.3 million. However, the lower calculated formula funding triggers a hold harmless clause that requires the Governor to fund BCCC’s formula at the amount provided in the prior year’s budget. The hold harmless amount for fiscal 2026 has not changed from fiscal 2025 and remains at \$48.0 million.

Financial Aid

State support for student financial aid increases by \$16.7 million, or 8.1%, to \$221.9 million in fiscal 2026. The largest needs-based aid program, the Delegate Howard P. Rawlings Educational Excellence Awards Program, increases by \$9.4 million, totaling \$138.7 million in the fiscal 2026 allowance. *House Bill 352 (passed)* (the BRFA of 2025) reduces mandated funding for three financial aid programs. Specifically, beginning in fiscal 2026, and consistent with funding in the budget, the BRFA of 2025 reduces funding for the Maryland Community College Promise Scholarship program by \$1.5 million to \$13.5 million, the Maryland Police Officers and Probation Agents Scholarship by \$3.0 million to \$2.0 million, and the Maryland Loan Assistance Repayment Program for Police Officers and Probation Agents by \$3.0 million to \$2.0 million. The BRFA of 2025 also made changes to the fiscal 2025 mandated amounts for two of these programs, consistent with deficiency reductions for fiscal 2025 in the budget bill. Finally, the BRFA of 2025 repealed the requirement that the mandated funding for the Maryland Police Officers and Probation Agents Scholarship be expended in a certain manner (one-half for students intending to become police officers or probation agents after graduation and the other half for existing police officer and probation agents to attend an eligible institution and remain in their positions after graduation).

Capital Funding

Capital funding for higher education totals \$484.6 million for fiscal 2026, most of which (\$395.3 million) is for public four-year institutions, including \$30.0 million in academic revenue bonds for USM institutions authorized by *House Bill 793 (passed)*. Local community colleges receive \$63.2 million: \$60.2 million through the Community College Construction Grant Program; and \$3.0 million through the Community College Facilities Renewal Grant Program. In addition, BCCC receives \$9.0 million (and is authorized to expend another \$9.0 million from its fund balance for specified purposes, for a total of \$18.0 million in capital funding), and independent institutions receive \$8.0 million in capital funding for fiscal 2026.

Campus Services – Health and Related Support

Hunger-Free Campus Grant Program

Chapters 579 and 580 of 2021 established the Hunger-Free Campus Grant Program for public institutions of higher education administered by the Maryland Higher Education Commission (MHEC). Under the program, MHEC is required to allocate grant funding to any public institution or regional higher education center that pledges a matching contribution to be used to implement the goals of the program and is designated as a hunger-free campus, according to the standards set in statute. *Senate Bill 789/House Bill 774 (both passed)* expand eligibility to be a “hunger-free campus” to private institutions of higher education. However, these private institutions are prohibited from being eligible to receive grant funding under the Hunger-Free Campus Grant Program.

Pregnant and Parenting Students

Under federal law – specifically, Title IX of the Education Amendments of 1972 to the Higher Education Act – discrimination on the basis of sex in educational programs and activities is prohibited for all educational institutions receiving federal funding. Every institution that receives federal financial assistance is bound by Title IX. Federal regulations implementing Title IX prohibit discrimination against a student based on pregnancy and against students in situations related to pregnancy. *Senate Bill 511/House Bill 840 (both passed)* require specified public four-year higher education institutions to adopt a plan regarding pregnant and parenting students that is consistent with Title IX. The plan must include (1) referral to on-campus or off-campus services regarding the availability of or eligibility for government assistance programs; (2) provision of information about or referral to adoption services; (3) availability of institutional accommodations, as specified; and (4) a referral network of health care service providers.

Students with Disabilities

The TerpsEXCEED (EXperiencing College through Education and Employment Discovery) Program is an inclusive post-secondary education program at the University of Maryland, College Park Campus that provides Maryland students with intellectual disabilities the opportunity to participate in a college experience for two years, culminating in a certificate. *Senate Bill 603/House Bill 458 (both passed)* authorize the Governor to include \$350,000 in the annual budget bill for the TerpsEXCEED Program. The funding is permitted to be used for various services provided to students with intellectual disabilities, including advising and counseling, offering courses, and developing internship and job opportunities.

