

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

House Bill 625 (Delegate Rawlings)  
(Chairman, Appropriations Committee)

Appropriations

---

**Revenue Stabilization Fund - Transfers**

---

This emergency bill authorizes the General Assembly through the State budget bill to reduce the amount of funds being transferred from the State's Revenue Stabilization ("rainy day") Fund to the State's general fund in the State budget bill. Under current law, if the General Assembly reduces the proposed general fund appropriations in the budget bill for a given fiscal year, the amount of funds transferred from the State's rainy day fund to the State's general fund must be reduced by an equivalent amount.

---

**Fiscal Summary**

**State Effect:** None. Providing the General Assembly with additional budgetary powers will not directly affect State finances.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Fiscal Analysis**

**Background:** The State's rainy day fund will have an estimated fund balance of \$635.8 million beginning in fiscal 2000. The projected fund balance totals 7.78% of general fund revenues for fiscal 2000.

**State Effect:** Under current law, the Governor can transfer funds from the rainy day fund to

the general fund through the annual State budget bill. If, however, the General Assembly makes reductions to the Governor's proposed general fund budget, the amount of funds transferred from the rainy day fund to the general fund must be reduced by an equivalent amount. For example, if the General Assembly reduces the proposed general fund appropriation by \$100 million, any transfer from the State's rainy day fund to the State's general fund would have to be reduced by \$100 million. Pursuant to this legislation, the General Assembly would determine through the budget bill how much the transfer should be reduced; however, the transfer cannot be reduced by more than the reductions to the general fund appropriation.

---

**Information Source:** Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 1999  
dmm/jr

---

Analysis by: Hiram L. Burch, Jr.

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510