

HOUSE BILL 462

Q1

6lr0156
CF SB 383

By: **The Speaker (By Request – Administration) and Delegates Adams, Afzali, Anderton, Arentz, Aumann, Beitzel, Bromwell, Buckel, Carozza, Cassilly, Ciliberti, Cluster, Fisher, Flanagan, Folden, Ghrist, Glass, Hornberger, S. Howard, Jacobs, Kipke, Kittleman, Krebs, Long, Malone, Mautz, McComas, McDonough, McKay, Metzgar, Miele, W. Miller, Morgan, Otto, Reilly, Rose, Saab, Shoemaker, Simonaire, Szeliga, Vogt, West, B. Wilson, and Wivell**

Introduced and read first time: January 29, 2016

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax – Distribution of Revenue**

3 FOR the purpose of reducing certain transfers from a certain special fund to the General
4 Fund of the State for certain fiscal years; requiring in certain fiscal years the
5 distribution of certain amounts from a certain special fund for certain purposes;
6 providing that certain distributions may not be utilized or considered for certain
7 purposes; and generally relating to the distribution of State transfer tax revenue.

8 BY repealing and reenacting, without amendments,

9 Article – Tax – Property

10 Section 13–209(f) and (g)

11 Annotated Code of Maryland

12 (2012 Replacement Volume and 2015 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Tax – Property

15 Section 13–209(h)

16 Annotated Code of Maryland

17 (2012 Replacement Volume and 2015 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Tax – Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 13-209.

2 (f) (1) (i) Except as provided in subparagraphs (ii) and (iii) of this
3 paragraph, for any fiscal year in which the actual transfer tax revenue collections are
4 greater than the revenue estimates used as the basis for the appropriations required under
5 this section for the fiscal year, the amount of the excess shall be allocated to the special
6 fund under subsection (a) of this section as provided under subsections (c) and (d) of this
7 section for the second fiscal year following the fiscal year in which there is an excess.

8 (ii) Notwithstanding subparagraph (i) of this paragraph or any other
9 provision of law, \$21,776,868 of the transfer tax collected but not appropriated or
10 transferred in fiscal 2004 shall be transferred to the General Fund of the State.

11 (iii) Notwithstanding subparagraph (i) of this paragraph or any other
12 provision of law, in any fiscal year in which an appropriation or transfer is made from the
13 special fund to the General Fund, if the actual transfer tax revenue collections for the prior
14 fiscal year exceed the budget estimate for the prior fiscal year, the excess shall be allocated
15 in the current fiscal year for Program Open Space, the Agricultural Land Preservation
16 Fund, the Rural Legacy Program, and the Heritage Conservation Fund. Funds made
17 available under this subparagraph shall be allocated as provided under subsection (d) of
18 this section.

19 (2) For any fiscal year in which the actual transfer tax revenue collections
20 are less than the revenue estimates used as the basis for the appropriations required under
21 this section, the amount of the deficiency shall be reconciled as follows:

22 (i) for the first \$3,000,000 of any deficiency, the allocation to the
23 special fund under subsection (a) of this section as provided under subsections (c) and (d)
24 of this section for the second fiscal year following the deficiency shall be reduced by either
25 the amount of the deficiency or \$3,000,000, whichever is less;

26 (ii) for any deficiency in excess of \$3,000,000, the amount in excess
27 of \$3,000,000 shall be reconciled either by the reduction of the allocation to the special fund
28 under subsection (a) of this section as provided under subsections (c) and (d) of this section
29 for the second fiscal year following the deficiency or by the deauthorization of projects
30 authorized in prior fiscal years;

31 (iii) for the allocation of the special fund under subsection (a) of this
32 section, in the fiscal year beginning July 1, 2016, transfer tax revenue under-attainment
33 from the fiscal year beginning July 1, 2014, will not be applied; and

34 (iv) transfer tax revenue in fiscal year 2015, that is in excess of
35 \$161,016,000 may be transferred by budget amendment in fiscal year 2016 for:

36 1. administrative expenses related to land acquisition for
37 Program Open Space;

1 2. critical maintenance projects in the Department of
2 Natural Resources;

3 3. Natural Resources Development Fund projects in the
4 Department of Natural Resources; and

5 4. replacement of General Fund appropriations in the
6 Maryland Park Service.

7 (3) (i) Any amounts to be deauthorized from prior fiscal years under
8 paragraph (2)(ii) of this subsection shall be proposed by the Governor in the budget of the
9 second fiscal year following the fiscal year in which there is a deficiency.

10 (ii) An amount may be deauthorized under this paragraph only as
11 provided in the State budget bill, as enacted.