Higher Education Oversight and Economic Development

Academic Program Approval

Chapter 963 of 2024 established a new process for academic program approval and institutional mission statements based on identifying State and regional workforce needs. Under

that process, MHEC must require each public four-year institution of higher education to submit a letter of intent to MHEC that identifies each new graduate-level program that an institution intends to propose for approval; a letter of intent must be submitted every six months with all new graduate programs the institution intends to propose within the upcoming six-month to two-year period. Chapter 963 also created a special approval process for graduate-level “emerging workforce need programs,” for which specified institutions of higher education were given a first right to submit a notice of intent of program proposal. *Senate Bill 9 (passed)* repeals the provisions of Chapter 963 that granted those institutions the exclusive right (for 90 days) to propose emerging workforce need programs. The bill also requires private nonprofit institutions of higher education to submit semi-annual letters of intent to MHEC, putting them in the same posture as public institutions of higher education. It also clarifies that letters of intent are intended for collaboration and feedback rather than conferring any right of first refusal.

Procurement for Institutions of Higher Education

Senate Bill 653/House Bill 819 (both passed) allow certain entities – including MSU, SMCM, and BCCC – to use an “evaluation factor” during the procurement process of up to 10% for companies that have employee stock ownership plans, subject to the approval of the Board of Public Works and under specified circumstances.

Scholarships, Tuition Assistance, and Other Support

Maryland Dent-Care Program

Senate Bill 456/House Bill 265 (both passed) expand eligibility for the Maryland Dent-Care Program to include dentists and dental hygienists employed on a part-time basis. The bills also require MHEC’s Office of Student Financial Assistance, in collaboration with the Maryland Department of Health, to establish prorated loan repayment assistance for any part-time dentists and dental hygienists participating in the program.

Maryland Community College Promise Scholarship

Senate Bill 269/House Bill 473 (both passed) allow part-time associate degree students to receive Maryland Community College Promise Scholarship awards for up to six years while maintaining the three-year maximum for full-time associate degree students and other eligible recipients. They also clarify that students pursuing licensure, certification, or participating in a registered apprenticeship program may receive the award for up to three years.

Janet L. Hoffman Loan Assistance Repayment Program

Senate Bill 318/House Bill 643 (both passed) expand eligibility for the Janet L. Hoffman Loan Assistance Repayment Program to include veterinary practitioners and veterinary technicians who received a graduate, professional, or undergraduate degree from any accredited veterinary college or university.

To qualify, however, veterinary practitioners and technicians must also have provided veterinary services (or veterinary technician services) for a certain number of years – *either* as an employee in the State for at least five years *or* as a volunteer at an animal shelter for at least 100 hours per year over at least a three-year period. Furthermore, such volunteer work must be at an animal shelter owned by (1) a local government; (2) an organization contracted to perform animal control services for a local government; or (3) an organization that shelters animals and was a recipient of the Maryland Spay and Neuter Grants Program during the prior year.

Maryland Graduate and Professional Scholarship Program

Senate Bill 597/House Bill 704 (both passed) expand eligibility for the Maryland Graduate and Professional Scholarship Program to include individuals attending the Meritus School of Osteopathic Medicine.

Public Service Loan Forgiveness Program

House Bill 795 (passed) establishes requirements related to certifying employment as full time to qualify an individual for the federal Public Service Loan Forgiveness (PSLF) Program. Notably, a public service employer must (1) adopt a policy calculating hours worked with a method that maximizes the amount of time for which an employee can be considered full time and (2) consider an employee as full time if the employee satisfies, or satisfied, the minimum amount of time to qualify as such. It also establishes procedures for certifying employment of adjunct or tenured professors in institutions of higher education that are also public service employers under PSLF.

Community Colleges

Hagerstown Community College

House Bill 478 (passed) authorizes a Hagerstown Community College police officer to exercise powers granted to a peace and police officer within Washington County under specified circumstances.

Board of Community College Trustees for Howard County

Senate Bill 813 (passed) adds two additional members to the Board of Community College Trustees for Howard County and imposes additional duties on the board. The board must include an opportunity for public comment at each meeting and must record meetings and post them online in a specified manner. As part of ongoing training for board members and at least every two years, board members must undergo training specific to board governance, structure, responsibilities, and roles. The board must survey employee satisfaction annually via specified means and redact any human resources or personnel-related feedback before public release of survey results.

