

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 323

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Reconciliation” insert “and Financing”; strike in their entirety lines 3 through 20, inclusive, and substitute:

“FOR the purpose of requiring the Governor to transfer to the General Fund certain amounts from certain special funds for certain fiscal years; altering the distribution of the transfer tax revenues for certain fiscal years; altering the determination of the required State contribution each year to the State Retirement and Pension System; repealing certain provisions relating to certain bonds previously issued by the State to provide funds for the Maryland Food Center Authority; repealing certain obligations of the Maryland Food Center Authority for the repayment of the interest on and principal of certain bonds; directing the Maryland Food Center Authority to take certain actions as may be required under a certain revenue bond resolution; altering the minimum appropriation the Governor is required to include in the annual budget bill for the Maryland Tourism Development Board Fund; authorizing the use of the Health Claims Arbitration Fund for certain purposes; authorizing the use of the Law Enforcement and Correctional Training Fund for certain purposes; altering certain formulas for the computation of certain State aid to certain community colleges and nonpublic institutions of higher education for certain fiscal years; authorizing the Department of Natural Resources to use certain moneys in the Waterway Improvement Fund for certain purposes for certain fiscal years; prohibiting the inclusion of general fund capital appropriations as a source of funding in the 5-year capital program prepared by the Department of Budget and Management, with certain exceptions; requiring general fund capital appropriations to be budgeted in the operating budget in a certain manner; requiring the Governor to include in the budget bill for certain fiscal years certain appropriations to the Revenue Stabilization Fund; requiring that at least a certain percentage of the appropriations each year from the cigarette restitution fund shall be made for certain purposes; requiring that the parties to

(Over)

certain collective bargaining for certain State employees conclude negotiations for certain items before a certain date; requiring the Governor to include in the budget bill submitted to the General Assembly certain amounts related to certain collective bargaining negotiations; altering the distribution of corporate income tax revenues; repealing the Right-of-Way Revolving Fund in the Transportation Trust Fund; delaying the effective date of a certain Act requiring each circuit court judge to have a law clerk employed by the State; requiring counties and Baltimore City to continue to fund employment of law clerks for a certain period at a certain rate; establishing a Special Reserve Fund to retain certain State revenues for certain purposes; requiring that certain moneys received during certain fiscal years by the State related to the settlement of certain litigation against tobacco manufacturers be credited to the Fund; providing that moneys in the Fund may only be used for certain purposes; providing that on a certain date the balance of the Fund shall be credited to a certain fund; reducing and transferring to the General Fund certain unexpended appropriations; altering a certain credit allowed a vendor for the expense of billing, collecting, and remitting a certain 911 fee paid by certain telephone service subscribers; altering certain time periods after which there is a presumption that certain property is abandoned under certain circumstances; altering a certain credit allowed a vendor for the expense of administering and paying a certain tire recycling fee; altering a certain credit allowed an electric company against a certain environmental surcharge required to be paid; authorizing the Director of the State Lottery Agency to enter into agreements to operate multijurisdictional lotteries with certain other political entities outside the United States or with certain licensees; altering the distribution of certain sales and use tax revenues from short-term vehicle rentals; altering a certain discount that a licensed dealer or licensed special fuel seller is allowed to deduct under the motor fuel tax; altering a certain limit on the aggregate principal balance of certain transportation bonds that may be outstanding and unpaid at any one time; altering the distribution of certain filing fees for perfection of security interests in vehicles; altering the distribution of certain fees collected for certain personalized registration plates; altering the distribution of certain penalties for termination or lapse of the required security for a vehicle; repealing a termination provision applicable to the Vehicle Theft Prevention Council and the Vehicle Theft Prevention Fund; repealing a termination provision applicable to the School Bus Safety Enforcement Fund; altering a provision regarding the effect on the Maryland income tax of certain amendments of the Internal Revenue Code under certain circumstances; providing an addition modification under the Maryland income tax for certain tuition and related expenses deducted for federal income tax purposes; providing certain modifications

to federal adjusted gross income for Maryland income tax purposes for a certain additional depreciation allowance and for a certain special net operating loss carryback period; altering the effect on the Maryland estate tax of an Act of Congress that repeals or reduces a certain credit allowed against the federal estate tax; altering a certain credit allowed for the expense of collecting and paying the sales and use tax; altering a certain credit allowed to a licensed vehicle dealer for collecting and remitting the motor vehicle excise tax; authorizing a certain reduction of a certain appropriation for a certain fiscal year; defining certain terms; repealing certain obsolete provisions; providing for the application of this Act; providing for the termination of part of this Act; and generally relating to the financing of State and local governments.”;

and strike in their entirety lines 21 through 25, inclusive, and substitute:

“BY repealing and reenacting, with amendments,

Article - Tax - Property

Section 13-209

Annotated Code of Maryland

(2001 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions

Section 21-304

Annotated Code of Maryland

(1997 Replacement Volume and 2001 Supplement)

BY repealing

Article 41 - Governor - Executive and Administrative Departments

Section 13-103(e) and 13-110

Annotated Code of Maryland

(1997 Replacement Volume and 2001 Supplement)

BY repealing

Article - Tax - General

(Over)

Section 2-614 and 2-615
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article 83A - Department of Business and Economic Development
Section 4-208(g)(2)
Annotated Code of Maryland
(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Courts and Judicial Proceedings
Section 3-2A-03A(d)(1)
Annotated Code of Maryland
(1998 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Correctional Services
Section 8-304(c)(2)
Annotated Code of Maryland
(1999 Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Education
Section 16-305(c)(1), 16-512(a), and 17-104(a)
Annotated Code of Maryland
(2001 Replacement Volume)

BY adding to
Article - Natural Resources
Section 8-709(d)
Annotated Code of Maryland
(2000 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - State Finance and Procurement
Section 3-603 and 7-317(g)
Annotated Code of Maryland
(2001 Replacement Volume)

