
By: Senator Haines

Introduced and read first time: January 13, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Transfer Tax - Distribution of Revenues**

3 FOR the purpose of altering the distribution of the State transfer tax revenues; repealing
4 certain obsolete provisions; and generally relating to the distribution of the
5 revenues from the State transfer tax.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - Property
8 Section 13-209
9 Annotated Code of Maryland
10 (1994 Replacement Volume and 1996 Supplement)

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

13 **Article - Tax - Property**

14 13-209.

15 (a) The revenue from transfer tax is payable to the Comptroller for deposit in a
16 special fund.

17 (b) (1) The special fund under subsection (a) of this section is used to pay
18 principal and interest on the bonds issued under the Outdoor Recreation Land Loan of
19 1969.

20 (2) For the fiscal year commencing July 1, 1991 and for subsequent fiscal
21 years, up to 3% of the revenues in the special fund not required under paragraph (1) of
22 this subsection may be appropriated in the State budget for salaries and related expenses
23 in the Departments of General Services and Natural Resources and in the Office of
24 Planning necessary to administer Title 5, Subtitle 9 of the Natural Resources Article
25 (Program Open Space).

26 [(c) (1) Subject to subsection (e) of this section, for fiscal years commencing
27 before July 1, 1997 the balance of the revenue in the special fund, not required under
28 subsection (b) of this section, shall be allocated as provided in this subsection.

1 (2) For the fiscal year commencing July 1, 1993, 50% of the balance shall be
 2 allocated as provided under paragraph (5) of this subsection and 50% shall be allocated
 3 to the General Fund of the State.

4 (3) For the fiscal year commencing July 1, 1994, 70% of the balance shall be
 5 allocated as provided under paragraph (5) of this subsection and 30% shall be allocated
 6 to the General Fund of the State.

7 (4) For each of the fiscal years commencing July 1, 1995 and July 1, 1996,
 8 90% of the balance shall be allocated as provided under subsection (d) of this section and
 9 10% shall be allocated to the General Fund of the State.

10 (5) For each of the fiscal years commencing July 1, 1993 and July 1, 1994,
 11 the percentage of the balance specified for the fiscal year under paragraph (2) or (3) of
 12 this subsection shall be allocated as follows:

13 (i) not less than \$1,000,000 for reduction of State debt authorized
 14 under the Outdoor Recreation Land Loan of 1969; and

15 (ii) the remainder not allocated under item (i) of this paragraph shall
 16 be allocated as follows:

17 1. 84.2% in the State budget for the purposes specified in Title
 18 5, Subtitle 9 of the Natural Resources Article (Program Open Space);

19 2. 13.2% in the State budget for the Agricultural Land
 20 Preservation Fund established under § 2-505 of the Agriculture Article; and

21 3. 2.6% in the State budget for the Heritage Conservation Fund
 22 established under Title 5, Subtitle 15 of the Natural Resources Article.]

23 [(d)] (C) (1) Subject to subsection [(e)] (D) of this section, for the fiscal year
 24 commencing July 1, [1995] 1997 and for each subsequent fiscal year, the balance of the
 25 revenue in the special fund, not required under subsection (b) of this section, shall be
 26 allocated as provided in this subsection.

27 (2) Until the outstanding debt authorized under the Outdoor Recreation
 28 Land Loan of 1969 has been reduced to zero, at least \$1,000,000 shall be allocated in the
 29 State budget for reduction of State debt authorized under that loan.

30 (3) The balance in excess of the amounts allocated in paragraph (2) of this
 31 subsection [and not allocated to the General Fund under subsection (c) of this section]
 32 shall be allocated in the State budget as follows:

33 (i) [83.5%] 75% for the purposes specified in Title 5, Subtitle 9 of the
 34 Natural Resources Article (Program Open Space), of which up to \$1,000,000 may be
 35 transferred by an appropriation in the State budget, or by an amendment to the State
 36 budget under Title 7, Subtitle 2 of the State Finance and Procurement Article, to the
 37 Maryland Heritage Areas Authority Financing Fund, as authorized by § 5-903 of the
 38 Natural Resources Article;

39 (ii) [14.5%] 23% for the Agricultural Land Preservation Fund
 40 established under § 2-505 of the Agriculture Article; and

3

1 (iii) 2% for the Heritage Conservation Fund established under Title 5,
2 Subtitle 15 of the Natural Resources Article.

3 [(e)] (D) The sums allocated in [subsections (c) (5) and (d)] SUBSECTION (C) of
4 this section may not revert to the General Fund of the State.

5 [(f)] (E) (1) For any fiscal year in which the actual transfer tax revenue
6 collections are greater than the revenue estimates used as the basis for the appropriations
7 required under this section for the fiscal year, the amount of the excess shall be allocated
8 to the special fund under subsection (a) of this section as provided under [subsections (c)
9 and (d)] SUBSECTION (C) of this section for the second fiscal year following the fiscal
10 year in which there is an excess.

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

14 (i) for the first \$3,000,000 of any deficiency, the allocation to the
15 special fund under subsection (a) of this section as provided under [subsections (c) and
16 (d)] SUBSECTION (C) of this section for the second fiscal year following the deficiency
17 shall be reduced by either the amount of the deficiency or \$3,000,000, whichever is less;
18 and

19 (ii) for any deficiency in excess of \$3,000,000, the amount in excess of
20 \$3,000,000 shall be reconciled either by the reduction of the allocation to the special fund
21 under subsection (a) of this section as provided under [subsections (c) and (d)]
22 SUBSECTION (C) of this section for the second fiscal year following the deficiency or by
23 the deauthorization of projects authorized in prior fiscal years.

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

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

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