

April 13, 2010

Dear Neighbors:

Greetings from Annapolis! The Maryland General Assembly has just concluded the 2010 Legislative Session. It was another difficult year for budget decisions given the state's projected revenue shortfall of \$2.5 billion. By law, we must pass a balanced budget, which meant we had to take some tough votes on funding priorities. I wanted to share with you news about legislation that may be of interest to you as well as information about bills I sponsored that became law.

To help those who have been hardest hit by the recession, we enacted laws to promote the hiring of workers who have been receiving unemployment benefits and to mandate mediation between banks and homeowners facing foreclosure.

- **Job Creation and Recovery Tax Credit, SB 106:** To get unemployed Maryland residents back to work, this O'Malley administration bill, which I co-sponsored, provides businesses based in the state with a \$5,000 tax credit for every unemployed worker it hires. This is an emergency initiative, capped at \$20 million and \$250,000 per employer. To qualify for the credit, businesses must fill a position that is new or has been vacant at least six months. The worker must be currently receiving unemployment benefits or received benefits that expired in the past year. The new hire must have started working between March 25, 2010, when the law took effect, and December 31, 2010.
- **Foreclosure Mediation, HB 472:** This bill, which I co-sponsored, provides additional protections for homeowners facing foreclosure. The goal is to prevent homeowners from losing their home when a loan modification or loss mitigation option may be available. It does this in three ways:
  - When the residential property is owner-occupied, allows a homeowner to request foreclosure mediation before a foreclosure sale is scheduled.
  - Strengthens the disclosures that must be given to a homeowner before a foreclosure action is filed.
  - Mandates that a loss mitigation analysis be completed no later than 30 days before a foreclosure sale.
- **Condominium and Homeowner's Associations Common Property, HB 620:** This bill, which I co-sponsored with Delegates Barbara Frush and Ben Barnes,

amends the current Maryland Condominium Act by extending the developer's warranty on the condominium's common elements, and improvements to a homeowner's association's common areas. The extension is for two to three years after the title has been transferred to a unit owner, or the unit owners have the controlling majority of the board of directors. Currently, the implied warranty expires prior to transfer of control of the council of unit owners. The intention of the amended law is to close a loophole where some developers define common elements as being part of specified units rather than the common shared elements of the entire condominium. This extension will ensure that the implied warranty protections are in place for a period of time after the transfer of the title and to define the common elements of multifamily residential condominiums. Homeowners will now have an extended period of time to alert developers of any defects provided under the implied warranty.

### **Prince George's County Legislation**

- **Property Taxes – Bi-county Commissions, SB 683:** This law specifies that the homestead property tax credit applies to any State, county, or municipal property tax, including the MD National Capital Park and Planning tax. This caps that amount local government can be taxed based on the rate for homesteads.
- **Speed Cameras, HB 1477:** This is a clarification bill on a previous legislation for speed monitoring systems on county roads in municipalities. It authorizes a municipal corporation in the county to establish a school zone within its limits and implement a speed monitoring system on a county highway within the school zone. There still must be approval by the county, but all the revenues from the system will go back to the municipalities not the county.

### **Anne Arundel Legislation**

- **Office Discipline Referrals, HB 178:** This law requires the Anne Arundel County Board of Education to establish a committee to develop and recommend a policy for administering discipline referrals in the county by January 1, 2011.

### **Bills I sponsored in 2010 that became law**

- **Overtime Pay, HB 214:** This law amended the Maryland Wage Payment and Collection Act by adding "overtime pay" to the definition of wages. This change makes it possible for employees who already have worked overtime to collect triple damages from employers who refuse to pay. The addition was needed because federal courts had ruled in recent years that MD law was vague and at risk of being declared unconstitutional. Without the clarification, the most an employee could recover under Maryland law was straight overtime pay or 1.5 times his or her hourly rate. That would put Maryland's recovery standard below the federal standard, which is not permissible. Since most of these claims are brought by workers who make \$10-\$15 per hour, legal action did not make economic sense after a plaintiff paid attorney's fees and court costs. The new

provision will provide a strong incentive for employers to pay workers the wages they are owed.

