

BY: Committee on Ways and Means and Appropriations Committee

AMENDMENTS TO SENATE BILL NO. 508

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “altering” in line 4 down through “of” in line 5 and substitute “repealing”; in line 5, after “codifying” insert “and altering”; and in line 9, after “appropriations;” insert “altering certain registration fees;”.

On page 2, in line 13, after “procurements;” insert “requiring the Governor to include in the budget certain appropriations from the General Fund to the Transportation Trust Fund under certain circumstances; altering a certain requirement for the Governor to include in the budget certain appropriations to a certain account under certain circumstances; providing for certain legislative review of certain projects of the Maryland Transportation Authority; providing that the Maryland Transportation Authority may not issue bonds except under certain circumstances; limiting the date of maturity and the annual payments for principal of and interest on certain bonds issued by the Department of Transportation or the Maryland Transportation Authority;”; strike beginning with “providing” in line 14 down through “purposes;” in line 15; strike beginning with “altering” in line 18 down through “services;” in line 19; strike beginning with “altering” in line 22 down through “certification;” in line 25; in line 25, strike “repealing a certain limitation” and substitute “altering certain limitations”; strike beginning with “authorizing” in line 26 down through “Hearings;” in line 35 and substitute “establishing an Education Trust Fund; altering the distribution of the income tax revenue from corporations; altering the distribution of the revenue collected from the sales and use tax on short-term vehicle rentals; requiring certain distributions from the sales and use tax revenue to the Education Trust Fund to be used for a certain purpose; requiring the Governor to include in the budget bills for certain fiscal years a certain general fund appropriation for payment of debt service on State bonds;”; in line 38, after “tax;” insert “providing that the Maryland estate tax shall be determined without regard to a certain deduction for State death taxes allowed for purposes of the federal estate tax;”; in line 39, after “circumstances;” insert “altering certain tax rates and rate brackets under the State income tax on individuals for certain taxable years;”; and in line 47, after “vehicles;” insert “altering the percentage of the federal earned income credit used for determining”.

(Over)

the amount that certain individuals may claim as a refundable credit under certain circumstances; altering the definition of “taxable service” under the sales and use tax to impose the tax on certain services; altering the rate of the sales and use tax;”.

On pages 2 and 3, strike beginning with “providing” in line 48 on page 2 down through “machines;” in line 3 on page 3.

On page 3, strike beginning with “altering” in line 3 down through “reports;” in line 5 and substitute “altering the taxes that are levied and imposed for the purpose of paying, and are pledged to the payment of, the principal of and interest on certain bonds issued on or after a certain date; providing that for certain fiscal years, certain amounts of certain funds of the Transportation Trust Fund shall be transferred and credited to the general funds of the State and available for appropriation from the general funds for that fiscal year; altering the composition of the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund; altering the vehicle excise tax rate for certain motor vehicles, trailers, and semitrailers;”; strike beginning with “repealing” in line 11 down through “facility;” in line 12 and substitute “abolishing the Maryland State Board of Contract Appeals; transferring the duties and responsibilities of the Appeals Board to certain courts; providing that a person may file an appeal of certain actions of a unit relating to a contract claim or bid dispute with a certain court; authorizing a court to award certain interest under certain circumstances; providing for the application of certain provisions of this Act; providing for the transfer of certain pending matters from the Appeals Board to certain courts under certain circumstances; providing for the transfer of certain property from the Appeals Board to the Administrative Office of the Courts; repealing obsolete provisions of law; providing for the repeal of laws inconsistent with certain provisions of this Act; directing the publisher of the Annotated Code to make certain corrections under certain circumstances;”; and in line 15, after “circumstances;” insert “requiring the Comptroller to issue new employer withholding tables reflecting certain rates and rate brackets; requiring the Comptroller to waive certain interest and penalty for a certain taxable year; authorizing the Comptroller to adopt regulations to exempt from a certain rate increase certain sales related to contracts entered into prior to a certain date;”.

AMENDMENT NO. 2

On page 3, after line 19, insert:

“BY repealing and reenacting, with amendments,

Article 24 - Political Subdivisions - Miscellaneous Provisions

Section 9-1102
Annotated Code of Maryland
(2001 Replacement Volume and 2003 Supplement)”;

in line 22, strike “and 6-402(7)”; and after line 39, insert:

“BY repealing and reenacting, with amendments,
Article 88A - Department of Human Resources
Section 3(a)(3)
Annotated Code of Maryland
(2003 Replacement Volume)

BY repealing and reenacting, with amendments,
Article - Business Regulation
Section 4.5-304(a) and 4.5-305(c)
Annotated Code of Maryland
(1998 Replacement Volume and 2003 Supplement)”.

On page 4, in line 2, strike “3-507(b) and”; in line 12, strike “5-205(c), 5-206(g),”; after line 14, insert:

“BY adding to
Article - Environment
Section 6-844(e)
Annotated Code of Maryland
(1996 Replacement Volume and 2003 Supplement)”;

and after line 24, insert:

“BY repealing and reenacting, with amendments,
Article - Insurance
Section 6-103.1
Annotated Code of Maryland

(2003 Replacement Volume)”.

On page 5, strike in their entirety lines 4 through 8, inclusive; in line 22, after “7-311(a)” insert “and (j)”; and in line 33, strike “and 2-614”.

On page 6, in line 6, after “2-103.1(c)(1),” insert “4-205(c), 4-302(a), 4-306, 4-307(a), and”; in the same line, strike “, and 7-402”; after line 8, insert:

“BY adding to

Article - Transportation

Section 3-216(g), 3-601(d), and 4-320

Annotated Code of Maryland

(2001 Replacement Volume and 2003 Supplement)”;

after line 13, insert:

“BY repealing and reenacting, with amendments,

Chapter 114 of the Acts of the General Assembly of 1994, as amended by Chapter 555 of the
Acts of the General Assembly of 1996

Section 5(a)”;

after line 20, insert:

“BY repealing and reenacting, with amendments,

Chapter 530 of the Acts of the General Assembly of 2002

Section 2”;

strike in their entirety lines 24 through 28, inclusive; and in line 31, strike “14-12B-02(b), 17-311,” and substitute “17-311”.

On pages 6 and 7, strike in their entirety the lines beginning with line 34 on page 6 through line 7 on page 7, inclusive.

On page 7, in line 10, strike “6-843 and”; strike line 15 in its entirety and substitute:

“Section 7-517”;

strike in their entirety lines 20 through 22, inclusive, and substitute:

“Section 21-308”;

strike in their entirety lines 25 through 29, inclusive, and substitute:

“BY adding to

Article - Education

Section 5-201.1

Annotated Code of Maryland

(2001 Replacement Volume and 2003 Supplement)

BY adding to

Article - State Finance and Procurement

Section 8-134(c)

Annotated Code of Maryland

(2001 Replacement Volume and 2003 Supplement)”;

strike line 32 in its entirety and substitute:

“Section 2-614, 2-1302.1, 2-1303, 7-309, 10-105(a), 10-210.1, 10-704(b)(2) and (c)(2),
11-101(k), and 11-104(a) and (b)”;

in line 37, after “Section” insert “10-105(d),”; and in the same line, after “10-106.1” insert “, and 2-1304”.