BY adding to

Article - State Finance and Procurement
Section 7-122 and 7-311(j)
Annotated Code of Maryland
(2001 Replacement Volume)

BY repealing and reenacting, without amendments,

Article - State Finance and Procurement
Section 7-311(a), (e), and (f)
Annotated Code of Maryland
(2001 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - State Personnel and Pensions
Section 3-501(c)
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 2-616 and 2-617
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation
Section 3-215(b)(2), 3-216(e), 8-206, 8-305, and 8-402(b)(4)

Annotated Code of Maryland
(2001 Replacement Volume)

BY repealing and reenacting, with amendments,

Chapter 677 of the Acts of the General Assembly of 2001
Section 4

BY repealing and reenacting, with amendments,

Article 41 - Governor - Executive and Administrative Departments
Section 18-105(b)
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Commercial Law
Section 17-301(a), 17-302 through 17-304, and 17-306 through 17-308
Annotated Code of Maryland
(2000 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Environment
Section 9-228(g)(5)
Annotated Code of Maryland
(1996 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Public Utility Companies
Section 7-203(d)(2)
Annotated Code of Maryland
(1998 Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - State Government
Section 9-111(b)
Annotated Code of Maryland

(1999 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 2-1302.1 and 9-315(a)

Annotated Code of Maryland

(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation

Section 3-202, 3-215(b), and 8-402(b)

Annotated Code of Maryland

(2001 Replacement Volume)

BY repealing and reenacting, with amendments,

Article - Transportation

Section 13-208, 13-613(d), and 17-106(e)(2)

Annotated Code of Maryland

(1999 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Chapter 459 of the Acts of the General Assembly of 1994, as amended by Chapter 434 of the
Acts of the General Assembly of 1997 and Chapter 338 of the Acts of the General
Assembly of 2000

Section 4

BY repealing and reenacting, with amendments,

Chapter 332 of the Acts of the General Assembly of 2000

Section 6

BY renumbering

Article - Tax - General

Section 10-221

(Over)

to be Section 10-108
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Tax - General
Section 10-108
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)
(As enacted by Section 15 of this Act)

BY repealing and reenacting, without amendments,
Article - Tax - General
Section 10-204(a)
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY adding to
Article - Tax - General
Section 10-204(h), 10-210.1, and 10-310
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Tax - General
Section 7-304, 7-309, and 11-105
Annotated Code of Maryland
(1997 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,
Article - Transportation
Section 13-812(a)
Annotated Code of Maryland
(1999 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Commercial Law

Section 17-301(a), 17-302 through 17-304, and 17-306 through 17-308

Annotated Code of Maryland

(2000 Replacement Volume and 2001 Supplement)

(As enacted by Section 14 of this Act)".

AMENDMENT NO. 2

On page 2, strike in their entirety lines 1 through 9, inclusive; in line 12, strike "\$400,000" and substitute "\$200,000"; in line 20, strike "\$45,000,000" and substitute "\$18,000,000"; strike in their entirety lines 27 and 28; and strike in their entirety lines 35 and 36.

On page 3, strike in their entirety lines 1 through 4, inclusive; in line 15, strike "\$5,000,000" and substitute "\$1,000,000"; strike beginning with "and" in line 17 down through "Projects" in line 18; strike in their entirety lines 20 and 21; in line 22, strike "\$600,000" and substitute "\$617,169"; strike in their entirety lines 28 and 29; in line 32, strike "\$1,000,000" and substitute "\$2,500,000"; and strike in their entirety lines 34 and 35.

On page 4, in line 1, strike "\$8,000,000" and substitute "\$4,000,000"; and in line 2, after "Article" insert ";

\$11,227,425 of the funds in the special fund established under § 13-209 of the Tax - Property Article, representing excess actual transfer tax collections for fiscal 2001 allocated to the special fund as provided under § 13-209(f)(1) of the Tax - Property Article;

\$3,000,000 of the funds in the Maryland Heritage Areas Authority Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions Article;

\$8,000,000 of the funds in the Joseph Fund established under § 7-327 of the State Finance and Procurement Article; and

\$3,000,000 of the funds in the Maryland Food Center Authority Fund established under

(Over)

Article 41, § 13-111 of the Code”;

in line 8, strike “\$50,000,000” and substitute “\$39,300,000”; strike in their entirety lines 12 and 13; after line 13, insert:

“\$2,200,000 of the funds in the Cigarette Restitution Fund established under § 7-317 of the State Finance and Procurement Article;”;

in line 19, after “Maryland;” insert “and”; and strike in their entirety lines 20 through 23, inclusive.

AMENDMENT NO. 3

On page 4, strike in their entirety lines 26 through 29, inclusive, and substitute:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - Property

13-209.

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

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

(2)] For the fiscal year [commencing July 1, 1991] BEGINNING JULY 1, 2002 and for subsequent fiscal years, up to 3% of the revenues in the special fund [not required under paragraph (1) of this subsection] may be appropriated in the State budget for salaries and related expenses in the Departments of General Services and Natural Resources and in the Department of Planning necessary to administer Title 5, Subtitle 9 of the Natural Resources Article (Program Open Space).

(c) (1) Subject to subsection (e) of this section, FOR EACH OF THE FISCAL

YEARS BEGINNING JULY 1, 2002 AND JULY 1, 2003, OF the balance of the revenue in the special fund, not required under subsection (b) of this section [,]:

(I) 50% shall be allocated as provided in [this subsection] SUBSECTION (D) OF THIS SECTION; AND

(II) 50% SHALL BE ALLOCATED TO THE GENERAL FUND OF THE STATE.

