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Frederick and Washington Counties

Budget and Taxation Committee

Subcommittees

Capital Budget

Education, Business and Administration



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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Dear Friends,

The fourth legislative session as your District 2 State Senator has officially come to an end. It has been a true honor to be your advocate for Washington County & the northern portion of Frederick County. I wanted to take an opportunity to provide you with an update from the action-packed 2024 Legislation Session and express my sincere gratitude for your support and words of encouragement over the last few months.

This was the second year working with the Moore-Miller Administration and his entire team, along with many new Members in both the House of Delegates and Senate, as well as new Staff in many state departments. Thousands of bills were drafted and introduced during this legislative session. Governor Moore has until May 30th to sign any passed bills into law, veto them, or allow them to go into law without his signature. We continued to be committed to working in a bi-partisan manner while focusing on common sense policies to better our community. This remains our focus and objective. As the ranking member of the Budget & Tax Committee and member the Capital Budget Subcommittee, we were proud to continue working on initiatives at the state level that will have a direct impact to our County. Additionally, we maintained our commitment to oppose bills that would raise taxes on the citizens of Washington and Frederick Counties.

BUDGET FUNDING SECURED FOR WASHINGTON & NORTHERN FREDERICK COUNTIES

Hagerstown Region

Washington County Convention and Visitors Bureau - \$500,000

- Provide a grant to the Washington County Convention and Visitors Bureau to construct a new Visitors Center in downtown Hagerstown

Meritus School of Osteopathic Medicine - \$500,000

- Provide a grant to Meritus Health for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement, and capital equipping of the Meritus School of Osteopathic Medicine

Meritus Health - \$889,000

- Provide a grant through the Maryland Hospital Association to Meritus Medical Center for Emergency Departments improvements

Hagerstown Community College - Washington County Athletic Recreational Community Center ARCC and Athletic Fields - \$125,000

- Provide a grant to the Board of Trustees of HCC for the purpose of funding a facilities study

Hagerstown Community College - \$700,000

- Provide an additional grant to the Board of Trustees of HCC for the purpose of funding the renovations to the Advanced Technology Center

Robert W Johnson Community Center - \$100,000

- Provide an operating grant to the RWJCC, Inc. to supplement the position of the Executive Director

City of Hagerstown Water Study - \$250,000

- Provide an operating grant to the City of Hagerstown for the purpose of funding a long-range water and wastewater infrastructure needs study

University System of Maryland Hagerstown - \$300,000

- Provide a grant to USMH to support upgrades to the campus information technology infrastructure, the security system, and to upgrade switches to ensure the network supports the security system

Smithsburg Region

Smithsburg EMS – \$100,000

- Provide a grant to the Smithsburg EMS Station 79 to purchase a new ambulance chassis

Boonsboro Region

Town of Boonsboro – Drinking Water and Wastewater Infrastructure - \$1,500,000

- Provide a grant to the Mayor and Town Council of Boonsboro for the acquisition, planning, design, construction, repair, renovation, reconstruction, site improvement and capital equipping of drinking water and wastewater infrastructure improvements

Town of Boonsboro – Wastewater Expansion - \$300,000

- Provide a grant to the Town of Boonsboro for the expansion of its wastewater services in partnership with a local economic development project

Black Fly Project - \$112,500

- Provide an additional \$112,500 grant for a combined total of \$250,000 towards the Nuisance Insects Program through the Maryland Department of Agriculture for the purpose of spraying for black flies in southern Washington County

Fairplay Region

Community Volunteer Fire Company of District 12 - \$150,000

- Provide a grant to the Fairplay Fire Company to purchase and install new garage doors, a new heating system for the facility, and an emergency backup generator

Thurmont Region

Thurmont Little League - \$100,000

- Provide a grant to the Board of Directors of Thurmont Little League to assist in the cost of purchasing and installing additional lighting fixtures for the baseball field

LOCAL NEWS

Senate Executive Nominations – This session I was proud to support several constituents who have been confirmed for Gubernatorial Appointments. I want to personally thank these citizens of Washington County for their dedication to our community by serving in these various local and statewide positions.