On page 8, strike in their entirety lines 14 through 18, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Transportation

Section 3-215(b) and 8-402

Annotated Code of Maryland

(Over)

(2001 Replacement Volume and 2003 Supplement)

BY adding to

Article - Transportation

Section 3-215(b-1) and 3-216(f)(3)

Annotated Code of Maryland

(2001 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, without amendments,

Article - Transportation

Section 13-809(b)(1)

Annotated Code of Maryland

(2002 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation

Section 13-809(c)(1)

Annotated Code of Maryland

(2002 Replacement Volume and 2003 Supplement)";

and after line 23, insert:

"BY repealing

Article 88A - Department of Human Resources

Section 90 through 95, inclusive, and the subheading "Maryland Individual Development
Accounts"

Annotated Code of Maryland

(2003 Replacement Volume)".

On page 9, strike in their entirety lines 9 through 11, inclusive, and substitute:

"BY repealing

Article - State Finance and Procurement

Section 15-201 and 15-202 and the part "Part I. "Appeals Board" Defined; Scope of
Subtitle"; 15-205 through 15-212, inclusive, and the part "Part II. Maryland State
Board of Contract Appeals"; the part "Part III. Procedures for Dispute Resolution";

and 15-221, 15-221.1, 15-221.2, and 15-223
Annotated Code of Maryland
(2001 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, with amendments,
Article - State Finance and Procurement
Section 11-203(e)(6) and (7), 12-102(b)(2)(v), 13-210(e), 15-215 through 15-220, inclusive,
and 15-222
Annotated Code of Maryland
(2001 Replacement Volume and 2003 Supplement)”.

AMENDMENT NO. 3

On page 9, after line 13, insert:

“Article 24 - Political Subdivisions - Miscellaneous Provisions

9-1102.

(a) [Except as provided in subsection (b) of this section, for each fiscal year] FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2004, the State shall pay the following amounts to the following counties to reimburse the counties partially for the costs of the property tax exemption under § 7-237 of the Tax - Property Article:

<u>Anne Arundel</u>	<u>[\$ 7,820,202]</u>	<u>\$6,752,694</u>
<u>Baltimore City[453,421]</u>	<u>340,066</u>	
<u>Baltimore</u>	<u>[1,794,835]</u>	<u>1,346,126</u>
<u>Calvert</u>	<u>[6,096,574]</u>	<u>5,425,079</u>
<u>Charles</u>	<u>[2,522,612]</u>	<u>1,891,959</u>
<u>Dorchester</u>	<u>[187,442]</u>	<u>140,582</u>
<u>Garrett</u>	<u>[11,907]</u>	<u>8,930</u>
<u>Harford</u>	<u>[860,767]</u>	<u>645,575</u>
<u>Montgomery</u>	<u>[2,765,553]</u>	<u>2,074,165</u>
<u>Prince George’s</u>	<u>[7,744,806]</u>	<u>7,308,604</u>

(Over)

Washington [357,082] 267,812

(b) For [the] A fiscal year that begins [on July 1, 2000, the State shall pay 50%] AFTER JULY 1, 2004, of the amounts specified in subsection (a) of this section, THE STATE SHALL PAY:

- (1) 80% FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2005;
- (2) 60% FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2006;
- (3) 40% FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2007;
- (4) 20% FOR THE FISCAL YEAR THAT BEGINS ON JULY 1, 2008; AND
- (5) 0% FOR A FISCAL YEAR THAT BEGINS ON OR AFTER JULY 1, 2009.

(c) The Comptroller shall pay the amounts provided under this section to the counties in equal amounts for each quarter at the end of each quarter of the fiscal year for which the payments are made.

(d) 35% of the payment received by Washington County under this section shall be paid to the Town of Williamsport.”.

AMENDMENT NO. 4

On page 10, strike in their entirety lines 17 through 22, inclusive.

On page 22, strike in their entirety lines 19 through 28, inclusive.

On page 71, after line 5, insert:

“SECTION 13. AND BE IT FURTHER ENACTED, That, on or before November 1, 2004, the Department of Housing and Community Development, the Public Service Commission, and the Department of Human Resources, in accordance with § 2-1246 of the State Government Article, shall submit to the Senate Budget and Taxation Committee, the Senate Finance Committee, the House Appropriations Committee, and the House Economic Matters Committee a report prepared jointly by the agencies detailing the most appropriate method of merging the two weatherization programs currently administered by the Department of Human Resources and the Department of

Housing and Community Development.”.

AMENDMENT NO. 5

On page 12, after line 8, insert:

“Article 88A - Department of Human Resources

3.

(a) (3) (i) At least once every 2 years, the State Department shall conduct or contract for a financial and compliance audit of each local department of social services and shall prepare a written report of the audit findings.

(ii) The audit shall comply with the auditing standards issued by the Institute of Internal Auditors.

(III) THE WRITTEN REPORT OF AUDIT FINDINGS SHALL BE DISTRIBUTED, AS APPROPRIATE, TO:

1. THE LOCAL BOARD OR COMMISSION OF SOCIAL SERVICES IN EACH COUNTY AND BALTIMORE CITY;

2. THE COUNTY EXECUTIVE;

3. THE COUNTY COMMISSIONERS AND COUNTY COUNCILS;

4. THE MAYOR OF BALTIMORE CITY; AND

5. THE CITY COUNCIL OF BALTIMORE CITY.”.

AMENDMENT NO. 6

On page 12, before line 9, insert:

(Over)

“Article - Business Regulation

4.5-304.

(a) The Unit shall register and issue a home builder registration number to an applicant that:

- (1) meets the requirements of this title; and
- (2) pays to the Division an initial 2-year registration fee of [~~\$600~~] \$300.

4.5-305.

(c) The Unit shall renew the registration of each registrant that:

- (1) submits to the Unit a renewal application on the form provided by the Unit;
- (2) would qualify for an initial registration;
- (3) pays to the Division a renewal fee based on the number of building permits for the construction of new homes issued to the registrant in the preceding calendar year as follows:
 - (i) 10 or fewer new homes [~~\$300~~] \$150; and
 - (ii) 11 or more new homes [~~\$600~~] \$300; and
- (4) is otherwise entitled to be registered.”.

On page 37, after line 35, insert:

“Chapter 530 of the Acts of 2002

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2003. [It shall remain effective for a period of 3 years and, at the end of December 31, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]”.

On page 38, after line 10, insert:

“\$500,000 of the funds in the Home Builder Registration Fund established under § 4.5-203 of the Business Regulation Article;”.

AMENDMENT NO. 7

On page 12, strike in their entirety lines 10 through 27, inclusive.

AMENDMENT NO. 8

On pages 13 and 14, strike in their entirety the lines beginning with line 31 on page 13 through line 15 on page 14, inclusive.

