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**By: Delegate Stocksdale**

Introduced and read first time: February 3, 1997

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Education - Public School Construction and Capital Improvements - Revenue**  
3 **Stabilization Account**

4 FOR the purpose of requiring the transfer of any interest or income generated by the  
5 Revenue Stabilization Account of the State Reserve Fund to the fund for public  
6 school construction and capital improvements; requiring compliance with a certain  
7 formula; requiring that future appropriations made for public school construction,  
8 in addition to the funds transferred from the Revenue Stabilization Account,  
9 remain at least as high as the appropriations made for a certain fiscal year; and  
10 generally relating to the funding of public school construction and capital  
11 improvements in the State.

12 BY repealing and reenacting, without amendments,

13 Article - Education  
14 Section 5-301(b)  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume)

17 BY repealing and reenacting, with amendments,

18 Article - Education  
19 Section 5-301(k)  
20 Annotated Code of Maryland  
21 (1997 Replacement Volume)

22 BY repealing and reenacting, without amendments,

23 Article - State Finance and Procurement  
24 Section 7-311(a), (b), (c), and (d)  
25 Annotated Code of Maryland  
26 (1995 Replacement Volume and 1996 Supplement)

27 BY adding to

28 Article - State Finance and Procurement  
29 Section 7-311(j)  
30 Annotated Code of Maryland

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1 (1995 Replacement Volume and 1996 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - Education**

5 5-301.

6 (b) The State shall pay the costs in excess of available federal funds of all public  
7 school construction projects and public school capital improvements in each county if:

8 (1) The projects or improvements have been approved by the Board of  
9 Public Works; and

10 (2) Contracts have been executed on or after July 1, 1971 for the projects or  
11 improvements.

12 (k) (1) Whether by budget bill or supplementary appropriation bill, all money  
13 appropriated to carry out the purposes of this section is a separate fund that shall be  
14 administered by the State Comptroller in accordance with the rules and regulations  
15 adopted by the Board of Public Works.

16 (2) IN ADDITION TO ANY MONEY APPROPRIATED BY A BUDGET BILL OR  
17 A SUPPLEMENTARY APPROPRIATION BILL TO THIS FUND, ALL INTEREST AND  
18 INCOME GENERATED BY THE REVENUE STABILIZATION ACCOUNT OF THE STATE  
19 RESERVE FUND UNDER § 7-311 OF THE STATE FINANCE AND PROCUREMENT  
20 ARTICLE SHALL BE TRANSFERRED TO THE FUND FOR PUBLIC SCHOOL  
21 CONSTRUCTION AND CAPITAL IMPROVEMENTS IN THE STATE.

22 (3) THE MONEYS TRANSFERRED FROM THE REVENUE STABILIZATION  
23 ACCOUNT SHALL BE DISTRIBUTED AMONG THE COUNTY BOARDS ACCORDING TO  
24 THE SAME FORMULA USED TO DISTRIBUTE ANY OTHER MONEYS FROM THE FUND  
25 FOR PUBLIC SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS.

26 (4) NOT INCLUDING, BUT IN ADDITION TO THE FUNDS TRANSFERRED  
27 FROM THE REVENUE STABILIZATION ACCOUNT TO THE FUND, THE MONEY  
28 APPROPRIATED TO THE FUND IN ANY YEAR MAY NOT BE LESS THAN THE MONEY  
29 APPROPRIATED TO THE FUND FOR FISCAL YEAR 1998.

30 **Article - State Finance and Procurement**

31 7-311.

32 (a) In this section "Account" means the Revenue Stabilization Account.

33 (b) The Revenue Stabilization Account is established to retain State revenues for  
34 future needs and reduce the need for future tax increases by moderating revenue growth.

35 (c) The Account is a continuing, nonlapsing fund which is not subject to § 7-302  
36 of this subtitle.

37 (d) The Account consists of:

38 (1) moneys appropriated in the State budget to the Account; and

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1                   (2) interest or other income earned from the investment of any portion of  
2 this Account or any other account in the State Reserve Fund.

3                   (J) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE INTEREST AND  
4 INCOME EARNED FROM THE INVESTMENT OF ANY PORTION OF THE REVENUE  
5 STABILIZATION ACCOUNT SHALL BE TRANSFERRED TO THE FUND FOR PUBLIC  
6 SCHOOL CONSTRUCTION AND CAPITAL IMPROVEMENTS UNDER § 5-301 OF THE  
7 EDUCATION ARTICLE.

8                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 1997.