- Tereance Moore, Advisory Board on Medical and Adult-Use Cannabis
- David Lehr, Maryland Community Health Resources Commission
- James Ronald Nipps, Washington County Orphans' Court
- Noah Metheny, Commission on Civil Rights
- John Williamson, Hagerstown Community College Board of Trustees

SPONSORED LEGISLATION THAT PASSED

SB 575 - Judge Andrew F. Wilkinson Judicial Security Act - serves to shield the personal information of certain protected individuals from being published on the internet or social media. The bill will permit the individual to request that their information is removed from any existing publications. The individual will be entitled to receive certain relief for a violation of this act. The bill is named in honor of the late Judge Andrew F. Wilkinson of Hagerstown, MD.

SB 1077 – Public Schools – Appropriations for School Safety Expenditures – School Security Employees – as amended, allows local school systems more flexibility to hire retired law enforcement and other individuals as school security employees to further enhance safety in our public schools. Our office worked closely with Washington County Public Schools to present this bill and ultimately get it passed through the legislature.

SB 851 (HB 971) – Public Schools – Interscholastic Athletics – Student Eligibility Waiver and School Classification – as amended, creates a local bill (applies to Washington County only) and allows the board of education for each county to waive the eligibility requirement for students who attend certain public high schools, so that the students are able to participate in interscholastic athletics at a Maryland Public Secondary Schools Athletic Association member school. Additionally, the bill will require the county superintendent to report to Association the school enrollment of member schools in grades 9 through 11. Our office worked with Delegate Grossman’s office to move the House version of this bill, which is the version that ultimately passed through the legislature.

SB 574 – Sales and Use Tax Exemption – Aircraft Parts and Equipment – Repeal of Reporting Requirement and Sunset – repeals certain reporting requirement related to this exemption, as amended, extends the termination date of this tax exemption for five years. Extending this tax exemption on certain aircraft parts and equipment helps to even competition with neighboring states, stimulates business growth, and has the potential to increase job creation in this field. Our office worked closely with the Washington County Community Coalition to get this bill passed through the legislature.

SB 1076 – Sales and Use Tax – Electricity to Charge Electric Vehicles – Transportation Trust Fund – Requires the Comptroller to distribute to the Transportation Trust Fund revenue from the sales and use tax that is attributable to the sale of electricity used to charge an electric vehicle at an electric vehicle charging station or used to charge an electric vehicle. While this specific Senate bill sponsored by Sen Corderman did not pass, the bill language was amended into the Budget Reconciliation and Financing Act (BRFA – SB 362/HB 352) and that bill ultimately passed through the legislature.

SB 573 – General Provisions – State Flag – Casket of Eligible Decedent – Requires the Secretary of State to furnish a State flag to drape the casket of an eligible decedent and establishes a process to do so; prohibits the SOS from procuring a flag that is not wholly produced in the United States except under certain circumstances

SB 553 – Maryland Zero Emission Vehicle Infrastructure Council – Membership and Reporting – Alters the composition of the MZEVIC to include a light-duty plug-in electric vehicle driving manufacturer, a heavy duty plug-in electric vehicle manufacturer, the automotive dismantling and recycling industry, and the Secretary of General Services

WASHINGTON COUNTY SENATORS - DELEGATION LEGISLATION THAT PASSED

SB 854 – Agriculture – Nuisance Insects – requires, instead of authorizes, the Secretary of Agriculture to implement a program to treat the “Black Flies” issue that has plagued southern Washington County for years. This bill codifies the funding and will ensure there is annual treatment to address the problem.

SB 852 – Washington County Board of Education – Members – Residency Requirement – requires that a member of the Washington County Board of Education be a resident of Washington County for at least 6 months and a resident of the state for at least 12 months immediately preceding the date the member takes office. This bill also requires that the member maintain a primary residence in Washington County during their term.