AMENDMENT NO. 9

On page 14, strike in their entirety lines 16 through 23, inclusive.

AMENDMENT NO. 10

On page 15, after line 28, insert:

“Article - Environment

6-844.

(E) FOR EACH FISCAL YEAR, AT LEAST \$750,000 OF THE MONEYS IN THE FUND SHALL BE USED ONLY FOR ANY OF THE FOLLOWING PURPOSES:

(1) COMMUNITY OUTREACH AND EDUCATION PROGRAMS UNDER § 6-848 OF THIS SUBTITLE; AND

(2) ENFORCEMENT EFFORTS UNDER PART VII OF THIS SUBTITLE.”.

On page 37, after line 6, insert:

(Over)

“Chapter 114 of the Acts of 1994, as amended by Chapter 555 of the Acts of 1996

SECTION 5. AND BE IT FURTHER ENACTED, That:

(a) Of the fees generated and paid into the Lead Poisoning Prevention Fund under § 6-843 of the Environment Article, as enacted by this Act, for fiscal years 1996 and 1997 only, 50% of those fees, up to a maximum of \$750,000 per fiscal year, shall be dedicated to the Community Outreach and Education Program established under § 6-848 of the Environment Article, as enacted by this Act; and starting in fiscal year 1998, at least \$750,000 per fiscal year shall be dedicated to the Community Outreach and Education Program].”

AMENDMENT NO. 11

On page 17, after line 34, insert:

“Article - Insurance

6-103.1.

Notwithstanding § 2-114 of this article, beginning January 15, [2002] 2006, from the tax imposed on the health insurers under this subtitle, [\$1,000,000] \$500,000 shall be distributed annually to the Spinal Cord Injury Research Trust Fund created under § 13-1406 of the Health - General Article.”

AMENDMENT NO. 12

On page 18, in line 18, strike “AND”; in line 19, strike “AND EACH FISCAL YEAR THEREAFTER” and substitute “THROUGH FISCAL YEAR 2009”; in line 20, strike “5%” and substitute “THE FOLLOWING PERCENTAGE”; and in line 23, after “FUND” insert “:

- (I) IN FISCAL YEAR 2006, 8%;
- (II) IN FISCAL YEAR 2007, 6%;
- (III) IN FISCAL YEAR 2008, 4%; AND
- (IV) IN FISCAL YEAR 2009, 2%; AND

(3) FOR FISCAL YEARS AFTER FISCAL YEAR 2009, THE DEPARTMENT MAY NOT USE THE MONEYS IN THE WATERWAY IMPROVEMENT FUND FOR ADMINISTRATIVE EXPENSES”.

AMENDMENT NO. 13

On page 27, after line 12, insert:

“(j) (1) Except as provided in paragraph (2) of this subsection AND § 3-216(G) OF THE TRANSPORTATION ARTICLE, for fiscal year [2004] 2006 and for each subsequent fiscal year, the Governor shall include in the budget bill an appropriation to the Account equal to the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000.

(2) The appropriation required under this subsection for any fiscal year may be reduced by the amount of any appropriation to the Account required to be included for that fiscal year under subsection (e) of this section.”.

On page 35, after line 10, insert:

“3-216.

(G) (1) NOTWITHSTANDING § 7-311(J) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, FOR FISCAL YEAR 2006 AND FOR EACH SUBSEQUENT FISCAL YEAR, IF THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS \$10,000,000, EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE TRANSPORTATION TRUST FUND IN AN AMOUNT EQUAL TO THE LESSER OF \$50,000,000 OR THE EXCESS SURPLUS OVER \$10,000,000.

(2) FOR ANY FISCAL YEAR TO WHICH THIS SUBSECTION APPLIES:

(Over)

(I) UNLESS THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS THE SUM OF \$10,000,000 AND THE AMOUNT REQUIRED TO BE APPROPRIATED TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE APPROPRIATION TO THE REVENUE STABILIZATION ACCOUNT UNDER § 7-311(J) OF THE STATE FINANCE AND PROCUREMENT ARTICLE IS NOT REQUIRED; AND

(II) IF THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS THE SUM OF \$10,000,000 AND THE AMOUNT REQUIRED TO BE APPROPRIATED TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE APPROPRIATION REQUIRED TO THE REVENUE STABILIZATION ACCOUNT UNDER § 7-311(J) OF THE STATE FINANCE AND PROCUREMENT ARTICLE SHALL EQUAL THE AMOUNT BY WHICH THAT SURPLUS EXCEEDS THE SUM OF \$10,000,000 AND THE AMOUNT APPROPRIATED TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(3) (I) THE CUMULATIVE AMOUNT APPROPRIATED TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR ALL FISCAL YEARS MAY NOT EXCEED \$314,913,000.

(II) THIS SUBSECTION DOES NOT APPLY TO ANY FISCAL YEAR IF A CUMULATIVE AMOUNT EQUAL TO AT LEAST \$314,913,000 HAS BEEN APPROPRIATED TO THE TRANSPORTATION TRUST FUND FOR PRIOR FISCAL YEARS UNDER THIS SUBSECTION.”.

AMENDMENT NO. 14

On page 30, in line 2, after “than” insert “THE LESSER OF:

(1)”;

and in line 6, after “article” insert “; OR

(2) THE SAME PERCENTAGE AS THE INCREASE OVER THE PREVIOUS YEAR IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE

WASHINGTON-BALTIMORE METROPOLITAN AREA AS OF JULY OF THE FISCAL YEAR PRECEDING THE YEAR FOR WHICH THE AMOUNT IS BEING CALCULATED".

AMENDMENT NO. 15

On page 32, in line 36, strike "\$500,000" and substitute "\$200,000".

AMENDMENT NO. 16

On page 34, in line 14, strike "subsection (d) of this section" and substitute "THE STATE BUDGET".

AMENDMENT NO. 17

On page 35, before line 11, insert:

"3-601.

(D) IF THE DEPARTMENT INTENDS TO PLEDGE ANY FUTURE FEDERAL AID FROM ANY SOURCE TO SUPPORT REPAYMENT OF BONDS ISSUED UNDER THIS SUBTITLE:

(1) THE ANNUAL PAYMENTS FOR PRINCIPAL OF AND INTEREST ON THE BONDS MAY NOT EXCEED 10 PERCENT OF THE STATE'S AVERAGE ANNUAL AUTHORIZATION LEVEL IN THE CURRENT FEDERAL AUTHORIZATION ACT FOR FEDERAL HIGHWAY AID PROVIDED UNDER TITLE 23 OF THE UNITED STATES CODE; AND

(2) THE DATE OF MATURITY MAY NOT BE LATER THAN 15 YEARS AFTER THE DATE OF ISSUE.

4-205.

(c) (1) Subject to the limitations described in paragraph (2) of this subsection, the Authority may make any contracts and agreements necessary or incidental to the exercise of its powers and performance of its duties.

(Over)

(2) (I) Not less than 30 days before entering into any contract or agreement to acquire or construct a revenue-producing transportation facilities project, the Authority shall provide, subject to § 2-1246 of the State Government Article, the Legislative Policy Committee and the Department of Legislative Services with information on the proposed contract or agreement.

