Unofficial Copy 1998 Regular Session 8lr1801

By: Senator Hoffman

Introduced and read first time: February 5, 1998

Assigned to: Budget and Taxation

A BILL ENTITLED

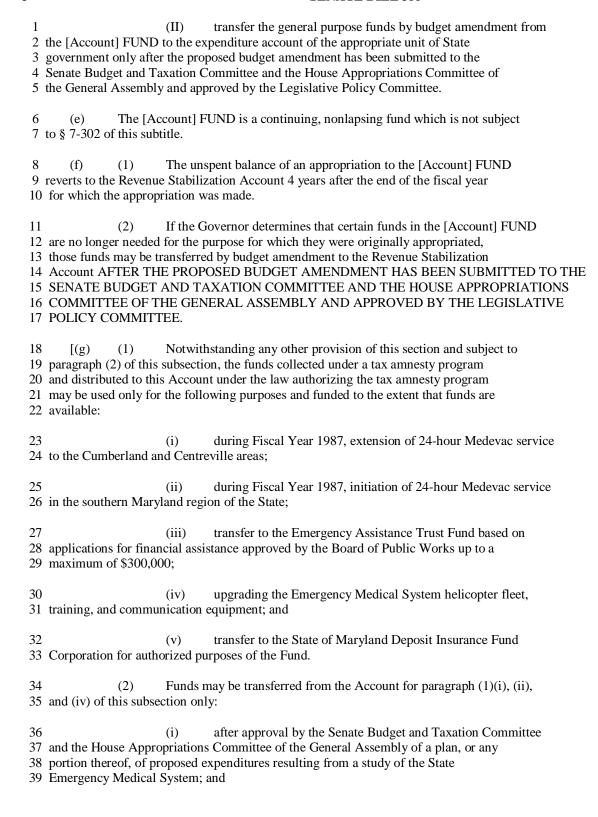
1 AN ACT concerning

2 **Dedicated Purpose Fund**

- 3 FOR the purpose of changing the name of the Dedicated Purpose Account to be the
- Dedicated Purpose Fund; authorizing the Governor to include appropriations 4
- 5 from the Dedicated Purpose Fund as special funds in the State Budget subject to
- appropriation by the General Assembly; providing that certain transfers of 6 7
- funds from the Fund to the Revenue Stabilization Account may be made only
- 8 after a proposed budget amendment has been submitted to certain committees
- 9 of the General Assembly and approved by the Legislative Policy Committee;
- repealing certain obsolete provisions relating to the Dedicated Purpose Account; 10
- repealing the Citizen Tax Reduction and Fiscal Reserve Account; providing that 11
- any funds remaining in the Citizen Tax Reduction and Fiscal Reserve Account 12
- on a certain date may not revert to the General Fund but shall be credited to an 13
- account in the Dedicated Purpose Fund to be used for certain purposes; and 14
- 15 generally relating to the Dedicated Purpose Fund.
- 16 BY repealing and reenacting, with amendments,
- Article State Finance and Procurement 17
- 18 Section 7-309 and 7-310
- 19 Annotated Code of Maryland
- (1995 Replacement Volume and 1997 Supplement) 20
- 21 BY repealing
- Article State Finance and Procurement 22
- 23 Section 7-310.1
- 24 Annotated Code of Maryland
- 25 (1995 Replacement Volume and 1997 Supplement)
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 26
- 27 MARYLAND, That the Laws of Maryland read as follows:

