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Caroline, Dorchester, Talbot,
and Wicomico Counties

—
ASSISTANT MINORITY WHIP

—
Chair, Talbot County Delegation

—
Economic Matters Committee

—
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Legislative Wrap Up February 26, 2010



Members of the House of Delegates including Jeannie Haddaway-Riccio and Addie Eckardt wore pink for breast cancer awareness this month.

Republican Budget Proposal Unveiled

The Democrat leadership in Annapolis invited the House Republican Caucus to a meeting Tuesday to unveil their proposal for closing the State's \$2 billion budget gap. The premise of the Republican plan is to reduce the tax burden on Maryland's citizens by rolling back the recent tax increases while reducing spending. The House Minority Leader and Minority Whip presented the plan in the Joint Hearing Room to fellow members of the Maryland General Assembly. Delegate Jeannie Haddaway-Riccio was in attendance.

Specific recommendations for reductions in spending included: (1) following up on performance audits related to Medicaid fraud and abuse which would save \$195 million, (2) reducing Executive branch salaries to \$1 below the Governor's salary (\$150,000/year) which saves \$2.3 million, (3) eliminating out-of-state travel reimbursements which saves \$1.3 million and (4) delaying implementation of GCEI which saves \$126 million.

The Republican Caucus also indicated that the savings accrued by their plan would eliminate the need for future state employee furloughs and would allow the General Assembly to reject the Governor's proposal to divert money from the Chesapeake Bay Restoration Fund. It would also allow for a reduction in the State's sales tax and corporate income tax.

Maryland Wineries Legislation

Delegate Jeannie Haddaway-Riccio has cosponsored legislation that will help Maryland wineries operate and get established in the State. The bill clarifies that Maryland wineries can perform four retail functions: (1) sell wine for on-premise consumption, (2) sell wine for off-premise consumption, (3) serve a limited menu of food and (4) allow the sampling of wine. The bill also standardizes the hours and days of operation for wineries across the State and for once provides a clear set of standards of guidelines. The bill was heard in the House Economic Matters Committee this week.

Business Regulation and Corporate Law

Delegate Jeannie Haddaway-Riccio and other members of the House Economic Matters Committee participated in a number of hearings this week dealing with business regulation and corporate law.

- ***Real Estate Teams***

House Bill 406 would establish requirements for the provision of real estate services through teams of licensed real estate agents. Under the bill, two or more associated real estate brokers or salespersons are considered a team if they: (1) work together on a regular basis to provide real estate brokerage services, (2) represent themselves to the public as being party of one entity and (3) designate themselves by a collective name such as a team or group. Each team would have to designate a team leader who must be either a licensed associate broker or a licensed salesperson with at least three years experience. The team leader would be responsible for supervising the other team members and ensuring that all rules, practices and procedures are followed. It would also prohibit a team from using the words “real estate” or “real estate brokerage” in their team name which could potentially mislead the public to believe that they are operating independently of the real estate broker. A similar bill was introduced last year and passed in the House of Delegates and passed on second reader in the Senate, but did not make it to third reader before the end of the session. The Maryland Association of Realtors is in support of the bill.

- ***State Board of Public Accountants***

House Bill 407 was also heard in the House Economic Matters Committee this week and would specify that the State Board of Public Accountancy may deny licensure or a permit to an applicant or discipline a licensee or firm permit holder if they have been sanctioned by a regulatory entity for an act or omission. The bill also establishes that a holder of a permit issued by the board can be fined up to \$5,000 for violations of the Maryland Public Accountancy Act.

- ***Maryland Home Improvement Guaranty Fund***

House Bill 409 makes changes to the Maryland Home Improvement Guaranty Fund. Introduced by the Department of Labor, Licensing and Regulation, the bill would limit a homeowner to receiving an award from the Home Improvement Guaranty Fund that is not in excess of the amount paid by the claimant to the contractor against whom the claim is filed. The bill also specifies that a homeowner may make a Guaranty Fund claim only if the owner or an immediate relative resides – in principal or as a vacation residence – in the home for which the claim is made. According to the Department, homeowners have been producing inflated estimates for work to be done when trying to receive an award from the Guaranty Fund. The Department of Legislative Services estimates that there are approximately 200 cases each year.

- ***Real Estate Investment Trusts***

House Bill 412 changes provisions on real estate investment trust's declaration of trust. The bill would allow a REIT's board of trustees to amend the declaration of trust to enact a reverse share split with a majority vote from the board and without shareholder action. According to the State Department of Assessment and Taxation, there are 415 REITs recorded in the State of Maryland.