(II) NOT LESS THAN 45 DAYS BEFORE ENTERING INTO A CONTRACT OR AGREEMENT TO ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, OR MODIFY A FACILITY THAT IS OR WILL BE OWNED OR OPERATED BY THE AUTHORITY, THE AUTHORITY SHALL, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, PROVIDE A DESCRIPTION OF THE PROPOSED PROJECT AND A SUMMARY OF THE CONTRACT OR AGREEMENT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE FOR REVIEW AND COMMENT.

4-302.

(a) [Without] EXCEPT AS PROVIDED IN § 4-306 (B) OF THIS SUBTITLE, WITHOUT limiting the power of the Authority to issue additional revenue bonds under the provisions of law that authorize the issuance of revenue bonds of prior issues, the Authority from time to time may issue its revenue bonds to finance the cost of any one or more or combination of transportation facilities projects.

4-306.

(A) [Revenue] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REVENUE bonds may be issued by the Authority:

(1) Without obtaining the consent of any instrumentality, agency, or unit of this State; and

(2) Without any proceedings or the happening of any conditions or things other than those specifically required by this subtitle.

(B) (1) THE AUTHORITY MAY NOT ISSUE BONDS TO FINANCE ALL OR

ANY PART OF THE COST OF A TRANSPORTATION FACILITY PROJECT UNTIL THE GENERAL ASSEMBLY HAS APPROVED, THROUGH LEGISLATION, THE SPECIFIC PROJECT AND THE MAXIMUM PRINCIPAL AMOUNT OF BONDS THAT THE AUTHORITY MAY ISSUE IN CONNECTION WITH THE PROJECT.

(2) WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY, THE AUTHORITY MAY ISSUE BONDS TO REFINANCE ALL OR ANY PART OF THE COST OF A TRANSPORTATION FACILITY PROJECT FOR WHICH THE AUTHORITY PREVIOUSLY ISSUED BONDS AUTHORIZED UNDER THIS SUBTITLE.

4-307.

(a) [If,] SUBJECT TO THE PROVISIONS OF § 4-306(B) OF THIS SUBTITLE, IF by reason of increased construction costs, error in estimates, or otherwise, the proceeds of the revenue bonds of any issue are less than the amount required for the purpose for which the bonds are authorized, additional revenue bonds may be issued in a similar manner to provide the amount of the deficiency.

4-320.

IF THE AUTHORITY INTENDS TO PLEDGE ANY FUTURE FEDERAL AID FROM ANY SOURCE TO SUPPORT REPAYMENT OF ANY DEBT INSTRUMENT ISSUED UNDER THIS SUBTITLE:

(1) THE ANNUAL PAYMENTS FOR PRINCIPAL OF AND INTEREST ON THE BONDS MAY NOT EXCEED 10 PERCENT OF THE STATE'S AVERAGE ANNUAL AUTHORIZATION LEVEL IN THE CURRENT FEDERAL AUTHORIZATION ACT FOR FEDERAL HIGHWAY AID PROVIDED UNDER TITLE 23 OF THE UNITED STATES CODE;

(2) THE DATE OF MATURITY MAY NOT BE LATER THAN 15 YEARS AFTER THE DATE OF ISSUE.”.

AMENDMENT NO. 18

(Over)

On page 35, strike in their entirety lines 32 through 38, inclusive.

AMENDMENT NO. 19

On page 38, in line 16, after “Article;” insert “and”; and strike in their entirety lines 17 through 26, inclusive.

AMENDMENT NO. 20

On page 71, in line 16, strike “\$750,000” and substitute “\$1,500,000”.

AMENDMENT NO. 21

On page 71, strike in their entirety lines 38 and 39.

AMENDMENT NO. 22

On page 71, after line 27, insert:

“SECTION 19. AND BE IT FURTHER ENACTED, That Section(s) 90 through 95 and the subheading “Maryland Individual Development Accounts” of Article 88A - Human Resources of the Annotated Code of Maryland be repealed.”;

and in lines 28, 30, 32, 34, and 36, strike “16.”, “17.”, “18.”, “19.”, and “20.”, respectively, and substitute “20.”, “21.”, “22.”, “23.”, and “24.”, respectively.

AMENDMENT NO. 23

On page 71, after line 39, insert:

“SECTION 25. AND BE IT FURTHER ENACTED, That Section(s) 15-201 and 15-202 and the part “Part I. “Appeals Board” Defined; Scope of Subtitle”; Sections 15-205 through 15-212, inclusive, and the part “Part II. Maryland State Board of Contract Appeals”; the part “Part III. Procedures for Dispute Resolution”; and Sections 15-221, 15-221.1, 15-221.2, and 15-223 of Article - State Finance and Procurement of the Annotated Code of Maryland be repealed.

SECTION 26. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Finance and Procurement

11-203.

(e) (6) [(i) The State Board of Contract Appeals shall have authority over contract claims related to procurement contracts awarded by the University before July 1, 1999.

(ii) At the election of the Board of Regents and subject to the approval of the Board of Public Works, the State Board of Contract Appeals shall have authority over contract claims related to procurement contracts awarded by the University after June 30, 1999.

(7)] Paragraphs (3), (4), and (5) of this subsection do not apply to:

(i) procurement by the University from:

1. another unit;

2. a political subdivision of the State;

3. an agency of a political subdivision of the State;

4. a government, including the government of another state, of the United States, or of another country;

5. an agency or political subdivision of a government; or

6. a bistate, multistate, bicounty, or multicounty governmental agency; or

(ii) procurement by the University in support of enterprise activities for the purpose of:

1. direct resale;

2. remanufacture and subsequent resale; or

3. procurement by the University for overseas programs.

(Over)

12-102.

(b) (2) The General Counsel shall:

(v) compile information for distribution to State procurement officials relating to recent decisions of the [Maryland State Board of Contract Appeals and] State and federal courts concerning procurement, including any policy or legal guidance to the procurement officials based on these decisions; and

13-210.

(e) Subsections (b)(1), (c), and (d) of this section do not affect the authority of [the Board of Contract Appeals or] a court of competent jurisdiction to:

(1) decide that information is discoverable in an administrative or judicial proceeding; and

(2) compel disclosure.

[15-215.] 15-201.

(a) In this [Part III of this] subtitle the following words have the meanings indicated.

(b) (1) “Contract claim” means a claim that relates to a procurement contract.

(2) “Contract claim” includes a claim about the performance, breach, modification, or termination of the procurement contract.

(c) (1) “Protest” means a complaint that relates to the formation of a procurement contract.

(2) “Protest” includes a complaint about:

(i) the qualifications of a bidder or offeror; or

(ii) the determination of the successful bidder or offeror.

[15-216.] 15-202.

[(a)] Title 10, Subtitle 2 of the State Government Article does not apply to the disposition of a protest or a contract claim by:

- (1) a primary procurement unit;
- (2) a procurement officer; or
- (3) a unit.