(2) SUBJECT TO SUBSECTION (E) OF THIS SECTION, FOR THE FISCAL YEARS BEGINNING JULY 1, 2004 AND EACH SUBSEQUENT FISCAL YEAR, THE BALANCE OF THE REVENUE IN THE SPECIAL FUND, NOT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL BE ALLOCATED AS PROVIDED IN SUBSECTION (D) OF THIS SECTION.

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

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

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

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

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

(Over)

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

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

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

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

(6) For the fiscal year commencing July 1, 1997, 90% of the balance shall be allocated as provided under subsection (d) of this section and 10% shall be allocated as follows:

(i) 60% to the Rural Legacy Program established under Title 5, Subtitle 9A of the Natural Resources Article; and

(ii) 40% to the Maryland Agricultural Land Preservation Fund established under § 2-505 of the Agriculture Article.

(7) For the fiscal year commencing July 1, 1998 and for each subsequent fiscal year, 90% of the balance shall be allocated as provided under subsection (d) of this section and 10% shall be allocated as follows:

(i) 50% to the Rural Legacy Program established under Title 5, Subtitle 9A of the Natural Resources Article;

(ii) 40% to the Maryland Agricultural Land Preservation Fund established under § 2-505 of the Agriculture Article; and

(iii) 10% to Program Open Space, for land acquisition as specified in § 5-903(a)(2) of the Natural Resources Article.]

(d) [(1)] Subject to subsection (e) of this section, for the fiscal year [commencing July

1, 1995] BEGINNING JULY 1, 2002 and for each subsequent fiscal year, the balance of the revenue in the special fund, not required under subsection (b) of this section [, shall be allocated as provided in this subsection.

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

(3) The balance in excess of the amounts allocated in paragraph (2) of this subsection] and not allocated to the General Fund under [subsection (c)] SUBSECTION (C)(1) of this section shall be allocated in the State budget as follows:

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

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

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

(1) (I) 75.15% FOR THE PURPOSES SPECIFIED IN TITLE 5, SUBTITLE 9 OF THE NATURAL RESOURCES ARTICLE (PROGRAM OPEN SPACE); AND

(II) AN ADDITIONAL 1% FOR PROGRAM OPEN SPACE, FOR LAND ACQUISITION PURPOSES AS SPECIFIED IN § 5-903(A)(2) OF THE NATURAL RESOURCES ARTICLE;

(2) 17.05% FOR THE AGRICULTURAL LAND PRESERVATION FUND ESTABLISHED UNDER § 2-505 OF THE AGRICULTURE ARTICLE;

(3) 5% FOR THE RURAL LEGACY PROGRAM ESTABLISHED UNDER § 5-9A-01 OF THE NATURAL RESOURCES ARTICLE; AND

(4) 1.8% FOR THE HERITAGE CONSERVATION FUND ESTABLISHED UNDER § 5-1501 OF THE NATURAL RESOURCES ARTICLE.

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

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

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

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

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

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

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

AMENDMENT NO. 4

On pages 4 and 5, strike in their entirety the lines beginning with line 30 on page 4 through line 12 on page 5, inclusive.

AMENDMENT NO. 5

On page 5, strike in their entirety lines 13 through 19, inclusive, and substitute:

“SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

21-304.

(a) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANING INDICATED.

(2) “FULL FUNDING RATE” MEANS THE SUM OF:

(I) THE AGGREGATE NORMAL RATE THAT IS BASED ON THE NORMAL CONTRIBUTION RATE CALCULATED UNDER SUBSECTION (C) OF THIS SECTION AND ADJUSTED TO INCORPORATE LEGISLATIVE CHANGES IN BENEFITS TO REFLECT CHANGES TO THE NORMAL COST; AND

(II) THE AGGREGATE UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE THAT IS BASED ON THE UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE UNDER SUBSECTION (D)(1) AND (2) OF THIS SECTION.

(3) “FUNDING RATIO FOR THE EMPLOYEES’ SYSTEMS” MEANS THE

(Over)

ACTUARIAL VALUE OF ASSETS FOR THE EMPLOYEES' SYSTEMS DIVIDED BY THE ACTUARIAL ACCRUED LIABILITY FOR THE EMPLOYEES' SYSTEMS.

(4) “FUNDING RATIO FOR THE TEACHERS' SYSTEMS” MEANS THE ACTUARIAL VALUE OF ASSETS FOR THE TEACHERS' SYSTEMS DIVIDED BY THE ACTUARIAL ACCRUED LIABILITY FOR THE TEACHERS' SYSTEMS.

(5) [In this section,] “State member” does not include a member on whose behalf a participating governmental unit is required to make an employer contribution under § 21-305 or § 21-306 of this subtitle.

(b) (1) Each fiscal year, on behalf of the State members of each State system, the State shall pay to the appropriate accumulation fund an amount equal to or greater than the product of multiplying:

(i) the aggregate annual earnable compensation of the State members of that State system; and

(ii) 1. FOR STATE MEMBERS OF THE LAW ENFORCEMENT OFFICERS' RETIREMENT SYSTEM, STATE POLICE RETIREMENT SYSTEM, AND THE JUDGES' RETIREMENT SYSTEM, the sum of the normal contribution rate and the accrued liability contribution rate, as determined under this section;

2. FOR STATE MEMBERS OF THE EMPLOYEES' PENSION SYSTEM, EMPLOYEES' RETIREMENT SYSTEM, CORRECTIONAL OFFICERS' RETIREMENT SYSTEM, AND LEGISLATIVE PENSION PLAN, THE EMPLOYEES' SYSTEMS CONTRIBUTION RATE DETERMINED UNDER SUBSECTION (E) OF THIS SECTION; OR

3. FOR STATE MEMBERS OF THE TEACHERS' PENSION SYSTEM AND TEACHERS' RETIREMENT SYSTEM, THE TEACHERS' SYSTEMS CONTRIBUTION RATE DETERMINED UNDER SUBSECTION (F) OF THIS SECTION.