SB 853 – Washington County – Alcoholic Beverages – Multi-use Sports and Events Facility Beer, Wine and Liquor License – Altering the stadium beer and wine license in Washington County to be a multi-use sports and events facility beer, wine, and liquor license; authorizing the license holder to sell beer, wine, and liquor for on-premises consumption

SPONSORED LEGISLATION THAT DID NOT PASS

SB 860 – Correctional Services – Inmate Release Study - requires the Department of Public Safety and Correctional Services to conduct an annual study on the residency of individuals prior to incarceration compared to where they reside upon release from a State facility. The Department will be required to present this report to certain committees of the Maryland General Assembly, by the first of October each year beginning in 2025.

SB 554 – Criminal Procedure – Not Criminally Responsible Verdict – Term of Commitment - establishes a requirement for the courts to commit an individual who has been found not criminally responsible for first degree murder, to life in a designated health care facility. If the defendant is found not criminally responsible for second degree murder, then they will be committed to the facility for forty years.

SB 632 – Peace Orders – Visual Surveillance - protects individuals who allege that another person has utilized visual surveillance to observe their properties. This bill will allow the individual to file a peace order if they believe that they had a reasonable expectation of privacy regarding the area being surveilled.

SB 749 – Institutions of Higher Education – Dual Enrollment Alterations - allows for the definition of a dually enrolled student to include students who are homeschooled or those who are enrolled in a nonpublic secondary school. The bill would open the opportunities of applying for the Part-Time Grant Program and the Early College Access Grant to students with diverse schooling backgrounds.

SB 748 – Income Tax – Alteration of Brackets and Rates (Economic Prosperity Act of 2024) – Alters the rates and rate brackets under the state income tax on certain income of individuals. This bill was a priority of the Senate Republican Caucus to address the impacts of inflation on hardworking Maryland families.

CO-SPONSORED LEGISLATION THAT PASSED

SB 394 – Catalytic Revitalization Project Tax Credit – Alterations – Alters the amount of a certain tax credit against the state income tax that certain persons may claim for certain construction and rehabilitation costs for certain catalytic revitalization projects. Fort Ritchie in Cascade has been a recipient and beneficiary of this program. Their representatives were present at the bill hearing to provide favorable testimony. The increased flexibility that this bill provides will help support the economic development and revitalization efforts in Fort Ritchie.

SB 108 – Income Tax – Subtraction Modification – Police Auxiliary and Rescue Volunteers – Increases from \$5,000 to \$7,000 a subtraction modification under the Maryland income tax for an individual who is a qualifying police auxiliary or reserve volunteer

SB 181 – Qualifying Nonprofit Organizations – Training and Reentry Services – Funding – Authorizes the Governor to include \$1,000,000 in the annual budget bill for fiscal years 2026-2028 to provide operating grants to certain nonprofits for the purpose of providing training in automotive repair to incarcerated or formerly incarcerated individuals; the grants will be administered by the Governor’s Office of Crime Prevention, Youth and Victim Services

SB 578 – Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program – Funding – Authorizes the Governor, beginning in fiscal year 2025, to include at least \$500,000 in the annual budget for this innovative cancer screening technologies program

SB 897 – Income Tax Subtraction Modification – Death Benefits – Law Enforcement Officers and Fire Fighters – Allows a subtraction under the Maryland income tax for the payment of a death benefit under a collective bargaining agreement from a county or municipality in the state to the surviving spouse or other beneficiary of a law enforcement officer or fire fighter whose death arises out of or in the course of their employment as a law enforcement officer or fire fighter.