12 (g) (1) Notwithstanding § 7–311(j) of the State Finance and Procurement
13 Article, subject to paragraph (3) of this subsection, for fiscal year 2019 and for each
14 subsequent fiscal year, if the unappropriated General Fund surplus as of June 30 of the
15 second preceding year exceeds \$10,000,000, the Governor shall include in the budget bill a
16 General Fund appropriation to the special fund under subsection (a) of this section in an
17 amount equal to at least the lesser of \$50,000,000 or the excess surplus over \$10,000,000.

18 (2) For any fiscal year to which this subsection applies:

19 (i) unless the unappropriated General Fund surplus as of June 30
20 of the second preceding fiscal year exceeds the sum of \$10,000,000 and the amount required
21 to be appropriated to the special fund under paragraph (1) of this subsection, the
22 appropriation to the Revenue Stabilization Account under § 7–311(j) of the State Finance
23 and Procurement Article is not required; and

24 (ii) if the unappropriated General Fund surplus as of June 30 of the
25 second preceding fiscal year exceeds the sum of \$10,000,000 and the amount required to be
26 appropriated to the special fund under paragraph (1) of this subsection, the appropriation
27 required to the Revenue Stabilization Account under § 7–311(j) of the State Finance and
28 Procurement Article shall equal the amount by which that surplus exceeds the sum of
29 \$10,000,000 and the amount appropriated to the special fund under paragraph (1) of this
30 subsection.

31 (3) (i) The cumulative amount required to be appropriated to the
32 special fund under paragraph (1) of this subsection for all fiscal years shall equal the
33 cumulative amount of any appropriation or transfer from the special fund to the General
34 Fund for fiscal year 2006 and for each subsequent fiscal year, reduced by:

35 1. the amount of any appropriation or transfer from the
36 General Fund to the special fund for any fiscal year in excess of the amount required under
37 paragraph (1) of this subsection for that fiscal year; and

1 2. the amount of any appropriation or transfer from the
2 General Fund to the special fund for any fiscal year in which the appropriation under
3 paragraph (1) of this subsection is not required.

4 (ii) This subsection does not apply to any fiscal year if a cumulative
5 amount has been appropriated to the special fund for prior fiscal years under this
6 subsection equal to the cumulative amount of any appropriation or transfer from the special
7 fund to the General Fund for fiscal year 2006 and for each subsequent fiscal year, reduced
8 by:

9 1. the amount of any appropriation or transfer from the
10 General Fund to the special fund for any fiscal year in excess of the amount required under
11 paragraph (1) of this subsection for that fiscal year; and

12 2. the amount of any appropriation or transfer from the
13 General Fund to the special fund for any fiscal year in which the appropriation under
14 paragraph (1) of this subsection is not required.

15 (h) (1) The distributions required under this subsection may not be utilized or
16 considered for the purposes of calculating any allocation or appropriation under subsection
17 (f) or (g) of this section.

18 (2) Notwithstanding any other provision of law, the Governor may transfer
19 funds from the special fund established under this section to the General Fund as follows:

- 20 (i) on or before June 30, 2014, \$89,198,555;
- 21 (ii) for the fiscal year beginning July 1, 2014, \$144,188,544;
- 22 (iii) for the fiscal year beginning July 1, 2015, \$115,366,700;
- 23 (iv) for the fiscal year beginning July 1, 2016, ~~[\$82,771,000]~~
24 **\$62,771,000**; and
- 25 (v) for the fiscal year beginning July 1, 2017, ~~[\$86,028,000]~~
26 **\$46,028,000**.

27 SECTION 2. AND BE IT FURTHER ENACTED, That:

- 28 (a) Notwithstanding any other provision of law:
 - 29 (1) in the fiscal year beginning July 1, 2016, \$20,000,000 shall be
30 distributed from the special fund established in § 13–209 of the Tax – Property Article as
31 follows:
- 32 Program Open Space – State.....\$4,000,000

1	Program Open Space – Local.....	\$5,000,000
2	Rural Legacy	\$4,862,000
3	Critical Maintenance	\$2,000,000
4	Natural Resources Development Fund	\$138,000
5	Ocean City Beach Maintenance	\$500,000
6	Maryland Agricultural Land Preservation Fund	\$3,500,000; and

7 (2) in the fiscal year beginning July 1, 2017, \$40,000,000 shall be
8 distributed from the special fund established in § 13–209 of the Tax – Property Article as
9 follows:

10	Program Open Space – State.....	\$3,412,000
11	Program Open Space – Local.....	\$11,000,000
12	Rural Legacy	\$9,000,000
13	Critical Maintenance	\$2,000,000
14	Natural Resources Development Fund	\$5,088,000
15	Ocean City Beach Maintenance	\$500,000
16	Maryland Agricultural Land Preservation Fund	\$9,000,000.

17 (b) The distributions required under this section of this Act may not be utilized
18 or considered for the purposes of calculating any allocation or appropriation under §
19 13–209(f) or (g) of the Tax – Property Article.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2016.