

MONTGOMERY COUNTY DELEGATION ANNOUNCES 2016 SESSION ACCOMPLISHMENTS FOR THE COUNTY

ANNAPOLIS – The 32-member Montgomery County Delegation to the Maryland General Assembly today announced its 2016 legislative accomplishments for the County.

Overview

The 2016 Session was one of the busiest ever, with a record breaking number of bills introduced. Lots of bills passed and progress was made on many policy fronts. However, a number of high profile initiatives did not advance and will be carried over into the 2017 Session as “unfinished business.” The Montgomery County Delegation played a leadership role in numerous budget and legislative matters that will have immediate and longer term positive impacts on our residents and businesses.

For the first time in a number of years, both the operating and capital budget bills were passed early with little fanfare. Overall, State aid directed to Montgomery County will increase by about \$38 million, from \$721 million to \$759 million. This increase is driven almost entirely by mandated State funding to support the costs of delivering K-12 education services and the programs provided by Montgomery College at its three campuses.

The capital budget provides at least \$106 million to support projects located in Montgomery County. This list includes \$43 million for public school construction. Nearly \$12 million of this allocation can be attributed to the Delegation’s strong support for legislation that doubled funding for a program established last year providing supplemental support for school systems with significantly growing enrollment (HB722/SB271). In addition, three libraries, two Montgomery College campuses, the County’s prerelease center, several hospitals and twenty nonprofits located within the County will be beneficiaries of State capital grants. Because of the Delegation’s strong advocacy, construction will begin this year on the new fourth building at Universities at Shady Grove.

Although the House and Senate could not reach agreement on a tax relief package, the Delegation delivered a huge win for the residents of Montgomery County by securing passage of legislation allowing the County to delay by two years an initial \$60 million repayment related to *Wynne v. Comptroller* (SB766). The case, decided by the U.S. Supreme Court last summer, resulted in refunds of local income tax which are being paid out of an account held by the Comptroller. Counties and municipalities impacted by *Wynne* are required to reimburse that account for refunds attributable to their taxpayers. The bill also stretched out the timeline for making future repayments, which will ease the financial burden for Montgomery County, the hardest hit of the affected jurisdictions.

Environment

In the face of increasing temperatures, rising sea levels and changing weather patterns in Maryland and worldwide, the General Assembly took an important step to address the negative impacts of global warming on human health, the environment and the economy by reauthorizing the Greenhouse Gas Emissions Reduction Act. This legislation establishes a new goal to reduce greenhouse gas emissions by 40% from 2006 levels by the year 2030 (HB610/SB323). The State's prior commitment was to reduce emissions by 25% from 2006 levels by the year 2020. The State's new goal is seen as one of the strongest in the nation.

The General Assembly passed legislation to increase the Renewable Energy Portfolio Standard (RPS) annual percentage requirements from 20% to 25% for both solar and nonsolar Tier 1 renewable sources (HB1106/SB921). RPS requires electricity suppliers to meet a prescribed minimum portion of their retail electricity sales with various renewable energy sources, including Solar, Wind, Qualifying Biomass, and Hydroelectric power as well as several other sources.

The Maryland Clean Energy Center (MCEC) will be conducting a study this summer to determine optimal design and implementation strategies for a Property Assessed Clean Energy (PACE) program for residential property in the State (SB912/HB387). A PACE loan is a means of financing an energy efficiency upgrade or renewable energy installation for a building. Some State and local governments have created Residential PACE (R-PACE) programs which offer low cost loans to property owners that are repaid over the term of the loan via an annual assessment on the property tax bill. These programs help homeowners pay for the upfront costs of green projects, such as solar panels, and allow property owners to begin saving on energy costs while paying for the project. The MCEC must evaluate strategies for working with private lenders, consult with the Maryland Association of Counties (MACo) and various other entities and report its findings and recommendations by October 1, 2016. Montgomery County has already implemented a Commercial PACE (C-PACE) program that provides financing for energy efficiency and renewable energy projects in commercial buildings and is exploring the creation of an R-PACE program.

The General Assembly addressed concerns about the negative impacts of neonicotinoid pesticides ("neonics") on the central nervous systems of bees and other pollinating insects by passing legislation to prohibit retailers (with certain exceptions) from selling neonics after January 1, 2018 and to prohibit a person from using neonics after January 1, 2018 unless the person is a certified applicator, farmer or veterinarian (HB211/SB198). This statewide legislation complements local legislation enacted by Montgomery County this past year which restricts the use of neonics on County property and by County contractors.

In an effort to restore the State's commitment to Program Open Space (POS) funding, the General Assembly passed legislation this year that partially restores some short-term funding for POS and other land preservation programs and seeks to protect long-term funding (HB462). Baltimore City and the State's 23 counties have identified over \$1.8 billion in need-based priorities for land acquisition and development and rehabilitation of park and recreation facilities. This year's legislation represents a positive step forward in the effort to restore predictable and sensible POS funding and ensure equitable distribution of future funding under the transfer tax distribution formula.