CO-SPONSORED LEGISLATION THAT DID NOT PASS

SB 28 – Crimes and Corrections - Penalties and Procedures (Violent Firearms Offender Act of 2024) - Establishes that a violation of a condition of probation, parole, or mandatory supervision that involves the use or possession of a firearm is not a technical violation for certain purposes; requiring the Commissioner of Correction to provide a certain inmate with a certain reentry kit and assistance in obtaining Medicaid benefits under certain circumstances; altering the elements of certain prohibitions against using a certain firearm in the commission of a certain crime

SB 39 - Gun Theft Felony Act of 2024 - Classifies the theft of a firearm as a felony; and establishing a penalty for theft of a firearm of imprisonment not exceeding 5 years or a fine not exceeding \$1,000 for a first offense, and imprisonment not exceeding 10 years or a fine not exceeding \$2,500 for a second or subsequent offense

SB 44 - Safe Communities Act of 2024 - Prohibits the earning of diminution credits to reduce the term of confinement of an incarcerated individual who is serving a sentence for murder in the first degree or murder in the second degree in a State or local correctional facility; prohibiting a deduction of diminution credits of more than 10% of an incarcerated individual's aggregate sentence for crimes of violence for an incarcerated individual who is serving a sentence for a crime of violence

SB 892 - School Construction - Public Charter School Facility Fund – Establishment - Establishes the Public Charter School Facility Fund to provide funding on an annual basis to public charter schools in the State for eligible expenses associated with school facilities; exempting the Fund from a requirement that interest earnings on State money accrue to the General Fund of the State; requiring the Interagency Commission on School Construction to administer the Fund; and requiring the Fund to be used only to acquire, plan, develop, finance, construct, lease, improve, repair, and maintain public charter school facilities

SB 841 - Transportation - Motor Fuel Tax Rates, Vehicle-Miles-Traveled Tax, and Farebox Recovery Requirements (Transportation Equity, Fairness, and Privacy Act of 2024) - Repeals a requirement that certain motor fuel tax rates be adjusted in future years based on growth in the Consumer Price Index for all urban consumers; prohibiting the State or a local jurisdiction from imposing or levying a vehicle-miles-traveled tax or certain other similar fees, tolls, or taxes; requiring that the Maryland Transit Administration achieve a certain farebox recovery requirement for certain transit services

PUBLIC SAFETY UPDATES

Public Safety continued to be the top priority, and the Joint Republican Caucus put forward a legislative agenda to offer real accountability and consequences for violent and repeat offenders, and also address the rising juvenile crime crisis.

SB 179 - Violent Firearms Offender Act of 2024 - The Violent Firearms Offenders Act has been introduced since 2020 and passed the Senate with bipartisan support in 2020 and 2021 but has never moved in the House. The bill was reintroduced as SB 28/HB 316 in the same posture it passed the Senate in 2021, and would have:

- Increased the penalties for committing crimes with an illegal firearm from 3 years to 5 years of prison time and raises the maximum fine from \$2,500 to \$10,000.
- Repealed the unconscionable “drug dealer loophole” where drug dealers who use a firearm in the commission of a felony receive special treatment and are not charged with a crime of violence, when others arrested for the same offense, and are not dealing drugs, are charged with the more serious crime.
- Created penalties for someone who sells or gives someone a gun knowing that they will use it to commit a crime.

Unfortunately, no action was taken on this legislation.

SB 39 - Gun Theft Felony Act of 2024 - The Gun Theft Felony Act is a simple, commonsense bill that Republicans have been sponsoring since 2018, but has never advanced in the House nor the Senate, despite having overwhelming public support. The legislation would make the theft of a firearm a felony, rather than a misdemeanor, and increase penalties accordingly. The spirit of this legislation was amended into another bill that passed the Senate, but the measure was killed before it received final passage.

SB 44 - Safe Communities Act of 2024 - The Safe Communities Act of 2024 aimed to ensure that violent offenders actually serve the duration of their sentence, and would not have allowed repeat, violent offenders to receive bail. Specifically, the legislation would have:

- Eliminated Diminution Credits (or “Good Time Credits”) for 1st & 2nd Degree Murder
- Added a cap on Diminution Credits for other crimes of violence to no more than a 10% reduction in sentence.
- Prohibited bail for an individual charged with a crime of violence if the individual has pending charges for a previous crime of violence.