(2) The amount determined under paragraph (1) of this subsection for each State system shall be based on an actuarial determination of the amounts that are required to preserve the

integrity of the funds of the several systems using:

(i) the entry-age actuarial cost method; and

(ii) actuarial assumptions adopted by the Board of Trustees.

(3) For the purpose of making the determinations required under this section:

(i) the Employees' Retirement System [and], the Employees' Pension System, THE CORRECTIONAL OFFICERS' SYSTEM, AND THE LEGISLATIVE PENSION PLAN shall be considered together as one State system; and

(ii) the Teachers' Retirement System and the Teachers' Pension System shall be considered together as one State system.

(c) (1) As part of each actuarial valuation, the actuary shall determine the normal contributions, net of member contributions, on account of the State members of each State system.

(2) For each State system, the normal contribution rate equals the fraction that has:

(i) as its numerator, the sum of the normal contributions determined under this subsection; and

(ii) as its denominator, the aggregate annual earnable compensation of the State members of the State system.

(d) Beginning July 1, 2001, each year the Board of Trustees shall set contribution rates for each State system that shall amortize:

(1) all unfunded liabilities or surpluses accrued as of June 30, 2000, over 20 years; and

(2) any new unfunded liabilities or surpluses that have accrued from July 1 of the

(Over)

preceding fiscal year over 25 years to reflect:

- (i) experience gains and losses;
- (ii) the effect of changes in actuarial assumptions; and
- (iii) the effect of legislation effective on or after July 1, 2001.

(3) If the accrued liability is increased by legislation that provides for early retirement of State employees, the additional liability shall be funded over a period of 5 years beginning on:

- (i) July 1, 1997 for legislation effective June 1, 1996; and
- (ii) July 1, 1998 for legislation effective June 1, 1997.

(4) If the accrued liability is increased by legislation effective June 1, 1998, that provides for the early retirement of employees of the University System of Maryland who are members of the Employees' Pension System or the Employees' Retirement System, the additional liability shall be determined by the actuary and funded over a period of 5 years beginning on July 1, 1999 by payment of an annual accrued liability contribution by the University System of Maryland and the Medical System as provided in § 21-307(i) and (j) of this subtitle.

(E) (1) WHEN THE FUNDING RATIO FOR THE EMPLOYEES' SYSTEMS IS BETWEEN 90% AND 110%, INCLUSIVE, THE EMPLOYEES' SYSTEM CONTRIBUTION RATE IS THE RATE CERTIFIED BY THE BOARD OF TRUSTEES FOR THE PREVIOUS FISCAL YEAR, ADJUSTED TO REFLECT LEGISLATIVE CHANGES THAT RESULT IN CHANGES IN NORMAL COST AND TO AMORTIZE OVER 25 YEARS ANY ACTUARIAL LIABILITIES OF THE EMPLOYEES' SYSTEMS.

(2) WHEN THE FUNDING RATIO FOR THE EMPLOYEES' SYSTEMS IS BELOW 90%, THE EMPLOYEES' SYSTEM CONTRIBUTION RATE SHALL BE THE SUM OF:

(I) THE EMPLOYEES' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR; AND

(II) 20% OF THE DIFFERENCE BETWEEN THE FULL FUNDING RATE FOR THE CURRENT FISCAL YEAR AND THE EMPLOYEES' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR.

(3) WHEN THE FUNDING RATIO FOR THE EMPLOYEES' SYSTEMS IS ABOVE 110%, THE EMPLOYEES' SYSTEM CONTRIBUTION RATE SHALL BE THE DIFFERENCE BETWEEN:

1. THE EMPLOYEES' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR; AND

2. 20% OF THE DIFFERENCE BETWEEN THE EMPLOYEES' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR AND THE FULL FUNDING RATE FOR THE CURRENT FISCAL YEAR.

(F) (1) WHEN THE FUNDING RATIO FOR THE TEACHERS' SYSTEMS IS BETWEEN 90% AND 110%, THE TEACHERS' SYSTEM CONTRIBUTION RATE IS THE RATE CERTIFIED BY THE BOARD OF TRUSTEES FOR THE PREVIOUS FISCAL YEAR, ADJUSTED TO REFLECT LEGISLATIVE CHANGES THAT RESULT IN CHANGES IN NORMAL COST AND TO AMORTIZE OVER 25 YEARS ANY ACTUARIAL LIABILITIES OF THE TEACHERS' SYSTEMS.

(2) WHEN THE FUNDING RATIO FOR THE TEACHERS' SYSTEMS IS BELOW 90%, THE TEACHERS' SYSTEM CONTRIBUTION RATE SHALL BE THE SUM OF:

(I) THE TEACHERS' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR; AND

(II) 20% OF THE DIFFERENCE BETWEEN THE FULL FUNDING RATE FOR THE CURRENT FISCAL YEAR AND THE TEACHERS' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR.

(3) WHEN THE FUNDING RATIO FOR THE TEACHERS' SYSTEMS IS ABOVE 110%, THE TEACHERS' SYSTEM CONTRIBUTION RATE SHALL BE THE DIFFERENCE BETWEEN:

1. THE TEACHERS' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR; AND

2. 20% OF THE DIFFERENCE BETWEEN THE TEACHERS' SYSTEM CONTRIBUTION RATE FOR THE PREVIOUS FISCAL YEAR AND THE FULL FUNDING RATE FOR THE CURRENT FISCAL YEAR.”.

AMENDMENT NO. 6

On pages 5 through 7, strike in their entirety the lines beginning with line 20 on page 5 through line 15 on page 7, inclusive, and substitute:

“SECTION 5. AND BE IT FURTHER ENACTED, That Section(s) 13-103(e) and 13-110 of Article 41 - Governor - Executive and Administrative Departments of the Annotated Code of Maryland be repealed.