Transportation

A number of proposals were introduced to help improve the State's transportation infrastructure, including a major initiative relating to how those investments are made. Legislation passed that will require the development of a system for ranking transit and road projects for the purpose of ensuring effective resource allocation and promoting transparency. As far as actual major investments, the Board of Public Works approved the Public Private Partnership contract for building the Purple Line, making the next step finalizing the Full Funding Grant Agreement to secure the Federal contribution so that construction can begin this year.

Nontaxable employer transportation benefits are a great way to encourage forms of commuting that reduce road congestion while also benefiting businesses, employees and the environment. The General Assembly adopted legislation that increases from \$50 to \$100 the tax credit that employers can claim against both the State income tax and the insurance premium tax, while also decreasing from eight to six the minimum seating capacity of eligible vanpool vehicles (HB1012). This is a high priority for Montgomery County and a straight-forward method for getting people out of their cars and onto transit or into employee vanpools.

Public Safety

The death of Montgomery County Police Officer Noah Leotta was the catalyst for the General Assembly to adopt the strongest DUI law in the nation. This legislation expands the use of ignition interlock devices for drunk drivers and establishes stronger DUI penalties (HB1342/SB945). The Delegation led the effort in Annapolis to require mandatory participation in the ignition interlock program for drivers with a blood alcohol level of .08 or greater. If a driver refuses a breath test, the individual will receive a 270-day license suspension and interlock period. By adopting this law, Maryland accepts that ignition interlock devices provide the most effective method for reducing the number of impaired drivers on the roads. Individuals will begin to modify their behavior and drunk driving recidivism rates will be reduced. Noah's Law will make our roadways safer and Noah will be remembered as a crucial piece of the story.

Underage drinking parties are occurring with alarming frequency and the tragic results of these illegal activities were driven home last summer by the deaths of two Montgomery County high school seniors who were passengers in a car driven by a drunk teenager leaving such a party. This tragedy was all the more shocking and sad because the party had been hosted by an adult who had allowed the teenagers to drink. It is already a criminal offense for an adult to knowingly and willfully allow an underage person to possess or consume alcohol at the adult's residence. But last summer's events prompted the General Assembly to adopt legislation that increases these penalties (HB409/SB564). Under "Alex and Calvin's Law," if an adult knowingly allows underage drinking at his or her home which leads to a drunk driver causing a death or serious injury, the adult can face up to a year's imprisonment in addition to a criminal fine. This added penalty should further deter irresponsible actions by adults who allow teen drinking parties.

Looking to long-term consequences in the area of public safety and corrections, the General Assembly adopted strong and coordinated efforts to reform the State's criminal justice system (HB1312/SB1005). As adopted, the Justice Reinvestment Act diverts low-level drug offenders

from incarceration to drug treatment programs, reduces the lengths of sentences for non-violent offenders, removes certain mandatory minimum sentence requirements and allows expungement for more convictions from criminal records. Overall, the measure is expected to reduce Maryland's inmate population and save money that can be reinvested into drug treatment and other programs focused on reducing recidivism.

The migrant extortion market in Maryland is particularly odious because it preys on some of our most vulnerable residents who have been exploited in the workplace or in our communities but are too fearful to come forward. Our Delegation led the legislative effort in Annapolis to provide legal protection for undocumented individuals who have been subjected to extortion and better position them to report crimes and contribute to investigations by State and local law enforcement agencies. Working together we will make our communities safer for all.

To support the efforts of the Maryland Internet Crimes Against Children Task Force, the General Assembly passed legislation that requires the Governor to include an appropriation of at least \$2 million in the annual State budget to provide grants to local law enforcement agencies to support the investigation and prosecution of internet crimes against children and the ongoing operations of the Task Force (SB864/HB1490).

Voter Registration

Motivated by a desire to extend the voting franchise to as many people as possible, the General Assembly passed legislation that requires the Motor Vehicle Administration, local departments of social services and certain other public agencies to implement an "opt-out" electronic voter registration system (HB1007). Under this opt-out system, the State Board of Elections will register eligible individuals who apply for services, permits or licenses and provide them with an opportunity to opt out of the registration. For the Montgomery County Department of Health and Human Services, the bill applies to anyone who applies for a State or federally funded public assistance program or for a recertification, renewal or change of name or address relating to a State or Federal funded public assistance program.