Unfortunately, neither house took action on this legislation. However, diminution credits were a hot topic during the 2024 Legislative Session following the brutal murder of Pava LaPere by Jason Billingsley, a convicted rapist who was released early from prison after accumulating diminution credits. His initial sentence was 30 years, which through diminution credits was reduced to 14 years, and then to just 9 years. In response, SB 1098 was introduced to eliminate diminution credits for those convicted of first-degree rape, however the House took no action on this important measure.

BUDGET SUMMARY

Passing the state’s operating budget is the only duty the General Assembly is constitutionally required to complete during the legislative session.

Structural Deficit - In simple terms, a “structural deficit” occurs when projected revenue is less than anticipated spending. Much of Maryland’s operating budget is driven by formulas that are set in law. These formulas are set to increase every year no matter where the revenues stand. When the Legislative Session began, Maryland had experienced three consecutive revenue write-downs, where the anticipated revenues were adjusted downward based on economic factors and tax receipts. Revenue estimates were reduced again in early March, bringing it to four consecutive write-downs. Maryland also faces significant ongoing budget deficits due to the costs of the multi-billion-dollar Blueprint for Education. By Fiscal Year 2028, the structural deficit is estimated at over \$3 billion – meaning that expected revenues will be \$3 billion lower than what the state plans to spend.

There are a multitude of ways the Governor and the General Assembly can address a deficit. The most taxpayer-friendly way would be to reduce planned spending by either reducing planned increases, level funding, or making cuts. Another way is through transfers from other accounts that have fund balances. With regard to the Blueprint, the deficit could be resolved by just spreading out the implementation, and expense, from 10 years to 15 years. Despite these common-sense options, historically in Maryland, the most favored means to address a deficit is by raising taxes, fees, and sometimes even tolls. For Fiscal Year 2025, the budget deficit was approximately \$500 million. The Governor’s budget as submitted addressed this shortfall primarily by not putting an annual allotment of money into the Rainy Day Fund, the state’s savings account. He also moved money from other funds and rearranged some spending formulas. The Operating Budget the Governor introduced did not rely on or include tax or fee increases.

The Senate passed an amended version of the budget which also did not include tax or fee increases. The House of Delegate’s version of the budget did not rely on tax or fees to balance the FY 2025 budget but did include tax and fee increases to balance the budget in future years – these taxes and fees were included in a separate bill, the Budget Reconciliation and Financing Act of 2024 (BRFA). After several weeks of negotiations between the two chambers, the House and Senate agreed to an FY 2025 Budget that did not rely on taxes and fees to balance. They did “compromise” on the BRFA that included a smaller number of tax and fee increases.

Taxes – BRFA - The Budget Reconciliation and Financing Act (BRFA) is a companion bill that is introduced with the budget. Generally, the purpose of the is to make temporary changes in law that allow for budget formulas to be adjusted as well as other changes that make the budget balance. The BRFA can also be a vehicle for tax and fee increases, as it was this year. Even before the Session started, some members of the General Assembly were calling for tax increases to fund transportation projects and fill the future budget gaps created by the Blueprint. The Democratic leadership in the House took numerous tax and fee increases from other bills and plugged them into the BRFA.

House Democrat’s BRFA Taxes:

- Combined Reporting – instituted global combined reporting on corporations.
- Transportation Network Company Impact Fee – imposed fees on passenger trips (Uber/Lyft) that originate in the state. The fee is 75 cents for each trip unless the trip is provided using an electric vehicle or it is a shared passenger trip. In those cases, the fee is 50 cents per trip. The fees are indexed to the CPI.