[(b)] The Appeals Board shall conduct its proceedings in accordance with Title 10, Subtitle 2 of the State Government Article.]

[15-217.] 15-203.

(a) (1) A prospective bidder or offeror, a bidder, or an offeror may submit a protest to the procurement officer.

(2) A person who has been awarded a procurement contract may submit a contract claim to the procurement officer.

(b) Except as provided in [§ 15-219] § 15-205 of this subtitle, a protest or contract claim shall be submitted within the time required under regulations adopted by the primary procurement unit responsible for the procurement.

[15-218.] 15-204.

(a) Except as provided under [§ 15-219] § 15-205 of this subtitle, a procurement officer who receives a protest or a contract claim shall comply with this section.

(Over)

(b) (1) On receipt of a protest or contract claim under [§ 15-217] §15-203 of this subtitle, a procurement officer:

(i) shall review the substance of the protest or contract claim;

(ii) may request additional information or substantiation through an appropriate procedure;

(iii) may discuss with interested parties and, if appropriate, may conduct negotiations with the person initiating the protest or contract claim; and

(iv) shall comply with any applicable regulations.

(2) Unless clearly inappropriate, the procurement officer shall seek the advice of the Office of the Attorney General.

(c) (1) Subject to subsection (b) of this section and consistent with the State budget and other applicable laws, the procurement officer shall:

(i) resolve the protest or contract claim by agreement of the parties;

(ii) wholly or partly deny the protest or contract claim; or

(iii) wholly or partly grant the relief sought by the person who submitted the protest or contract claim.

(2) The procurement officer promptly shall send the decision in writing to the reviewing authority.

(d) Unless otherwise provided by regulation, the decision of the procurement officer shall be reviewed promptly by:

(1) the head of the unit; and

(2) the head of the principal department or other equivalent unit of which the unit is a part.

(e) (1) Except as provided under paragraph (3) of this subsection, the reviewing authority shall approve, disapprove, or modify the decision of the procurement officer.

(2) The action of the reviewing authority under this subsection shall be the final action of the unit.

(3) The reviewing authority may remand the proceeding with instructions to the procurement officer.

(4) On remand, the procurement officer shall proceed under subsection (b) of this section in accordance with those instructions.

[15-219.] 15-205.

(a) Except to the extent a shorter period is prescribed by regulation governing differing site conditions, a contractor shall file a written notice of a claim relating to a procurement contract for construction within 30 days after the basis for the claim is known or should have been known.

(b) Unless extended by the unit, within 90 days after submitting a notice of a contract claim under a procurement contract for construction, a contractor shall submit to the unit a written explanation that states:

(1) the amount of the contract claim;

(2) the facts on which the contract claim is based; and

(3) all relevant data and correspondence that may substantiate the contract claim.

(c) (1) Subject to paragraph (2) of this subsection, the head of the unit engaged in procurement of the construction shall review the contract claim.

(Over)

(2) If the unit is part of a principal department or other equivalent unit, the Secretary of the principal department or the equivalent official shall review the contract claim, unless review has been delegated by regulation to the head of the unit.

(d) The person who reviews a contract claim under subsection (c) of this section shall:

(1) investigate the contract claim; and

(2) give the contractor written notice of a resolution of the contract claim[:

(i) within 90 days after receiving the contract claim or a longer period to which the parties agree[, if the amount of the contract claim is not more than the amount under which the accelerated procedure may be selected before the Appeals Board; or

(ii) for any other contract claim, within 180 days after receiving the contract claim or a longer period to which the parties agree].

(e) Recovery under a contract claim is not allowed for any expense incurred:

(1) more than 30 days before the required submission of a notice of a claim under subsection (a) of this section; or

(2) unless the time for submission of a claim is extended under subsection (b) of this section, more than 120 days before the required submission of the claim.

(f) (1) If the unit determines that it is responsible for a portion but not all of the amount claimed by the contractor, subject to the terms of the contract, the unit shall pay the undisputed amount.

(2) Payment of the undisputed amount:

(i) is not an admission of the liability of the unit on the claims; and

(ii) does not preclude recovery of the amount paid if it subsequently is

determined that the determination of the unit was not correct.

(g) (1) A decision not to pay a contract claim is a final action for the purpose of appeal to [the Appeals Board] A COURT OF COMPETENT JURISDICTION.

(2) The failure to reach a decision within the time required under subsection (c) of this section may be deemed, at the option of the contractor, to be a decision not to pay the contract claim.

(h) At the time of final payment, the unit shall:

(1) release the retainage due to the contractor; and

(2) pay any interest that:

(i) has accrued on the retainage from the time of payment of the semifinal estimate; and

(ii) is due and payable to the contractor.

[15-220.] 15-206.

(a) [Except for a contract claim related to a lease for real property, a] A bidder or offeror, a prospective bidder or offeror, or a contractor may appeal the final action of a unit to [the Appeals Board] A COURT OF COMPETENT JURISDICTION.

(b) An appeal under this section shall be filed:

(1) for a protest, within 10 days after receipt of the notice of a final action; and

(2) for a contract claim, within 30 days after receipt of the notice of a final action.

[15-222.] 15-207.

(a) Notwithstanding any provision of a procurement contract, [the Appeals Board] A COURT may award interest on money that the [Appeals Board] COURT determines to be due to the contractor under a contract claim.

(b) (1) Subject to paragraph (2) of this subsection, interest may accrue from a day that the [Appeals Board] COURT determines to be fair and reasonable after hearing all the facts until the day of the decision by the [Appeals Board] COURT.

(2) Interest may not accrue before the procurement officer receives a contract claim from the contractor.

(c) [(1)] Subject to paragraph (2) of this subsection, an award under a decision by [the Appeals Board] A COURT shall accrue interest until the day on which the award is paid.

[(2)] If an award is reduced as a result of a judicial review of the decision of the Appeals Board, interest shall be paid only on the reduced award.]

(d) The rate of interest under this section shall be the rate of interest on judgments as provided under § 11-107(a) of the Courts Article.

SECTION 27. AND BE IT FURTHER ENACTED, That Section 26 of this Act shall apply to the disposition of any appeal arising from the final action of a unit on a bid protest or contract claim that occurs on or after July 1, 2004. Notwithstanding any provision of law to the contrary, any appeal of a final action of a unit on a contract claim or bid dispute that is pending before the Maryland State Board of Contract Appeals on July 1, 2004 shall be transferred to and adjudicated by the appropriate court without prejudice to either party to the proceeding.

SECTION 28. AND BE IT FURTHER ENACTED, That all property, including all records, all real and personal property, and all assets held by the Maryland State Board of Contract Appeals on June 30, 2004, shall be transferred to and vested in the Administrative Office of the Courts, effective July 1, 2004.

SECTION 29. AND BE IT FURTHER ENACTED, That all laws or parts of laws, public general or public local, inconsistent with Sections 25 through 28 of this Act, are repealed to the extent of the inconsistency.