SECTION 6. AND BE IT FURTHER ENACTED, That:

(a) The obligation of the Maryland Food Center Authority established under former Article 41, § 13-106 of the Code (repealed by Chapter 324 of the Acts of the General Assembly of 2001) for the payment of interest on and principal of the outstanding bonds of the New Marsh Wholesale Produce Market Authority is repealed, and the obligation of the Maryland Food Center Authority to the State for the debt shall be deemed to be satisfied.

(b) The obligation of the Maryland Food Center Authority established under Article 41, § 13-110 of the Code (repealed under Section 5 of this Act) for the payment of interest on and principal of bonds authorized under that section is repealed, and the obligation of the Maryland Food Center Authority to the State for the debt authorized under that section shall be deemed to be satisfied.

(c) The Maryland Food Center Authority shall take any actions to defease or redeem the outstanding Maryland Food Center Authority Revenue Bond (Maryland Wholesale Seafood Market Project 1983 Series) as may be required to comply with the Bond Resolution for that Revenue Bond.

SECTION 7. AND BE IT FURTHER ENACTED, That Section(s) 2-614 and 2-615 of Article - Tax - General of the Annotated Code of Maryland be repealed.

SECTION 8. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 83A - Department of Business and Economic Development

4-208.

(g) (2) The Governor shall include in the annual budget bill a proposed General Fund appropriation to the Fund in an amount not less than [:

(i) \$4,000,000, for fiscal year 1999;

(ii) \$5,000,000, for fiscal year 2000;

(iii) \$6,000,000, for fiscal year 2001 and fiscal year 2002, respectively;

and

(iv) \$8,500,000, for fiscal year 2003 and each fiscal year thereafter]
\$6,000,000 FOR EACH FISCAL YEAR.

Article - Courts and Judicial Proceedings

3-2A-03A.

(d) (1) The Fund shall be used exclusively to pay the fees of arbitrators AND OTHER

(Over)

OPERATING EXPENSES OF THE HEALTH CLAIMS ARBITRATION OFFICE.

Article - Correctional Services

8-304.

(c) (2) Money from the Fund may [not] be used to [supplant] FUND the OPERATING budget of the Police Training Commission or the Correctional Training Commission.

Article - Education

16-305.

(c) (1) The total State operating fund per full-time equivalent student to the community colleges for each fiscal year as requested by the Governor shall be:

(i) In [fiscal year 1998] EACH OF FISCAL YEARS 2003 AND 2004, not less than an amount equal to [21%] 23.1% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

(ii) In fiscal year [1999] 2005, not less than an amount equal to [22%] 23.8% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

(iii) In fiscal year [2000] 2006, not less than an amount equal to [23%] 24.4% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year; and

[(iv) In fiscal year 2001, not less than an amount equal to 24% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year; and]

[(v)] (IV) In fiscal year [2002] 2007 and each fiscal year thereafter, not less than an amount equal to 25% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State, as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year.

16-512.

(a) The total State operating fund per full-time equivalent student appropriated to Baltimore City Community College for each fiscal year as requested by the Governor shall be:

(1) In [fiscal year 1999] EACH OF FISCAL YEARS 2003 AND 2004, not less than an amount equal to [60%] 57% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

(2) In fiscal year [2000] 2005, not less than an amount equal to [63%] 60% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year;

(3) IN FISCAL YEAR 2006, NOT LESS THAN AN AMOUNT EQUAL TO 63% OF THE STATE'S GENERAL FUND APPROPRIATION PER FULL-TIME EQUIVALENT STUDENT TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THE STATE AS DESIGNATED BY THE COMMISSION FOR THE PURPOSE OF ADMINISTERING THE JOSEPH A. SELLINGER PROGRAM UNDER TITLE 17 OF THIS ARTICLE IN THE PREVIOUS FISCAL YEAR; and

(Over)

[(3)] (4) In fiscal year [2001] 2007 and each fiscal year thereafter, not less than an amount equal to 66% of the State's General Fund appropriation per full-time equivalent student to the 4-year public institutions of higher education in the State as designated by the Commission for the purpose of administering the Joseph A. Sellinger Program under Title 17 of this article in the previous fiscal year.

17-104.

(a) The Maryland Higher Education Commission shall compute the amount of the annual apportionment for each institution that qualifies under this subtitle by multiplying:

(1) The number of full-time equivalent students enrolled at the institution during the fall semester of the fiscal year preceding the fiscal year for which the aid apportionment is made, as determined by the Maryland Higher Education Commission times;

(2) (I) [An] IN EACH OF FISCAL YEARS 2003 AND 2004, AN amount equal to [16 percent] 14.5% of the State's General Fund per full-time equivalent student appropriation to the 4-year public institutions of higher education in this State for the preceding fiscal year;

(II) IN FISCAL YEAR 2005, AN AMOUNT EQUAL TO 15% OF THE STATE'S GENERAL FUND PER FULL-TIME EQUIVALENT STUDENT APPROPRIATION TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE FOR THE PRECEDING FISCAL YEAR;

(III) IN FISCAL YEAR 2006, AN AMOUNT EQUAL TO 15.5% OF THE STATE'S GENERAL FUND PER FULL-TIME EQUIVALENT STUDENT APPROPRIATION TO THE 4-YEAR PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE FOR THE PRECEDING FISCAL YEAR; AND

(IV) IN FISCAL YEAR 2007 AND EACH FISCAL YEAR THEREAFTER, AN AMOUNT EQUAL TO 16% OF THE STATE'S GENERAL FUND PER FULL-TIME EQUIVALENT STUDENT APPROPRIATION TO THE 4-YEAR PUBLIC

INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE FOR THE PRECEDING FISCAL YEAR.

Article - Natural Resources

8-709.