Employee Benefits

The sick leave benefits that Montgomery County extended to private sector employees under local legislation enacted last summer received tremendous scrutiny as the General Assembly debated statewide legislation that would have required employers to allow employees to earn paid and/or unpaid leave that could be used when the employee is sick or when the employee needs to care for a sick family member (HB580/SB472). A key issue in the debate was whether the legislation would preempt the County's more generous local law. A bill passed by the House of Delegates included a grandfather clause that would have allowed for continued implementation of the County law; but this bill died in the Senate. Under current State law, the County's sick and safe leave law remains valid and takes effect October 1, 2016.

On a related note, the General Assembly created a Task Force to study existing family and medical leave insurance programs in other states and to make recommendations regarding the development of a State social insurance program to provide short-term benefits to eligible employees who lose wages due to an employee's or family member's illness, injury, pregnancy or childbirth (HB740/SB485). The bill requires the Task force to review studies conducted in

other states regarding family and medical leave insurance programs – as well as a study that is currently underway in Montgomery County.

The General Assembly expanded the State’s Equal Pay for Equal Work law in several ways, including new provisions that prohibit an employer from paying different wages based on gender identity, providing less favorable employment opportunities based on sex or gender identity or discriminating against employees who inquire about or disclose wage information (HB1003/SB481).

Consistent with the State’s goal of improving retirement security for many private sector employees who do not have access to a retirement savings program, legislation passed (SB 1007/HB 1378) to create the Maryland Small Business Retirement Savings Program and Trust. Participation in the Program is mandatory for employers who do not offer a retirement plan, ensuring that their employees have the option of deferring compensation for retirement. Implementation of the bill is contingent upon obtaining a legal opinion confirming that investment offerings allowed under the bill qualify for favorable federal income tax treatment under the Internal Revenue Code.

Economic Development

Responding to local concerns about the challenge of attracting and retaining employees with high student loan debts, the General Assembly passed legislation that authorizes the County to create a Montgomery County Student Loan Refinancing Authority to finance grants and loans for County residents, graduates of County schools, employees of County government or MCPS and other individuals designated by the Authority (HB 1079). In addition to this local enabling law, the General Assembly passed legislation requiring the Maryland Higher Education Commission (MHEC) and the Maryland Health and Higher Educational Facilities Authority (MHHEFA) to study the possible expansion or creation of bonding authority for the refinancing of student loans in Maryland (HB1015). Under this bill, MHEC and MHHEFA must report their findings and recommendations by September 30, 2017.

Education

In passing legislation that created a Commission on Innovation and Excellence in Education (HB999/SB905), the General Assembly continued its ongoing efforts to complete a comprehensive assessment of the progress that has been made in obtaining adequacy of education funding under the Bridge to Excellence in Public Schools Act of 2002 (Bridge to Excellence). The new Commission must evaluate an adequacy study that is already underway at the State level (and on target for completion by November 2016) and provide recommendations for how to best prepare students to meet the challenges of postsecondary education and/or the workforce. Among other things, the Commission must make recommendations for how State laws can best promote collaboration between county governments and local school systems. The Commission’s Interim Report is due by December 31, 2016 and its Final Report is due by December 31, 2017.

The Montgomery County Delegation played leadership roles in the enactment of numerous other pieces of legislation relating to K-12 education, including bills that:

- Require local boards of education to provide greater transparency regarding assessments administered by local school systems and give the Maryland State Department of Education (MSDE) two additional years to develop a State-specific assessment for social studies (HB412/SB533);
- Exempt motor fuel purchased by local boards of education and their contractors from the State’s motor fuel tax; resulting in statewide savings to school systems and local governments of about \$5 million (SB520);
- Require local departments of social services and local health departments to provide a parent or guardian who applies for economic services with notice that a child may be eligible for publicly funded prekindergarten programs if the child will be 4 years old on September 1 of the next academic year (HB1095/SB369);
- Authorize a parent whose native language is spoken by more than 1% of students in the local school system to request that an individualized education program (IEP) or individualized family service plan (IFSP) be translated into the parent’s native language (HB86/SB421);
- Establish a Robotics Grant Program to provide grants to public schools and nonprofit robotics clubs (SB582/HB115); and
- Require the Governor to include an appropriation in the State budget to cover State matching funds for grants received under the federal Preschool Development Grant program (HB668/SB584).

Individuals with Disabilities

Taking advantage of authority granted to states when The Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 was enacted at the federal level in December 2014, the General Assembly created a new “Section 529A” tax-advantaged savings program to: (1) encourage and assist individuals and families in saving private funds to support individual with disabilities to maintain health, independence and quality of life; and (2) provide secure funding for disability-related expenses that supplement benefits received through other sources (HB431/SB355). The bill requires the College Savings Plan of Maryland (CSPM) Board to establish the Maryland Achieving a Better Life Experience (ABLE) Program. The Program includes a new income tax subtraction modification for contributions to an ABLE account that is similar to subtraction modifications for contributions to existing college savings plans.