

THE WEEKLY WHIP

TUESDAY, FEBRUARY 20, 2007

GROUND RENT REFORM (SIX BILLS)

Hearing: Thursday, 2/22 at 1:00p.m. in ENV

On Thursday the House and Senate passed emergency legislation to ban the creation of new residential ground rents (HB 172 & SB 106). The *Baltimore Sun* called this “the first blow against the abuse of ground rents.”

This week the Environmental Matters Committee will continue its work on ground rent reform with hearings on six bills designed to protect homeowners while respecting the rights of investors. These bills would:

- Create a process by which an irredeemable ground rent could be redeemed unless the owner records a notice of intention to preserve the lease before December 31, 2010, and records a renewal notice once every ten years thereafter (HB 452);
- Allow an investor who owns a ground rent on an abandoned, city-owned property in Baltimore to collect a maximum of 3 years of past due rent, and prohibit that investor from being reimbursed for fees and costs associated with filing an action for collecting past due rent (HB 458);
- Replace the practice of ejecting homeowners for late or non-payment of ground rent with a court-supervised lien process, and create a \$500 cap on fees and costs that can be assessed to a delinquent homeowner (HB 463);
- Facilitate easier redemption of ground rents by repealing the waiting period for a tenant to redeem a ground rent and requiring a ground rent owner to give the homeowner a chance to redeem a rent before selling it to a third party (HB 489);
- Require ground rent owners to mail a bill to the homeowner at least 60 days before rent is due, and to provide the homeowner written notice of penalties for failure to pay rent (HB 502);
- Reduce to 3 years the time after which a ground rent expires if no demand for payment is made, and instruct the Department of Assessments and Taxation to create an on-line registry of properties subject to ground rent (HB 580).

GCEI FUNDING (HB 139)

Hearing: Wednesday, 2/21 at 1:00p.m. in W&M

The Thornton Commission recommended adjusting State funding for schools to reflect regional differences in the cost of education, such as the cost of professional personnel, nonprofessional personnel and energy. That recommendation is known as the Geographic Cost of Education Index (GCEI).

Working with a private consultant, the Maryland State Department of Education (MSDE) developed a statistical model to quantify and measure those regional differences in education costs. Using that model, the General Assembly established a discretionary formula in 2004 that would phase in GCEI funding by FY 2010. The GCEI formula has not been funded.

An administration proposal, HB 139 would mandate GCEI funding. The bill would phase funding in over three years – 30% in FY 2009, 60% in FY 2010, and full funding in FY 2011. The phase-in would increase state expenditures by \$137.2 million by FY 2011.

The bill would require MSDE to update GCEI every three years, using recent data and the same methodology used to develop the existing GCEI. MSDE would submit its proposal to the Governor and General Assembly and recommend legislation to implement its proposed adjustments.

NURSING HOMES & MEDICAID (HB 130)

Over the last four years, Maryland’s nursing homes absorbed \$120 million in cuts. These cuts limited access and restricted services for Medicaid recipients – who represented 62% of Maryland’s nursing home patients in FY 2003 (the most recent data available). HB 130, an administration bill, seeks to restore some of those cuts by boosting Medicaid payments for nursing home stays. The bill would authorize the Department of Health & Mental Hygiene to levy an assessment on nursing home facilities’ quarterly profits, excluding Medicare income. The revenue generated, an estimated \$21.3 million, would be used to leverage federal matching funds, allowing the state to increase Medicaid nursing facility provider rates by \$42.6 million in FY 2008.

CLEAN CARS (HB 131)

On Tuesday the House will consider HB 131 on third reader. The bill is designed to establish a Low Emissions Vehicle (LEV) Program, more commonly known as “Clean Cars” or “California Cars.”

According to the federal Environmental Protection Agency (EPA), vehicle emissions contribute significantly to air pollution nationwide, and are the primary source of air pollution in many urban areas. This contributes to a variety of debilitating respiratory diseases, including asthma, that affect thousands of Marylanders.

The Maryland Department of the Environment (MDE) reports Marylanders drive over 135 million miles daily, contributing up to 40% of the state’s air pollution. Experts estimate enhancing emission standards would have the same effect as taking 190,000 cars off the road.

HB 131 would require every new car sold in Maryland to be more fuel-efficient, which would reduce carbon dioxide and other emissions that create air pollution. The new regulations would take effect beginning with the 2011 model year.

Under the proposals, car buyers could not circumvent the standards by shopping out of state – the Motor Vehicle Administration (MVA) would be prohibited from titling or registering a non-compliant vehicle bought out-of-state by a Maryland resident.

The proposals would not affect used vehicles or most vehicles owned by people who move to Maryland from states without clean car standards.

Eleven states – including Pennsylvania, New Jersey, and New York – have clean car standards. *The Baltimore Sun* reports New York’s standards have made a measurable impact on air quality and public health, and auto dealers who opposed the law now say it did not drive away business.

Last session, we passed the Healthy Air Act, joining our neighbors in the northeast to address air pollution and build a healthier Maryland. Clean cars will build on that foundation by further reducing smog and other toxic compounds in our air that contribute to cancer, asthma and other debilitating diseases in Maryland.

Upcoming Dates of Interest

March 5 (55th Day) – Final day for introduction of bills without suspension of Rules

GREEN BAG APPOINTMENTS

On Friday Governor O’Malley submitted his “Green Bag” nominations to the Maryland Senate. The list included 145 nominees to 53 boards and commissions, ranging from the University System of Maryland Board of Regents to the Amusement Ride Safety Advisory Board and the Advisory Board on Youth Camp Safety.

The term “Green Bag” derives from the historic green satchel that is used once a year to deliver gubernatorial nominations to the Senate. When not in use, the bag is stored at the Maryland State Archives. Traditionally a senior member of the Governor’s staff delivers the “Green Bag” to the Senate. This year, Appointments Secretary Jeanne Hitchcock delivered the bag to Senate President Pro Tem Nathaniel McFadden.

Among this year’s appointments are:

Maryland State Board of Contract Appeals

Michael J. Collins

Morgan State University Board of Regents

Hon. Elijah E. Cummings

Rev. Frances M. Draper

Donald E. Frieson

Hon. Kweisi Mfume

William R. Roberts

Gen. Johnnie E. Wilson, USA (Ret.)

Maryland Parole Commission

Michael C. Blount

Perry Sfikas

Nancy L. Murphy

Maryland Stadium Authority

Frederick W. Puddester

Otis Rolley, III

University System of Maryland Board of Regents

Patricia S. Florestano, Ph.D.

Barry P. Gossett

Orlan M. Johnson, Esq.

Hon. Thomas C. McMillen

James L. Shea, Esq.

Richard E. Scott, Jr.

State Workers Compensation Commission

Patricia G. Adams, Esq.

Kimberly Smith Ward, Esq.

Jeffrey T. Weinberg, Esq.