SECTION 30. AND BE IT FURTHER ENACTED, That the publisher of the Annotated Code, in consultation with, and subject to the approval of the Department of Legislative Services, shall correct all references to the Maryland State Board of Contract Appeals rendered incorrect by Sections 25 through 28 of this Act.”.

AMENDMENT NO. 24

On pages 39 through 41, strike in their entirety the lines beginning with line 24 on page 39 through line 38 on page 41, inclusive.

On page 42, strike in their entirety lines 2 through 27, inclusive.

On pages 44 through 47, strike in their entirety the lines beginning with line 9 on page 44 through line 34 on page 47, inclusive.

On page 48, strike in their entirety lines 2 through 32, inclusive; in line 36, strike the bracket; and in lines 36 and 37, in each instance, strike “\$80” and substitute “\$160”.

On page 49, in line 1, strike the bracket.

On pages 49 through 53, strike in their entirety the lines beginning with line 3 on page 49 through line 17 on page 53, inclusive, and substitute:

“Article - Health - General”.

On page 53, in lines 19, 21, 25, and 27, in each instance, strike the bracket; in line 29, strike “\$150” and substitute “\$300”; and in line 30, strike “\$35” and substitute “\$70”.

On page 54, in lines 3, 4, 5, 6, 7, 8, and 9, in each instance, strike the bracket; in line 2, strike “\$35” and substitute “\$70”; in line 5, strike “THE SECRETARY”; and in line 7, strike “IN ACCORDANCE WITH § 2-104 OF THIS ARTICLE”.

On pages 54 through 60, strike in their entirety the lines beginning with line 10 on page 54 through line 3 on page 60, inclusive.

(Over)

On pages 66 and 67, strike in their entirety the lines beginning with line 28 on page 66 through line 23 on page 67, inclusive.

On page 72, strike in their entirety lines 22 through 25, inclusive.

AMENDMENT NO. 25

On pages 63 through 66, strike in their entirety the lines beginning with line 23 on page 63 through line 27 on page 66, inclusive.

AMENDMENT NO. 26

On page 60, after line 3, insert:

“Article - Education

5-201.1.

(A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL SALES AND USE TAX REVENUE DISTRIBUTED TO THE FUND UNDER § 2-1304 OF THE TAX - GENERAL ARTICLE.

(2) THE MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO THE FUND.

(C) THE MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET THE TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS ACT, FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

(D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.”.

On page 68, after line 15, insert:

“Article - Tax - General

11-101.

(k) “Taxable service” means:

(1) fabrication, printing, or production of tangible personal property by special order;

(2) commercial cleaning or laundering of textiles for a buyer who is engaged in a business that requires the recurring service of commercial cleaning or laundering of the textiles;

(3) cleaning of a commercial or industrial building;

(4) cellular telephone or other mobile telecommunications service;

(5) “900”, “976”, “915”, and other “900”-type telecommunications service;

(6) custom calling service provided in connection with basic telephone service;

(7) a telephone answering service;

(8) pay per view television service;

(9) credit reporting;

(10) a security service, including:

(i) a detective, guard, or armored car service; and

(ii) a security systems service;

(11) a transportation service for transmission, distribution, or delivery of electricity or natural gas, if the sale or use of the electricity or natural gas is subject to the sales and use tax; [or]

(Over)

(12) a prepaid telephone calling arrangement;

(13) A REAL PROPERTY MANAGEMENT SERVICE; OR

(14) A TANNING, MASSAGE, PHYSICAL FITNESS, SAUNA, OR STEAM BATH FACILITY OR SERVICE.

11-104.

(a) Except as otherwise provided in this section, the sales and use tax rate is:

(1) for a taxable price of less than \$1:

(i) 1 cent if the taxable price is 20 cents; [and]

(ii) [1 cent for each additional 20 cents or part of 20 cents] 2 CENTS IF THE TAXABLE PRICE IS AT LEAST 21 CENTS BUT LESS THAN 34 CENTS; [and]

(iii) 3 CENTS IF THE TAXABLE PRICE IS AT LEAST 34 CENTS BUT LESS THAN 51 CENTS;

(iv) 4 CENTS IF THE TAXABLE PRICE IS AT LEAST 51 CENTS BUT LESS THAN 67 CENTS;

(v) 5 CENTS IF THE TAXABLE PRICE IS AT LEAST 67 CENTS BUT LESS THAN 84 CENTS; AND

(vi) 6 CENTS IF THE TAXABLE PRICE IS AT LEAST 84 CENTS;
AND

(2) for a taxable price of \$1 or more:

(i) [5] 6 cents for each exact dollar; and

(ii) [1 cent for each 20 cents or part of 20 cents] FOR THAT PART OF A DOLLAR in excess of an exact dollar:

1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS

AT LEAST 1 CENT BUT LESS THAN 17 CENTS;

2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 17 CENTS BUT LESS THAN 34 CENTS;

3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 34 CENTS BUT LESS THAN 51 CENTS;

4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 51 CENTS BUT LESS THAN 67 CENTS;

5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 67 CENTS BUT LESS THAN 84 CENTS; AND

6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT LEAST 84 CENTS.

(b) If a retail sale of tangible personal property or a taxable service is made through a vending or other self-service machine, the sales and use tax rate is [5%] 6%, applied to [95.25%] 94.35% of the gross receipts from the vending machine sales.”.

On page 71, before line 1, insert:

“SECTION 11. AND BE IT FURTHER ENACTED, That, for fiscal 2005 only, of the moneys credited to the Education Trust Fund, subject to the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article, \$3 million may be used in fiscal year 2005 to provide challenge grants to county boards of education in the same amounts as fiscal year 2004 as authorized in §5-204 of the Education Article.”;

and in line 1, strike “11.” and substitute “12.”.

AMENDMENT NO. 27

On page 61, before line 3, insert:

“10-105.

(a) The State income tax rate for an individual is:

(Over)

- (1) 2% of Maryland taxable income of \$1 through \$1,000;
 - (2) 3% of Maryland taxable income of \$1,001 through \$2,000;
 - (3) 4% of Maryland taxable income of \$2,001 through \$3,000; and
 - (4) [for Maryland taxable income in excess of \$3,000:
 - (i) 4.875% for a taxable year beginning after December 31, 1997 but before January 1, 1999;
 - (ii) 4.85% for a taxable year beginning after December 31, 1998 but before January 1, 2000;
 - (iii) 4.85% for a taxable year beginning after December 31, 1999 but before January 1, 2001;
 - (iv) 4.8% for a taxable year beginning after December 31, 2000 but before January 1, 2002; and
 - (v) 4.75% for a taxable year beginning after December 31, 2001]
- (I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2003, BUT BEFORE JANUARY 1, 2009:
- 1. 4.75% OF MARYLAND TAXABLE INCOME OF \$3,001 THROUGH THE APPLICABLE DOLLAR AMOUNT DETERMINED UNDER SUBSECTION (D) OF THIS SECTION; AND
 - 2. 6% OF MARYLAND TAXABLE INCOME IN EXCESS OF THE APPLICABLE DOLLAR AMOUNT; AND
- (II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2008, 4.75% OF MARYLAND TAXABLE INCOME IN EXCESS OF \$3,000.
- (D) FOR PURPOSES OF THIS SECTION, THE APPLICABLE DOLLAR AMOUNT IS:

(1) FOR SPOUSES FILING A JOINT RETURN OR FOR A SURVIVING SPOUSE OR HEAD OF HOUSEHOLD AS DEFINED UNDER § 2 OF THE INTERNAL REVENUE CODE, \$200,000; AND

(2) FOR AN INDIVIDUAL OTHER THAN ONE DESCRIBED IN ITEM (1) OF THIS SUBSECTION, \$150,000.”.