The bill requires the board to submit a report to the General Assembly on the status of the faculty union contract every six months beginning January 1, 2026, until a union contract is finalized.

Education – Local Bills

Anne Arundel County

Public schools must be open for at least 180 days and 1,080 school hours at elementary and middle schools or 1,170 hours at high schools during a 10-month period. However, a county board of education may apply to the State Board of Education (SBE) for a waiver from these provisions of State law. *House Bill 226 (passed)* allows the Anne Arundel County Board of Education to operate all public schools in the county using a scheduling model that eliminates early dismissal days, to allow for less than 180 school days, if the minimal hours of attendance in a school year under specified State regulations are met. If the county board uses this scheduling model, the county board must (1) offer hourly rate school employees an opportunity to make up the lost wages through other duties before the beginning of the next school year and (2) report to SBE and the General Assembly on the operation of schools during the preceding school year that used an alternative schedule – summarizing each day a school operating under an alternative scheduling model was open and the number of hours per day that the school was open with students in attendance.

The Anne Arundel County Board of Education consists of seven nonpartisan elected members and one student member. The student member generally has the same voting rights and authority to attend executive sessions of the board as a nonstudent member. A student member who completes a full term on the county board must be granted a scholarship that is applied toward the student’s higher education costs. *Senate Bill 307/House Bill 402 (Chs.7 and 8)* increase the amount of the student member scholarship from \$8,000 to \$15,000.

Montgomery County

The Montgomery County Board of Education consists of seven elected members and one student member. While the student member may not receive compensation, the student member may be reimbursed for out-of-pocket expenses incurred in connection with official duties, and a student member who completes a full term must receive a scholarship to be applied toward the student’s higher education costs. Chapter 566 of 2022 set the student member scholarship amount to be the lesser of (1) the highest annual resident undergraduate tuition, mandatory fees, and room and board that is charged at specified four-year public institutions of higher education within the University System of Maryland for the academic year in which the student member serves on the board and (2) the amount that an elected member of the board (other than the board president) is entitled to receive as compensation in that year. *House Bill 1207 (passed)* alters compensation procedures for the student member of the board. The student member may elect to receive compensation as monthly installments as a stipend during the student member’s term and

receive any remaining amount as a scholarship after the end of the term. Additionally, the bill repeals language requiring the student member to submit expense vouchers before the student member may be reimbursed for out-of-pocket expenses incurred in connection with official duties (but retains the reimbursement authorization). Although the bill does not alter compensation amounts for elected members, the bill specifies that future salary increases for elected members must take effect at the beginning of the term of office and may not increase during the term of office.

Wicomico County

The Wicomico County Board of Education is made up of seven nonpartisan members with one member elected from each of the five councilmanic districts in the county elected by the voters of each district and two at-large members elected by voters of the entire county. *House Bill 1524 (passed)* adds at least one nonvoting student member to the board and authorizes the board to grant a scholarship to a student member. The bill also requires, beginning with the 2026 general election, that the seven elected members of the board each be elected from one of the seven councilmanic districts in the county, eliminating at-large members. The bill also authorizes the Wicomico County Council to set a salary greater than the current annual compensation amounts required for elected members (\$3,700) and board chair (\$4,000). Both the elected members and a student member are entitled to reimbursement for travel and other expenses. However, a student member is not entitled to any compensation or payment beyond reimbursement for expenses incurred in their capacity as a board member and a scholarship as authorized by the county board.

Early Childhood/Libraries/Miscellaneous

Child Care Policy and Access

The State oversees a variety of early education services that are provided to Maryland children and their families in cooperation with local governments, local school systems, and private child care providers. The Division of Early Childhood within the Maryland State Department of Education (MSDE) coordinates the State's early childhood care and education system and is composed of three subdivisions: (1) the Office of Child Care; (2) the Office of Early Learning and Instruction; and (3) the Office of Family Support Services.

Subject to limited exception, 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.

Child Care Facilities

House Bill 477 (passed) requires MSDE to conduct a thorough analysis of the State's regulatory requirements for child care centers, family child care homes, and large family child care homes. By January 1, 2026, MSDE must provide an interim report on its analysis, and by

September 1, 2026, MSDE must submit a final report of the results of its analysis and its recommendations to the Governor and the General Assembly.

