

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE**Revised**

Senate Bill 355 (Senator Hoffman, *et al.*)

Budget and Taxation

State Reserve Fund

This bill changes the name of the Dedicated Purpose Account to the Dedicated Purpose Fund and changes the name of the Revenue Stabilization Account to the Revenue Stabilization Fund. When providing monies for specific or general purposes from the fund, the Governor may, in addition to transferring monies by budget amendment, include monies in the State budget subject to appropriation by the General Assembly. Amendments transferring monies from the fund to the Revenue Stabilization Account must be submitted to the Senate Budget and Taxation Committee and the House Committee on Ways and Means, and be approved by the Legislative Policy Committee.

The bill also repeals provisions of law concerning the Citizen Tax Reduction and Fiscal Reserve Account, and provides that any funds in that account on June 30, 1998 be credited to the Dedicated Purpose Fund to be used to offset revenue losses attributable to: the reduction of the State income tax; changes in federal income tax law; significant changes in the economy affecting employment of Maryland residents; and losses of federal funds due to changes in federal law or policy.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None. These changes are administrative in nature. The Citizen Tax Reduction and Fiscal Reserve Account currently has a balance of just over \$10 million. Interest from this balance is currently credited to the Revenue Stabilization Account; the balance would be transferred on June 30, 1998.

Local Effect: None.

Small Business Effect: None.

Information Source(s): Department of Budget and Management, State Treasurer's Office, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 1998
Inc Revised - Senate Third Reader - March 28, 1998

Analysis by: David F. Roose

Direct Inquiries to:

Reviewed by: John W. Rohrer

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710