AMENDMENT NO. 28

On page 60, before line 4, insert:

“Article - State Finance and Procurement

8-134.

(C) THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A GENERAL FUND APPROPRIATION FOR THE PAYMENT OF DEBT SERVICE ON STATE BONDS IN AN AMOUNT NOT LESS THAN:

(1) FOR EACH FISCAL YEAR BEGINNING BEFORE JULY 1, 2008, \$348,000,000; AND

(2) FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, \$174,000,000.”.

On page 71, before line 6, insert:

“SECTION 14. AND BE IT FURTHER ENACTED, That, for fiscal year 2005 only:

(a) (1) Notwithstanding § 2-609 of the Tax - General Article or any other provision of law, the Comptroller shall distribute \$290,000,000 of the additional revenue for fiscal 2005 from the income tax on individuals resulting from the changes made under Section 4 of this Act to the Annuity Bond Fund, to be used only for the purpose of meeting the debt service requirements for fiscal 2005 on State bonds.

(2) Notwithstanding § 3-216(f)(3) of the Transportation Article as enacted by Section 4 of this Act, \$60,000,000 of the amount otherwise required under § 3-216(f)(3) of the Transportation Article to be transferred and credited to the General Fund of the State shall be

(Over)

transferred and credited instead to the Annuity Bond Fund, to be used only for the purpose of meeting the debt service requirements for fiscal 2005 on State bonds.

(b) It is the intent of the General Assembly that the additional revenues provided for payment of debt service under this Act be used to reduce the State property tax rate for real property other than operating property of a public utility for the tax year beginning July 1, 2004, to 5.0 cents per \$100 of assessed value.”;

and in lines 6, 8, 13, and 21, strike “12.”, “13.”, “14.”, and “15.”, respectively, and substitute “15.”, “16.”, “17.”, and “18.”, respectively.

AMENDMENT NO. 29

On page 33, strike in their entirety lines 20 through 31, inclusive.

On page 60, after line 4, insert:

“2-614.

(A) THIS SECTION DOES NOT APPLY FOR ANY FISCAL YEAR BEGINNING AFTER THE DATE WHEN ALL CONSOLIDATED TRANSPORTATION BONDS THAT WERE ISSUED BY THE DEPARTMENT OF TRANSPORTATION BEFORE JULY 1, 2004 NO LONGER REMAIN OUTSTANDING AND UNPAID.

(B) [After] FOR ANY FISCAL YEAR BEGINNING BEFORE THE DATE WHEN ALL CONSOLIDATED TRANSPORTATION BONDS THAT WERE ISSUED BY THE DEPARTMENT OF TRANSPORTATION BEFORE JULY 1, 2004 NO LONGER REMAIN OUTSTANDING AND UNPAID, AFTER making the distribution required under § 2-613 of this subtitle, the Comptroller shall distribute monthly 24% of the remaining income tax revenue from corporations to [the Gasoline and Motor Vehicle Revenue Account in] the Transportation Trust Fund.

[2-1302.1.] 2-1303.

After making the distributions required under §§ 2-1301 and 2-1302 of this subtitle, the Comptroller monthly shall distribute [45% of] the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of this article to the Transportation Trust Fund established under § 3-216 of the Transportation Article.

2-1304.

AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH 2-1303 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE MONTHLY 16.67% OF THE REMAINING SALES AND USE TAX REVENUE TO THE EDUCATION TRUST FUND ESTABLISHED UNDER § 5-201.1 OF THE EDUCATION ARTICLE.

[2-1303.] 2-1305.

After making the distributions required under §§ 2-1301 through [2-1302.1] 2-1304 of this subtitle, the Comptroller shall pay the remaining sales and use tax revenue into the General Fund of the State.”.

On page 67, before line 24, insert:

“Article - Transportation

3-215.

(b) [The] FOR ANY BONDS ISSUED BEFORE JULY 1, 2004, THE tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(1) The motor fuel tax revenue distributed under §§ 2-1103(2) and 2-1104(4) of the Tax - General Article;

(2) The income tax revenue distributed under § 2-614 of the Tax - General Article;

(3) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of this article; and

(4) The sales and use tax revenues FROM SHORT-TERM VEHICLE RENTALS distributed under [§ 2-1302.1] § 2-1303 of the Tax - General Article.

(B-1) FOR ANY BONDS ISSUED ON OR AFTER JULY 1, 2004, THE TAX LEVIED AND IMPOSED BY THIS SECTION CONSISTS OF THAT PART OF THE FOLLOWING TAXES THAT ARE RETAINED TO THE CREDIT OF THE DEPARTMENT AFTER

(Over)

DISTRIBUTIONS TO THE POLITICAL SUBDIVISIONS:

(1) THE MOTOR FUEL TAX REVENUE DISTRIBUTED UNDER §§ 2-1103(2) AND 2-1104(4) OF THE TAX - GENERAL ARTICLE;

(2) THE EXCISE TAX IMPOSED ON VEHICLES BY PART II OF TITLE 13, SUBTITLE 8 OF THIS ARTICLE; AND

(3) THE SALES AND USE TAX REVENUES FROM SHORT-TERM VEHICLE RENTALS DISTRIBUTED UNDER § 2-1303 OF THE TAX - GENERAL ARTICLE.

3-216.

(f) (3) (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR ANY FISCAL YEAR BEGINNING BEFORE THE DATE WHEN ALL CONSOLIDATED TRANSPORTATION BONDS THAT WERE ISSUED BY THE DEPARTMENT OF TRANSPORTATION BEFORE JULY 1, 2004 NO LONGER REMAIN OUTSTANDING AND UNPAID, OF THE FUNDS IN THE TRANSPORTATION TRUST FUND THAT HAVE NOT BEEN PLEDGED OR OTHERWISE COMMITTED TO THE PAYMENT OF OR AS SECURITY FOR THE PAYMENT OF ANY BONDS OR DEBT ISSUED OR INCURRED PURSUANT TO THIS ARTICLE, THERE SHALL BE TRANSFERRED AND CREDITED TO THE GENERAL FUND OF THE STATE ON OR BEFORE JUNE 30 OF THAT FISCAL YEAR AN AMOUNT EQUAL TO THE INCOME TAX REVENUE DISTRIBUTED TO THE TRANSPORTATION TRUST FUND FOR THAT FISCAL YEAR UNDER § 2-614 OF THE TAX - GENERAL ARTICLE.