Child Care Centers

State regulations govern staffing and attendance ratios of child care centers. Child care centers serving more than 20 children must have at least one staff member (per every 20 children) who is certified in basic first aid and cardiopulmonary resuscitation training. *Senate Bill 252/House Bill 150 (both passed)* alter this requirement to require MSDE to set the ratio through regulation rather than setting the ratio in statute.

House Bill 1344 (passed) requires the Department of General Services (DGS) to conduct an assessment of all facilities owned by the State and operated by the agencies supported by DGS to evaluate whether a facility or a portion of a facility is suitable to lease to a child care center, report to the General Assembly on the results of the assessment, and post the report on its website.

Child Care Homes

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. Statute and regulation include additional provisions regarding the ages of children in care. *House Bill 785 (passed)* generally prohibits the governing documents of a cooperative housing corporation, condominium, or homeowners association from prohibiting or restricting (1) the establishment and operation of a family child care home or large family child care home or (2) the use of the roads, sidewalks, and other common elements of the common ownership communities (COCs) by users of the family child care home or large family child care home. The bill also prohibits COCs and local jurisdictions from limiting the number of children for which a family child care home or large family child care home provides family child care to below the number authorized by MSDE.

Child Care Scholarship Program

The Child Care Scholarship (CCS) Program, established in 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. *House Bill 1121 (passed)* establishes the Youth Transitioning From Foster Placement to Successful Adulthood Program, administered by MSDE. The purpose of the program is to remove certain application barriers for parenting foster youth and increase eligibility access to the CCS program for the foster youth's child. The Department of Human Services (DHS) must make referrals to MSDE regarding the program.

Therapeutic Child Care Grant Program

Chapters 498 and 499 of 2022 established the Therapeutic Child Care Grant Program within MSDE to provide grants to certain providers that provide specialized child care and early education to children younger than age six who have developmental delays, physical disabilities, or delays in social, emotional, or behavioral functioning. Chapters 498 and 499 required the Governor to include a \$3.7 million appropriation in the annual budget bill for the program in fiscal 2023 through 2025. *Senate Bill 359/House Bill 185 (both passed)* reestablish a mandated appropriation for the program, administered by MSDE. As a result, the Governor must include a \$3.7 million appropriation for the program in the annual budget bill from fiscal 2027 through 2029. There is no effect in fiscal 2026. General fund expenditures increase by \$2.2 million from fiscal 2027 through 2029, reflecting \$1.5 million in annual funding otherwise forecast for the program.

Mixed Delivery Model Viability Act

House Bill 1475 (passed) requires MSDE to convene a workgroup to conduct an analysis of the mixed delivery, publicly funded full-day prekindergarten system. Further, the bill requires the workgroup to solicit feedback from public prekindergarten providers, private prekindergarten providers, and child care providers who have elected not to participate in the full-day publicly funded prekindergarten program. By June 1, 2026, the workgroup must provide an interim report, and by December 31, 2027, the workgroup must submit a final report on the results of its analysis and any recommendations to MSDE, the Accountability and Implementation Board, and the General Assembly. The council terminates June 30, 2028.

Office of Child Care Advisory Council

Chapter 394 of 1991, as amended by Chapter 205 of 2017, established the Child Care Administration Advisory Council in what is now DHS. Chapter 585 of 2005 required the State Superintendent of Schools to establish the Early Childhood Development Division within MSDE. Chapter 585 also transferred the licensing and credentialing unit of the former Child Care Administration from the then Department of Human Resources to MSDE and reformed it as the Office of Child Care. Finally, Chapter 585 renamed the Advisory Council to be the Office of Child Care Advisory Council.

House Bill 1122 (passed) increases the maximum number of members of the Office of Child Care Advisory Council from 30 to 31 and adds a representative of the Maryland Association of Public Library Administrators to the membership of the council.

Emergency Use Epinephrine

Chapters 552 and 553 of 2012 required each county board of education to establish a policy to authorize certain school personnel to administer auto-injectable epinephrine to a student in anaphylaxis. Chapters 552 and 553 defined “anaphylaxis” as a sudden, severe, and potentially life-threatening allergic reaction that occurs when an individual is exposed to an allergen. Chapters 552 and 553 also defined “auto-injectable epinephrine” as a portable, disposable drug

delivery device that contains a premeasured single dose of epinephrine that is used to treat anaphylaxis in an emergency situation. *Senate Bill 459/House Bill 420 (both passed)* replace “auto-injectable epinephrine” with “emergency use epinephrine” throughout the Education, Health-General, and Health-Occupations articles.