- **Bicycle and Pedestrian Access, HB 282:** This bill will ensure that when new transportation projects are planned within our State, there will be an appropriate funding balance between highway projects and projects for pedestrians and bicycle riders. It also mandates that the Twenty Year Bicycle and Pedestrian Master Plan be updated each time the Maryland Transportation Plan and the Consolidated Transportation Program are updated. The result will be reduced automobile traffic and a healthier citizenry as alternate forms of transportation become more convenient.
  
- **Prisoners and the Census, HB 496:** This legislation will count state and federal prison inmates as living at their last Maryland address prior to sentencing instead of at the address of the prison in which they are incarcerated, only for the purpose of political redistricting. While more than 100 local governments have done this, HB 496 makes Maryland the first state to pass such legislation. The issue is that prison inmates cannot vote while they are incarcerated and they access very few local services. By counting them where they are serving their sentence, the state was essentially giving districts with large inmate populations more political clout than districts without state or federal prisons. For example, in State District 2B in Washington County, 18 percent of the population is incarcerated, which means every 82 people in that district have as much political influence as 100 people in other districts. As a result of the passage of HB 496, the population of District 21 will have the same political power as every other district in the State.
  
- **Coordination of Health and Auto Insurance Benefits, HB 1073:** This legislation prevents health insurance companies from forcing customers to first use their Personal Injury Protection (PIP) coverage under their automobile policies when they are hurt in a car accident. PIP, which is mandatory in Maryland and 15 other states, is meant primarily to cover lost wages for a person who is injured as a result of an auto accident and cannot work. It also can be used to pay for funeral expenses in the case of a fatal accident. If PIP coverage is exhausted to pay medical bills, there is nothing left to compensate a person for lost wages, making victims of car accidents vulnerable to serious financial hardship. The impetus for this legislation was a Maryland Court of Appeals ruling last fall. Maryland law required the coordination of coverage of health and auto insurance policies in the event of an accident; however, in a 6-1 vote, the court ruled that this restriction did not limit the ability of health insurers and HMOs to require that PIP coverage be exhausted *before* the health plan paid out any benefits. HB 1073 requires the insured person to provide written authorization if he or she wants PIP to provide primary coverage for medical care following an accident. The bill applies to all health benefit plans issued or renewed in the state after October 1, 2010.

## **Bond Bills**

The 21<sup>st</sup> Delegation sponsored bills to provide state financing for the following capital projects:

- Laurel Advocacy and Referral Service, **HB 146**, rolled into **SB 142**, which received \$100,000. LARS is moving forward with its much-needed expansion, which will add a third story to its existing building, provide additional office and counseling space, expand its food pantry and enclose the open, concrete stairwells.
- City of Laurel, Laurel Police Department Facility Improvements, **HB 1419**, rolled into **SB 142**, received \$150,000 for renovation of the new Laurel Police Department building on 5<sup>th</sup> Street.

Although not all of my bills passed, I am proud of the ones that did, particularly given how difficult it can be to pass legislation in an election year. If I am fortunate enough to return to the General Assembly next year, I plan on reintroducing some of my bills that did not make it. I am always open to new ideas and appreciate citizens who share their thoughts and concerns about how to improve an existing law or address issues that have somehow fallen through the cracks. I try hard to give credit where it is due, and it is to you, my constituents, that I owe thanks and gratitude for some wonderful legislative ideas that become the stuff of good laws.

It is an honor to represent and serve you, and I welcome your calls and emails throughout the year. My Annapolis office will be staffed three days a week for the remainder of the year, so please don't hesitate to contact me. I hope to see you at a community event in the coming months.

Sincerely,

Joseline Peña-Melnyk