(D) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, FOR EACH OF FISCAL YEARS 2003 AND 2004, AS PROVIDED IN THE STATE BUDGET, THE DEPARTMENT MAY USE UP TO 50% OF THE MONEYS IN THE WATERWAY IMPROVEMENT FUND FOR ADMINISTRATIVE EXPENSES DIRECTLY RELATING TO IMPLEMENTING THE PURPOSES OF THE WATERWAY IMPROVEMENT FUND.

Article - State Finance and Procurement

3-603.

- (a) The Department shall prepare, revise, and keep current a 5-year capital program.
- (b) The capital program shall include all capital projects of the State whether funded by bond authorizations, operating budget funds, or capital leases.
- (c) The capital program shall be consistent with the annual recommendations of the Capital Debt Affordability Committee.
- (D) EXCEPT FOR THE FIRST YEAR OF THE PROGRAM, THE CAPITAL PROGRAM MAY NOT INCLUDE GENERAL FUND CAPITAL APPROPRIATIONS AS A SOURCE OF FUNDING OTHER THAN FOR PROJECTS OR PROGRAMS THAT ARE INELIGIBLE FOR TAX-EXEMPT DEBT FINANCING.

7-122.

- (A) (1) FOR EACH FISCAL YEAR, GENERAL FUND CAPITAL

(Over)

APPROPRIATIONS SHALL BE BUDGETED IN THE OPERATING BUDGET IN SEPARATE EIGHT DIGIT PROGRAMS.

(2) WHEN MULTIPLE PROJECTS OR PROGRAMS ARE BUDGETED WITHIN THE SAME NON-TRANSPORTATION EIGHT-DIGIT PROGRAM, EACH DISTINCT PROGRAM AND PROJECT SHALL BE BUDGETED IN A DISTINCT SUBPROGRAM.

(B) (1) TO THE EXTENT POSSIBLE, SUBPROGRAMS FOR PROJECTS SPANNING MULTIPLE YEARS SHALL BE RETAINED TO PRESERVE FUNDING HISTORY.

(2) THE BUDGET DETAIL FOR PRIOR AND CURRENT FISCAL YEARS SUBMITTED WITH EACH PROPOSED BUDGET SHALL BE ORGANIZED IN THE SAME FASHION TO ALLOW COMPARISON BETWEEN FISCAL YEARS.

7-311.

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

(e) Except as provided in subsection (f) of this section, beginning in fiscal year 1995 and for each subsequent fiscal year, the Governor shall include in the budget bill an appropriation to the Fund equal to at least the lesser of \$50,000,000 or whatever amount is required for the Fund balance to exceed 5% of the estimated General Fund revenues for that fiscal year.

(f) The appropriations required by subsection (e) of this section are not required when the Fund balance exceeds 5% of the estimated General Fund revenues.

(J) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, FOR FISCAL YEAR 2004 AND FOR EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE FUND EQUAL TO THE AMOUNT BY WHICH THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS \$10,000,000.

(2) THE APPROPRIATION REQUIRED UNDER THIS SUBSECTION FOR ANY FISCAL YEAR MAY BE REDUCED BY THE AMOUNT OF ANY APPROPRIATION TO THE FUND REQUIRED TO BE INCLUDED FOR THAT FISCAL YEAR UNDER SUBSECTION

(E) OF THIS SECTION.

7-317.

(g) (1) Amounts may only be expended from the Fund through appropriations in the State budget bill as provided in this subsection.

(2) The Governor shall include in the annual budget bill appropriations from the Fund equivalent to the lesser of \$100,000,000 or 90% of the funds estimated to be available to the Fund in the fiscal year for which the appropriations are made.

(3) For each fiscal year for which appropriations are made, at least 50% of the appropriations shall be made for those purposes enumerated in subsection (f)(1)(i), (ii), and (iii)1 through 9 of this section subject to the requirement of subsection (e)(2) of this section.

(4) FOR EACH FISCAL YEAR FOR WHICH APPROPRIATIONS ARE MADE, AT LEAST 25% OF THE APPROPRIATIONS SHALL BE MADE FOR THE PURPOSES OF THE MARYLAND MEDICAL ASSISTANCE PROGRAM.

[4] (5) Any additional appropriations, not subject to paragraph (3) OR PARAGRAPH (4) of this subsection, may be made for any lawful purpose.

Article - State Personnel and Pensions

3-501.

(c) (1) The parties shall make every reasonable effort to conclude negotiations in a timely manner for inclusion by the principal unit in its budget request to the Governor.

(2) (I) THE PARTIES SHALL CONCLUDE NEGOTIATIONS BEFORE JANUARY 1 FOR ANY ITEM REQUIRING AN APPROPRIATION OF FUNDS FOR THE FISCAL YEAR THAT BEGINS ON THE FOLLOWING JULY 1.

(Over)

(II) IN THE BUDGET BILL SUBMITTED TO THE GENERAL ASSEMBLY, THE GOVERNOR SHALL INCLUDE ANY AMOUNTS IN THE BUDGETS OF THE PRINCIPAL UNITS REQUIRED TO ACCOMMODATE ANY ADDITIONAL COST RESULTING FROM THE NEGOTIATIONS.

Article - Tax - General

[2-616.] 2-614.

After making the [distributions] DISTRIBUTION required under [§§ 2-613 through 2-615] § 2-613 of this subtitle, the Comptroller shall distribute monthly [16%] 24% of the remaining income tax revenue from corporations to the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.

[2-617.] 2-615.

After making the distributions required under §§ 2-613 [through 2-616] AND 2-614 of this subtitle, the Comptroller shall distribute the remaining income tax revenue from corporations to the General Fund of the State.

Article - Transportation

3-215.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(2) The income tax revenue distributed under [§§ 2-614 and 2-616] § 2-614 of the Tax - General Article;

3-216.

(e) (1) Except as otherwise provided in this subsection, this section is effective

notwithstanding any other provision of law.