Libraries and Literacy

Family Literacy Pilot Program

Senate Bill 378/House Bill 415 (both passed) establish the Family Literacy Pilot Program administered by the Maryland State Library Agency (MSLA). The program is intended to foster family literacy and strengthen parent-child relationships by providing children’s books in State correctional facilities to incarcerated individuals and a means for an incarcerated individual to read aloud to the individual’s child. By December 1, 2028, MSLA must report to the General Assembly on the results of the program. The program terminates on December 31, 2028.

Deaf Culture Digital Library

Chapter 606 of 2014 required the Division of Library Development and Services in MSDE to establish the Deaf Culture Digital Library. Chapters 337 and 338 of 2017 established MSLA and transferred the duties and responsibilities of the Division of Library Development and Services in MSDE to MSLA. *Senate Bill 358/House Bill 678 (both passed)* require the Governor to include a mandated appropriation of \$450,000 for the Deaf Culture Digital Library in the annual budget bill beginning in fiscal 2026. The bill requires the Deaf Culture Digital Library to submit its annual operating budget to MSLA by June 1 each year. Due to funding otherwise forecast for the program, general fund expenditures increase by approximately \$49,000 annually.

Maryland Public Access Automated External Defibrillator Program

Chapter 167 of 1999 established the Automated External Defibrillator Program, renamed to be the Public Access Automated External Defibrillator Program to make automated external defibrillation (AED) available. “Automated external defibrillator” means a medical heart monitor and defibrillator device that (1) is cleared for market by the federal Food and Drug Administration; (2) recognizes the presence or absence of ventricular fibrillation or rapid ventricular tachycardia; (3) determines, without intervention by an operator, whether defibrillation should be performed, and on determining that defibrillation should be performed, automatically charges; and (4) either requires operator intervention to deliver the electrical impulse or automatically continues with delivery of the electrical impulse. Beginning January 1, 2026, *Senate Bill 369/House Bill 593 (both passed)* require each library to (1) place an AED in a prominent area, accessible to employees and library users; (2) comply with the Maryland Public Access Automated External Defibrillator Program; and (3) maintain the functionality of the AED. “Library” for purposes of the bills includes each branch of a county library system, or the Enoch Pratt Free Library, but does not include a school library established by a local school system, a mobile library unit, or a correctional facility library. By December 1, 2026, the Maryland Institute for Emergency Medical Services Systems must submit a report to specified committees.

Personnel

House Bill 672 (passed) requires the Maryland Department of Health, in conjunction with MSDE, to conduct an annual assessment of the school health and wellness personnel workforce in the State and submit a report to the General Assembly on the findings of the assessment and publish the report on each agency's website by December 1, 2027, and annually thereafter. The bill also adds a school nurse member, nominated by the Maryland Association of School Health Nurses, to the Maryland Council on Advancement of School-Based Health Centers.

Student Health Programming

Mental Health

Chapter 122 of 1986 enacted the Youth Suicide Prevention School Program, administered by MSDE in cooperation with local school systems and community suicide prevention agencies, to address youth suicide in the State. *Senate Bill 310 (passed)* expands the programs authorized under the Youth Suicide Prevention School Program to include classroom instruction designed to increase pupils' awareness of the relationship between gambling and youth suicide. Likewise, the bill expands the findings and declarations of the General Assembly to include that (1) youth suicide often exists in combination with other problems, including gambling addiction and (2) a suicide prevention program for young people should promote recognizing student behavioral health issues, recognizing students experiencing trauma or violence out of school, and referring students to behavioral health services.

Oral Health

House Bill 1143 (passed) establishes a Maryland Collaborative to Improve Children's Oral Health Through School-Based Programs to be staffed by the Maryland Department of Health. The collaborative is charged with studying and making recommendations to improve the oral health of children in the State through school-based dental programs by analyzing the impact of several factors. By December 1, 2025, the collaborative must provide an interim report on its analysis, and by October 1, 2026, the collaborative must submit a final report of the results of its findings and recommendations to the Governor and the General Assembly.