- Eliminated the trade-in allowance on gasoline or diesel-powered vehicles as of July 1, 2024. The trade-in allowance for zero-emission vehicles is 100% until July 1, 2029. The trade-in allowance for hybrid vehicles is 25% until July 1, 2029. There is no trade-in allowance on any vehicle after July 1, 2029.
- Increased the vehicle excise tax from 6% to 6.5% as seen in HB 925 – Vehicle Excise Tax – Rate Increase. This is an 8% increase.
- Increased vehicle registration fees – more expansive than what was under HB 28 – somewhat lower fee increases, but a broader overall number of registration fees increased.
- Established surcharges for zero-emission vehicles, effective September 30, 2025 - \$125 for Zero-Emission Plug-in or Fuel Cell; \$100 for plug-in hybrid; \$75 for non-plug hybrid. Fees are adjusted for inflation after 2025.
- Increased the civil penalty for speed camera violations in work zones from a maximum of \$40 to \$250 effective January 1, 2025.
- Increased fines for driving under the influence of alcohol or drugs and requires at least 20% of those fines to the Maryland Trauma Physician Services Fund. Also increases the motor vehicle surcharge that feeds that fund.

After weeks of negotiation between House and Senate leaders, a compromise was reached. House and Senate Democratic leaders agreed to a smaller package of tax and fee increases.

House/Senate Compromise BRFA Taxes:

- Increased the cigarette tax by \$1.25 per pack.
- Increased from 12% to 20% the sales and use tax on electronic smoking devices.
- Increased taxes on Other Tobacco Products
- Established a per-trip tax on Transportation Network Companies like Uber and Lyft
- Raised the Dealer Processing Charge from \$500 to \$800
- Established Annual Surcharge on electric vehicles, \$125 for zero-emission vehicles and \$100 for plug-in vehicles.
- Increasing the annual vehicle registration surcharge from \$17 to \$40.
- Increasing 25 vehicle registration fees from 21%-120% depending on the vehicle.

*This is an authorization for automobile dealers to increase an optional fee they charge customers from \$500 to \$800. The benefit to the State is that the vehicle excise tax applies to the dealer processing charge, so the increase generates additional excise tax revenues. While we can breathe a sigh of relief that the damage was limited to the list above, we expect to see these tax increases, or others like them, proposed next year.

Fee Increases - While the Governor did not include taxes or fees in his budget, his administration has proposed numerous fee increases in regulation and through legislation. Over the last year, Governor Moore’s administration has proposed nearly 250 fee increases through Maryland’s regulatory process alone. These are fee increases that require a change in regulation, not in law and do not get a direct vote from the General Assembly. Instead, these increases come before the Joint Committee on Administrative, Executive, and Legislative Review (AELR). Most of these are increases in professional licensing fees for individuals and businesses. These fees go into special funds for the licensing agencies themselves and do not directly feed into the budget, though it is possible that these funds could be raided to fill budget holes in future years.

Governor Moore’s Department of Transportation has also announced its intention to raise \$81 million in fees including things like parking fees at BWI airport. While some of these fees may have to pass through the regulatory process, they do not require legislation.

The Moore Administration’s Renters’ Rights Stabilization Act (HB 693) increases surcharges paid by landlords when they file District Court actions against tenants. The General Assembly reduced the overall fee increases in the bill, but they were still significant. The surcharge for filing a summary ejectment for failure to pay rent cases increases from \$8 to \$43 (438%). Surcharges for other civil cases in District Court increase from \$18 to \$28 (56% increase) and from \$55 to \$85 in circuit courts (55% increase).

Other Taxes and Fees:

Over 50 bills to increase taxes, tolls, and fees were introduced. While some of these bills passed the House, only a few received final passage, including:

- HB 1/SB 235 – Maryland Paint Stewardship establishes a paint tax of up to \$2.00 per container to fund a program to dispose of paint properly.

- SB 423 – Real Property – Recordation – Procedures authorizes a county or municipality to collect a certificate fee of up to \$55.

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I believe we have made incredible progress during the last 90+ days. I look forward to continuing my work on your behalf and encourage you to contact our office if you have ideas for legislation or encounter issues with any state agencies. Please feel free to contact me by calling the district office at 240-313-3929 or send me an email to [paul.corderman@senate.state.md.us](mailto:paul.corderman@senate.state.md.us)

Sincerely,



Paul D. Corderman  
Maryland State Senator  
District 2 – Washington and Frederick Counties