[(2) No portion of the Right-of-Way Revolving Fund may be used for any purpose other than as specified in § 8-305 of this article.]

[(3)] (2) Nothing in this section may adversely affect in any way the security of any of the following bonds while they are outstanding and unpaid:

- (i) State highway construction bonds, second issue;
- (ii) State highway construction bonds, third issue;
- (iii) County highway construction bonds; or
- (iv) County highway construction bonds, second issue.

[(4)] (3) It is the intent of the General Assembly that, as long as any of the bonds listed in paragraph [(3)] (2) of this subsection are outstanding and unpaid:

(i) The sinking fund requirements established for the payment of the principal of and interest on those bonds shall remain unchanged, as if this section had not been enacted; and

(ii) The taxes and revenues pledged to the payment of the principal of and interest on those bonds as they become due and payable may not be repealed, diminished, or applied to any other purpose until:

1. The bonds and the interest on them have become due and fully paid; or

2. Adequate and complete provision for payment of the principal and interest has been made.

(Over)

8-206.

The Administration shall keep its accounts relating [both] to State highway construction, reconstruction, and maintenance [and to the Right-of-Way Revolving Fund] so as to make readily obtainable [, as to each,] information on expenditures for the following:

(1) Preliminary work, including: preliminary engineering surveys; preliminary plans and estimates; preliminary engineering investigations and studies; subsoil investigations and borings; test piles; traffic studies; and traveling, transportation, and subsistence expenses of personnel assigned to preliminary work;

(2) Acquisition of rights-of-way, including: property surveys; legal costs in connection with property acquisition; cost of property acquired; appraisals; traveling, transportation and subsistence expenses of personnel assigned to rights-of-way; and any other costs incurred in the acquisition of property;

(3) Construction, including: payments made to contractors, builders, and materialmen, including payments for all labor and material for the construction of the project; demolition; machinery; and equipment;

(4) Engineering, including: preparation of contract plans and specifications; estimates; supervision of construction; inspection of workmanship and materials; mill and shop inspection; tests of materials; control surveys; traveling, transportation, and subsistence expenses of engineers assigned to the design and preparation of contract plans and specifications, surveys, supervision of construction, and inspection of construction work;

(5) Administrative and legal services, including: accounting; supervision; legal expenses; traveling, transportation, and subsistence expenses of personnel; and other administrative expenses, including any parts of the general administrative expenses of the Administration allocated or prorated to the project; and

(6) Miscellaneous expenses, including: any other item of expense not otherwise covered by this section.

8-305.

[(a) There is a Right-of-Way Revolving Fund in the Transportation Trust Fund.

(b) (1) The Right-of-Way Revolving Fund may be used only to pay the costs of acquiring property for:

(i) Any future State highway system project that is scheduled for construction or reconstruction within 5 years after the fiscal year in which the expenditure is made for the acquisition;

(ii) Any State highway system project that is an expressway or controlled access highway and that is included in the Administration's 20-year needs study and also in the Department's master plan of highways approved by a political subdivision; and

(iii) Any future Department of State Police post site related to a project described in this subsection.

(2) For purposes of this subsection, the costs of acquisition include:

(i) The cost of preliminary and other engineering of the project;

(ii) The consideration, including consequential damages, paid to property owners in acquiring the property; and

(iii) The cost of appraisals, legal services, court costs, recording fees, and other related and necessary services incurred in acquiring the property.

(c) (1) Except as otherwise provided in this subsection, the Administration may spend not more than \$5-million from the Right-of-Way Revolving Fund in any fiscal year.

(2) If the Administration spends less than \$5-million from the Fund in any one fiscal year, the balance may be spent in any other fiscal year for any purpose permitted by this

(Over)

section.

(d) (1) When a contract is awarded for any project for which property was purchased from the Right-of-Way Revolving Fund, the Fund shall be reimbursed or credited as provided in this subsection.

(2) If the property was acquired for a Department of State Police post site, the Department of State Police shall reimburse the Fund for the money spent, including interest from the date of acquisition to the date of repayment at the rate paid by the Administration for the money.

(3) If the property was acquired for a highway project, the Administration shall charge the entire cost of acquiring the property against the contract and credit that amount to the Fund.

(e) The Right-of-Way Revolving Fund shall be designated specially on the books of the Department.

(f) (A) Upon a preliminary determination by the Administration to undertake acquisition of any property for any project in advance of a public hearing on that project at which proposed right-of-way lines are identified, and prior to the obtainment of appraisals and property surveys, the Administration shall:

(1) Notify the local governing body of any county and any municipality within which the property is located of the intent to acquire the property and the purpose for which it is to be acquired; and

(2) Provide such local governing bodies at least 30 days in which to submit comments on the proposed acquisition.

(B) Acquisitions for traffic signals, safety and resurfacing and spot improvement projects are exempt from these requirements.

8-402.

(b) All revenues collected from the following, after deductions provided by law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

(4) The revenue disbursed to this account under [§§ 2-614 and 2-616] § 2-614 of the Tax - General Article; and

Chapter 677 of the Acts of 2001

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect [July] November 1, 2002.

SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, the provisions of § 16-512(b) of the Education Article do not apply to the State appropriation to Baltimore City Community College requested by the Governor for fiscal year 2004.

SECTION 10. AND BE IT FURTHER ENACTED, That each county and Baltimore City shall continue to provide funds to employ one law clerk for each circuit court judge in the county or Baltimore City, through October 31, 2002, at the rate of compensation set by the judge for a law clerk who begins employment after June 30, 2002; provided that this provision may not be construed to prevent a county or Baltimore City from providing additional funds for employment of additional law clerks.

SECTION 11. AND BE IT FURTHER ENACTED, That any balance remaining in the Right-of-Way Revolving Fund on June 30, 2002 shall be credited to the Transportation Trust Fund.