School Construction

Funding

The Interagency Commission on School Construction 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 for relocatable classrooms; the Healthy School Facilities Fund provides funding for grants to public primary and secondary schools to improve the health of school facilities; the School Safety Grant Program (SSGP) provides funding for security upgrades to public school facilities; and the Aging Schools Program provides support for improvements to older public school facilities, including asbestos and lead paint removal, fire protection upgrades, and other similar improvements. The Nancy K. Kopp Public School Facilities Priority Fund begins in fiscal 2027 with a mandated annual appropriation of \$70.0 million.

Also, Chapter 20 of 2020, the Built to Learn (BTL) Act, authorizes the Maryland Stadium Authority to issue up to \$2.2 billion in revenue bonds to support public school facilities. The bonds are backed by mandated 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.

Projects receiving PSCP, EGRC, and BTL funding are required to provide local matching funds.

Fiscal 2026 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-3** shows that, in fiscal 2026, a total of \$450.0 million is allocated in general obligation (GO) bonds and pay-as-you-go (PAYGO) special funds for public school construction, which is the same total allocation as in fiscal 2025.

Exhibit L-3
Public School Construction Funding
Fiscal 2025-2026
(\$ in Millions)

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>\$ Change</u>	<u>% Change</u>
Public School Construction Program	\$313.9	\$300.0	-\$13.9	-4.4%
Enrollment Growth and Relocatable Classrooms	40.0	53.9	13.9	34.7%
Healthy School Facility Fund	90.0	90.0	0.0	0.0%
Aging Schools Program	6.1	6.1	0.0	0.0%
Total	\$450.0	\$450.0	\$0.0	0.0%

Note: Numbers may not sum due to rounding. The Public School Construction Program includes \$290.9 million in general obligation bonds and \$9.1 million in pay-as-you-go special funds. It does not include the School Safety Grant Program, which is funded in the operating budget.

Source: Governor's Fiscal 2026 *Capital Improvement Program*

The total amount in Exhibit L-3 does not include \$3.5 million in GO bonds for the Nonpublic Aging Schools Program; \$10.0 million for SSGP, which receives general funds in the fiscal 2026 operating budget; and \$302.2 million in proposed revenue bonds issued for BTL projects (as discussed below).

Exhibit L-4 shows allocations for EGRC. In fiscal 2026, nine local school systems qualify for this program and are allocated \$53.9 million, which exceeds the mandated amount of \$40.0 million. The capital budget bill of 2025 specifies that, for projects receiving EGRC funds in fiscal 2026, the local school system with the largest enrollment (Montgomery County) is not required to provide a local match.

Exhibit L-4
Enrollment Growth and Relocatable Classroom Program
Fiscal 2024-2026
(\$ in Millions)

<u>Local School System</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Anne Arundel	\$4.9	\$5.0	\$6.3
Baltimore County	6.5	6.5	6.9
Carroll	1.5	1.5	4.5
Charles	1.6	1.6	3.5
Frederick	2.6	2.7	9.2
Harford	2.2	2.2	3.2
Howard	3.4	3.4	0.0
Montgomery	9.4	9.4	10.0
Prince George’s	7.5	7.6	8.1
Worcester	0.4	0.0	2.1
Total	\$40.0	\$40.0	\$53.9

Note: Numbers may not sum due to rounding. Fiscal 2026 allocations from the Interagency Commission on School Construction may be adjusted in May 2025 when the *Capital Improvement Program* is finalized.

Source: Interagency Commission on School Construction

In three rounds of BTL issuances, two in fiscal 2022 and one in fiscal 2025, proceeds provided \$1.1 billion for school construction. For fiscal 2026, the Governor proposed an additional \$302.2 million for BTL based on a revised total issuance of approximately \$1.7 billion, subject to market conditions. Additionally, as part of the Prince George’s County P3 agreement authorized in Chapter 698 of 2021, as amended, in the fiscal 2026 operating budget the Prince George’s County P3 Fund receives a total of \$69.0 million in PAYGO special funds, which includes a mandated \$27.0 million payment from ETF and a \$42.0 million availability payment from Prince George’s County.

Legislative Change

In general, a local school system must reimburse the State for any outstanding debt for a school that is no longer used for school purposes and for which ownership is transferred to a county government, including Baltimore City. A local school system must provide the reimbursement within two years after the transfer of ownership. The capital budget bill of 2025 extends the repayment period to five years.

Aside from this legislative action in the capital budget, the General Assembly passed no legislation affecting school construction during the 2025 session.