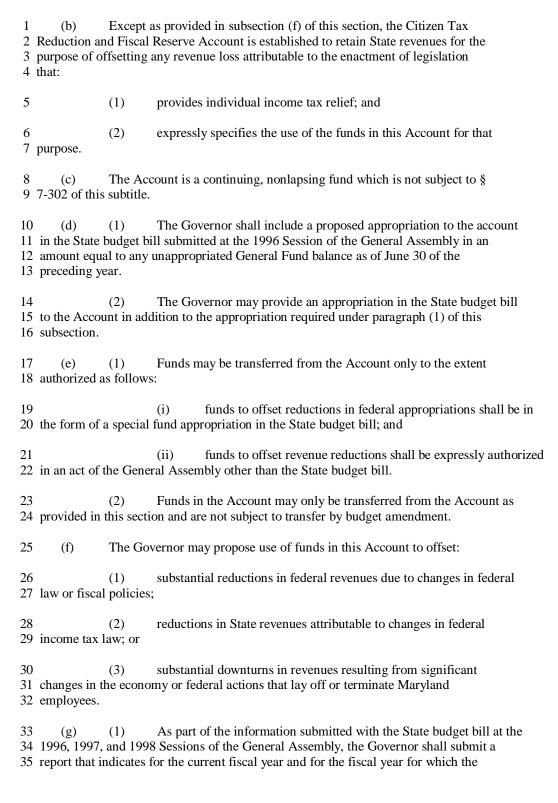
1	Article - State Finance and Procurement					
2	7-309.					
3	(a)	There is a State Reserve Fund.				
4	(b)	The State Reserve Fund is comprised of:				
5		(1) the Dedicated Purpose [Account] FUND;				
6		[(2) the Citizen Tax Reduction and Fiscal Reserve Account;]				
7		[(3)] (2) the Revenue Stabilization Account;				
8		[(4)] (3) the Economic Development Opportunities Program Fund; and				
9		[(5)] (4) the Catastrophic Event Fund.				
10	7-310.					
11 12	(a) In this section ["Account"] "FUND" means the Dedicated Purpose [Account] FUND.					
13	(b)	The Dedicated Purpose [Account] FUND is established:				
14 15	4 (1) to retain appropriations for major, multi-year expenditures where 5 the magnitude and timing of cash needs are uncertain; and					
	16 (2) beginning in Fiscal Year 1996, to meet specific expenditure 17 requirements [other than those specified in the Citizen Tax Reduction and Fiscal 18 Reserve Account established in § 7-310.1 of this subtitle].					
19 20	(c) The Governor may provide an appropriation in the budget bill to the [Account] FUND for a specific purpose or purposes.					
21 22	(d) specific pur	(1) For those appropriations to the [Account] FUND designated for a pose, THE GOVERNOR MAY:				
23 24	BUDGET S	(I) INCLUDE THE FUNDS AS SPECIAL FUNDS IN THE STATE UBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY; OR				
27	amendment	(II) after notice to and approval by the Legislative Policy , the Governor may] transfer the specific purpose funds by budget from the [Account] FUND to the expenditure account of the appropriate government.				
29 30	purpose, the	(2) For those appropriations to the [Account] FUND for a general Governor may:				
31 32	BUDGET S	(I) INCLUDE THE FUNDS AS SPECIAL FUNDS IN THE STATE UBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY; OR				

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	(ii) by an appropriation in the budget bill or by budget amendment only after the budget amendment is submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee of the General Assembly.				
6 7	(h) Any funds transferred to the Account from the Environmental Trust Fund may be transferred subsequently to the weatherization program established in Article 41, § 6-406 of the Code only if the Governor finds that the transfer is required as a condition of acceptance of oil overcharge refunds or is required in order to be consistent with applicable federal law, regulation, or relevant judicial decision.				
11	(i) (1) Notwithstanding any other provisions of this section, any funds 0 credited to this Account for purposes of the Maryland Stadium Authority may only be 1 transferred from this Account by an appropriation in the budget bill or, with the 2 approval of the Legislative Policy Committee, by budget amendment.				
	The unspent balance of any revenues for the Maryland Stadium Authority shall revert to the General Fund 2 years after the end of the fiscal year in which the transfer was made.				
18 19 20	(j) (1) Notwithstanding any other provision of this section and subject to paragraph (2) of this subsection, the funds collected under the Vehicle Excise Tax Amnesty Program and distributed to the Account under the law authorizing the Vehicle Excise Tax Amnesty Program may be used only for the following purposes for programs of the Developmental Disabilities Administration in the Department of Health and Mental Hygiene:				
22 23	programs;	(i)	added placements in community-based residential services		
24 25	programs;	(ii)	added services in community-based vocational and day services		
26		(iii)	added services in family support services programs; and		
27		(iv)	added services in individual support services programs.		
28 29	8 (2) Funds may be transferred from the Account for the purposes set forth 9 in paragraph (1) of this subsection only by:				
30		(i)	an appropriation in the budget bill; or		
	(ii) budget amendment only after the budget amendment is submitted to the Senate Budget and Taxation Committee and the House Appropriations Committee of the General Assembly.]				
34	[7-310.1.				
35 36	(a) In this Reserve Account.	s section, "	Account" means the Citizen Tax Reduction and Fiscal		



22 July 1, 1998.

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1 State budget is proposed, the estimated effects on revenues and expenditures of 2 changes in federal law or federal fiscal policies. 3 The report shall include: (2) 4 by program, to the extent possible, where federal aid has been (i) 5 reduced or proposed for reduction; and by program, where funds from this account are being requested 6 (ii) 7 to offset any reduction in federal aid.] 8 SECTION 2. AND BE IT FURTHER ENACTED, That any funds remaining in 9 the Citizen Tax Reduction and Fiscal Reserve Account on June 30, 1998 may not 10 revert to the General Fund but shall be credited to an account in the Dedicated 11 Purpose Fund, to be used to offset: 12 (1) revenue loss attributable to the enactment of legislation reducing the 13 individual income tax; 14 (2) substantial reductions in federal revenues due to changes in federal 15 law or fiscal policies; reductions in State revenues attributable to changes in federal 16 (3) 17 income tax law; or 18 (4) substantial downturns in revenues resulting from significant 19 changes in the economy or federal actions that lay off or terminate Maryland 20 employees. 21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect