



THE MARYLAND GENERAL ASSEMBLY  
LEGISLATIVE DISTRICT 33A  
ANNE ARUNDEL COUNTY

## 2012 LEGISLATIVE SESSION WRAP-UP

### WE ARE PLEASED TO PROVIDE YOU WITH A WRAP-UP OF THE 2012 LEGISLATIVE SESSION OF THE MARYLAND GENERAL ASSEMBLY. IT WAS AN HONOR TO REPRESENT YOU.

Only history will tell if the events of this legislative session will be a success or failure. For the first time in two decades the Maryland General Assembly did not pass revenue bills which the O'Malley-Brown administration was depending on to support its increased 2013 budget. While many are already partaking in the annual blame game, the citizens of the State of Maryland are left with the fallout. There is talk of a Special Session sometime in late spring, before the fiscal year starts July 1<sup>st</sup>. This is unfortunate because at a cost of more than \$35,000 a day, Special Sessions are something to be avoided. At this time, no clear indication has been given as to when or if such a session will occur. For now, it's fair to say that session as it came to a close had its share of victories and losses.

This session brought new assignments for your representatives. Senator Reilly was elected by the Senate Republicans to the position of Minority Whip, making him second in command within the Republican Senatorial Caucus. He and Minority Leader EJ Pipkin have the responsibility of tending to the needs of the Senate Caucus, participating in leadership meetings and trying to keep continuity and consensus among the twelve Republican Senators. Throughout Session you could find Senator Reilly on the Chamber floor arguing against taxes, fees and over regulation. Delegate Vitale was appointed to the Anne Arundel Delegation Sub-committee on Education. During session her responsibilities included working through legislation for an elected school board for the County and tackling the issue of school construction within the County. Despite the new responsibilities, both legislators found time to read over 1600 pieces of legislation, sponsor legislation, attend hearings and participate on several contentious floor debates.

### HERE ARE THIS YEAR'S MAJOR LEGISLATIVE ISSUES:

**Budget/Taxes** –Monday night April 9th, the Maryland General Assembly passed a \$35.6 billion dollar budget; an increase of one billion dollars over last year's spending. However, since an unpopular income tax package did not pass, we are left without sufficient revenue to support the Budget. The last time this happened was 20 years ago. The result of the Budget passing without the passing of an income tax package is likely to result in \$512 million dollars in cuts to agencies and education. Included in this budget package was a shift of teacher pension costs to the counties. Counties would have received financial offsets like disparity grants to soften the budget blow. Because this pension shift was contingent upon the passing of the Budget Reconciliation and Financing Act (BRFA), and the BRFA was left on the table as unfinished business at the close of Session, we expect this issue will be included in any Special Session which could occur later this spring.

A top priority this session was fighting against tax and fee increases that citizens can ill afford in these economic times. Some fights were successful, such as HB1419 which would have drastically increased fees for hunting stamps and licenses by 63%. Other required fees were scheduled to increase by 96%. House Bill 1419 was defeated after a spirited debate on the house floor. HB1307 dubbed the "boat tax", saw a similar fate. This bill would have increased the costs of registering boats, sometimes doubling and possibly tripling the fees. As a result of public outcry, the bill never got out of committee.

**Environmental Issues** - SB236- Sustainable Growth and Agricultural Preservation Act of 2012 drew many hours and days of debate. Counties were divided over whether the bill was a grab by the Administration to take local development and growth out of the hands of the Counties, or was it intended to be the implementation of an overlay growth document to guide, but not control development within Counties. Votes were divided. Rural counties were worried about stymied development and lack of local autonomy. Older, already developed counties would have felt little or no effect. Others saw this bill as a way to ensure preservation of agricultural and undeveloped areas.

HB446- Bay Restoration Fund, known to most as the “Flush Tax”, doubled fees from \$30 to \$60 per year. A last minute amendment to the bill by the Senate exempted portions of the State in Western Maryland and the lower Eastern Shore. The shortfall of this bill is that, once again, these monies can be “reallocated” to the General Fund and spent elsewhere. Attempts to amend the language to prevent such takings were unsuccessful.

**Business and Economics** - SB358, Public Private Partnerships, known as the P3 bill, was intended to establish policies for the use of public private partnerships. As you know, these relationships are often utilized to enable noteworthy projects to move forward outside the constraints of a local or state budget. Although the bill was sound in its intent, it was in need of further review. As one example, the bill would have allowed a private entity the ability to establish tolls on roads and bridges without government oversight. Another issue would be a requirement that any project receiving State money would require that union employees perform the work. The bill passed the house, but did not get Senate review before the midnight deadline.

HB443 - Maryland’s version of Obamacare passed both the House and Senate. The Maryland Health Benefit Exchange Act of 2012, with an initial budget cost of over \$26.5 million dollars in funding, is Maryland’s first step in enacting the federal mandates known as “Obamacare”. Currently, the US Supreme Court has before it the issue of whether or not the federal mandate is Constitutional. Many in the legislature felt that Maryland should await the outcome of the federal litigation before expending such large sums of tax dollars but others chose not to wait. The bill passed the House 94-44 and the Senate 35-11.

**Education - Maintenance of Effort** - Perhaps one of the most difficult pieces of legislation for the citizens of tax cap (or revenue cap) counties to handle, was SB848. Innocuously titled, Education - Maintenance of Effort, this bill significantly altered the way school funding by counties would be processed. SB848 permits the State of Maryland to intercept local income tax revenues if due to financial difficulty, a county is unable to maintain funding. The bill also allows local governments the ability to override county tax caps imposed by its citizens in order to increase monies to Boards of Education.

**Civil and Family Issues** - Perhaps the most largely debated issue of the session (next to tax and fee increases) was HB438, Civil Marriage Protection Act which allows same-sex couples to marry in the state of Maryland. Unique to the bill this year was its assignment to dual committees where it received enough votes to bring it to the floors of both chambers. While the greatest concern over the bill was changing the definition of marriage, additional concerns continue to exist over the impact the bill has on religious institutions and what would happen if forced to perform ceremonies in violation of their teachings and faith. Many expect this issue to be litigated over this and other issues surrounding the passage. The bill narrowly survived, with the House voting 72-67 and the Senate 25-22.

**For Additional Information** - If you would like more information regarding these and other bills, please email either of us and include in the subject line, ADD ME TO YOUR EMAIL LIST. Further updates and additional information will be provided over the next several months on these and additional legislation, as well as updates on a Special Session and Budgetary matters of interest to the citizens of Maryland.

*Senator Edward R. Reilly*

*Delegate Cathleen M. Vitale*