(II) THE AMOUNTS TRANSFERRED AND CREDITED TO THE GENERAL FUND OF THE STATE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR ANY FISCAL YEAR SHALL BE AVAILABLE FOR APPROPRIATION FROM THE GENERAL FUNDS IN THAT FISCAL YEAR.

8-402.

(a) There is a Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.

(b) All revenues collected from the following, after deductions provided by law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

- (1) All of the motor vehicle fuel tax;
 - (2) Except as otherwise provided by law, 80 percent of the vehicle titling tax;
 - (3) Except for revenues collected under Parts III and IV of Title 13, Subtitle 9 of this article, vehicle registration fees; AND
 - (4) [The revenue disbursed to this account under § 2-614 of the Tax - General Article; and
 - (5) 80 percent of the funds distributed on short-term vehicle rentals under § [2-1302.1] 2-1303 of the Tax - General Article to the Transportation Trust Fund from the sales and use tax.
- (c) (1) During each fiscal year, the Account shall be used to pay the allocations of highway user revenues provided by this subtitle to the counties, municipalities, and Baltimore City; and
- (2) The balance of the Account may be used as provided in § 3-216 of this article.”.

On page 68, before line 16, insert:

“Article - Transportation

13-809.

- (b) (1) Except as otherwise provided in this part, in addition to any other charge required by the Maryland Vehicle Law, an excise tax is imposed:
- (i) For each original and each subsequent certificate of title issued in this State for a motor vehicle, trailer, or semitrailer; and
 - (ii) Except as provided in paragraph (2) of this subsection, for each motor vehicle, trailer, or semitrailer that is in interstate operation and registered under § 13-109(c) or (d) of this title without a certificate of title.

(Over)

(c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed by this section is [5 percent] 6 PERCENT of the fair market value of the vehicle.”.

AMENDMENT NO. 30

On page 60, in line 30, after “(3)” insert “(I)”; and after line 35, insert:

“(II) THE MARYLAND ESTATE TAX SHALL BE DETERMINED WITHOUT REGARD TO ANY DEDUCTION FOR STATE DEATH TAXES ALLOWED UNDER § 2058 OF THE INTERNAL REVENUE CODE.”.

AMENDMENT NO. 31

On page 62, after line 35, insert:

“10-704.

(b) (2) (i) An individual with one or more dependents that may be claimed as exemptions may claim a refund in the amount, if any, by which the applicable percentage specified in subparagraph (ii) of this paragraph of the earned income credit allowable under § 32 of the Internal Revenue Code exceeds the State income tax for the taxable year.

(ii) The applicable percentage of the earned income credit allowable under § 32 of the Internal Revenue Code to be used for purposes of determining the refund provided under this paragraph is:

1. [16%] 21% for a taxable year beginning after December 31, [2000] 2003 but before January 1, [2002] 2005;

2. [16%] 22% for a taxable year beginning after December 31, [2001] 2004 but before January 1, [2003] 2006;

3. [18%] 23% for a taxable year beginning after December 31, [2002] 2005 but before January 1, [2004] 2007; [and]

4. [20%] 24% for a taxable year beginning after December 31, [2003] 2006 BUT BEFORE JANUARY 1, 2008; AND

5. 25% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2007.

(c) (2) (i) A county may provide, by law, for a refundable county earned income credit as provided in this paragraph for individuals having one or more dependents that may be claimed as exemptions.

(ii) If a county provides for a refundable county earned income credit under this paragraph, on or before July 1 prior to the beginning of the first taxable year for which it is applicable, the county shall give the Comptroller notice of the refundable county earned income credit.

(iii) If a county provides for a refundable county earned income credit under this paragraph, an individual with one or more dependents that may be claimed as exemptions may claim a refund of the amount, if any, by which the product of multiplying the credit allowable under § 32 of the Internal Revenue Code by the applicable number specified in subparagraph (iv) of this paragraph times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.

(iv) The applicable number to be multiplied by the county income tax rate for purposes of determining a refund provided under this paragraph is:

1. [3.2] 4.2 for a taxable year beginning after December 31, [2000] 2003 but before January 1, [2002] 2005;

2. [3.2] 4.4 for a taxable year beginning after December 31, [2001] 2004 but before January 1, [2003] 2006;

3. [3.6] 4.6 for a taxable year beginning after December 31, [2002] 2005 but before January 1, [2004] 2007; [and]

4. [4] 4.8 for a taxable year beginning after December 31, [2003] 2006 BUT BEFORE JANUARY 1, 2008; AND

5. 5 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2007.

(v) The amount of any refunds payable under a refundable county earned income credit operates to reduce the income tax revenue from individuals attributable to the county

(Over)

income tax for that county.”.

AMENDMENT NO. 32

On page 72, before line 1, insert:

“SECTION 31. AND BE IT FURTHER ENACTED, That the Comptroller shall issue new employer withholding tables, to be effective as of July 1, 2004, reflecting the new individual income tax rates and rate brackets under § 10-105 of the Tax - General Article as enacted by Section 4 this Act. The Comptroller shall waive any interest or penalty imposed on an individual relating to payment of estimated income tax for calendar year 2004 to the extent the Comptroller determines that the interest or penalty would not have been incurred but for an increase in the income tax rates for calendar year 2004 under this Act.”;

in lines 1, 9, 12, and 15, strike “22.”, “24.”, “25.”, and “26.”, respectively, and substitute “32.”, “33.”, “34.”, and “35.”, respectively; strike in their entirety lines 7 and 8; in line 12, strike “§ 10-106.1” and substitute “§§ 10-105 and 10-106.1”; after line 21, insert:

“SECTION 36. AND BE IT FURTHER ENACTED, That the changes to §§ 11-101(k) and 11-104 of the Tax - General Article as enacted by Section 5 of this Act shall take effect June 1, 2004. The Comptroller is authorized to adopt regulations that will exempt from the increase in the rate of the sales and use tax under § 11-104 of the Tax - General Article as enacted by Section 5 of this Act any otherwise taxable sale of tangible personal property to contractors or builders to be used for the construction, repair, or alteration of real property, on contracts entered into prior to the effective date of the sales and use tax increase under § 11-104 of the Tax - General Article as enacted by Section 5 of this Act. The regulations authorized to be adopted under this section shall be applicable only with respect to the 1% increase in the rate of the sales and use tax which becomes effective June 1, 2004.

SECTION 37. AND BE IT FURTHER ENACTED, That the increase in the motor vehicle titling tax under § 13-809 of the Transportation Article as enacted by Section 5 of this Act shall take effect June 1, 2004 and shall be applicable to all certificates of title issued in the State on or after June 1, 2004 and to all motor vehicles, trailers, or semitrailers subject to the excise tax that are in interstate operation and registered under § 13-109(c) or (d) of the Transportation Article without a certificate of title on or after June 1, 2004.”;

in lines 26 and 28, strike “28.” and “29.”, respectively, and substitute “38.” and “39.”, respectively; and in line 29, strike “23 through 28” and substitute “33 through 38”.