SECTION 12. AND BE IT FURTHER ENACTED, That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Attorneys fees litigation” means:

(i) The case of State of Maryland, et al. v. Law Offices of Peter G. Angelos, P.C., Circuit Court of Baltimore City, No. 24-C-99-005702; and

(Over)

(ii) The appeals of the Law Offices of Peter G. Angelos, a Professional Corporation, before the Maryland State Board of Contract Appeals, MSBCA Nos. 2161 and 2168.

(3) "Fund" means the Special Reserve Fund established under this section.

(4) "Tobacco settlement moneys" means moneys received by the State from any source resulting, directly or indirectly, from any judgment against or settlement with tobacco product manufacturers, tobacco research associations, or any other person in the tobacco industry relating to litigation, administrative proceedings, or any other claims made or prosecuted by the State to recover damages for violations of State law.

(b) (1) A Special Reserve Fund is established to retain State revenues for special needs as provided in this section.

(2) The Fund is a continuing, nonlapsing fund which is not subject to § 7-302 of the State Finance and Procurement Article.

(3) The Fund consists of the moneys distributed to the Fund under subsection (c) of this section.

(4) The Treasurer shall separately hold, and the Comptroller shall account for, the Fund.

(5) (i) The Fund shall be invested and reinvested in the same manner as other State funds.

(ii) Any investment earnings shall be credited to the Fund.

(c) Notwithstanding § 7-317(b)(2) of the State Finance and Procurement Article or any other provision of law, for each of fiscal years 2002 and 2003 only, there shall be credited to the Fund any moneys received by the State during the fiscal year from any of the following sources:

(1) Payments made by tobacco manufacturers for the State's legal fees and costs

for outside counsel in the State's litigation against tobacco manufacturers, as determined by an arbitration panel established under the Master Settlement Agreement dated November 23, 1998, through which that litigation was settled, in excess of any of these moneys that the State is required to pay to the Law Offices of Peter G. Angelos, P.C. during the fiscal year under a decision or settlement resolving the attorneys fees litigation;

(2) Any disbursement to the State as a result of a decision or settlement resolving the attorneys fees litigation from the joint escrow account established in the name of the State of Maryland and the Law Offices of Peter G. Angelos, P.C., by the Circuit Court of Baltimore City in the case of Maryland v. Phillip Morris Inc., et al., Circuit Court for Baltimore City, No. 96-112017-CL211487, in excess of any of these moneys that the State is required to pay to the Law Offices of Peter G. Angelos, P.C. during the fiscal year under the decision or settlement resolving the attorneys fees litigation;

(3) Any amounts paid to the State from the Law Offices of Peter G. Angelos, P.C. as a result of a decision or settlement resolving the attorneys fees litigation; and

(4) Of any tobacco settlement moneys paid to the State after a decision or settlement resolving the attorneys fees litigation, the portion of the payment that but for the decision or settlement resolving the attorneys fees litigation would have been distributed to the joint escrow account described in item (2) of this subsection, in excess of any of these moneys that the State is required to pay to the Law Offices of Peter G. Angelos, P.C. during the fiscal year under the decision or settlement resolving the attorneys fees litigation.

(d) (1) Except as otherwise provided in this Act, moneys in the Fund shall be retained in reserve and may not be spent for any purpose.

(2) Of the moneys credited to the Fund, subject to the budget amendment procedure provided for in § 7-209 of the State Finance and Procurement Article:

(i) The first \$102,500,000 may be used only for the purposes of the Maryland Medical Assistance Program;

(ii) The next \$20,000,000 may be used only to fund:

1. The Tobacco Use Prevention and Cessation Program established under Title 13, Subtitle 10 of the Health - General Article; and

2. The Cancer Prevention, Education, Screening, and Treatment Program established under Title 13, Subtitle 11 of the Health - General Article; and

(iii) Subject to subsection (e) of this section, any excess over the amounts used under item (i) or item (ii) of this paragraph shall be retained in reserve and may not be spent for any purpose.

(e) On July 1, 2003 the entire balance of the Fund shall be credited to the Cigarette Restitution Fund established under § 7-317 of the State Finance and Procurement Article.”.

AMENDMENT NO. 7

On page 7, strike in their entirety lines 16 through 23, inclusive, and substitute:

“SECTION 13. AND BE IT FURTHER ENACTED, That:

(a) The unexpended appropriations for the following capital projects that were included in the fiscal year 1999 operating budget (Chapter 109, Acts of 1998), the fiscal year 2000 operating budget (Chapter 118, Acts of 1999), the fiscal year 2001 operating budget (Chapter 204, Acts of 2000), or the fiscal year 2002 operating budget (Chapter 102, Acts of 2001) are reduced by the amounts indicated below and are hereby transferred to the State General Fund:

<u>Fiscal Year</u>	<u>Project</u>	<u>Original Appropriation</u>	<u>Reduction</u>
<u>1999</u>	<u>School Construction Program</u>	<u>\$88,500,000</u>	<u>\$784,000</u>
<u>2000</u>	<u>School Construction Program</u>	<u>165,000,000</u>	<u>2,728,000</u>
<u>2001</u>	<u>Centro de la Comunidad, Inc.</u>	<u>100,000</u>	<u>100,000</u>
<u>2001</u>	<u>Chesterwood Park</u>	<u>1,000,000</u>	<u>1,000,000</u>

<u>2001</u>	<u>Dundalk Revitalization</u>	<u>1,750,000</u>	<u>1,750,000</u>
<u>2001</u>	<u>Lone Oak Center</u>	<u>500,000</u>	<u>500,000</u>
<u>2001</u>	<u>Maryland Hall for the Creative Arts</u>	<u>250,000</u>	<u>250,000</u>
<u>2001</u>	<u>Maryland Historical Society</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2001</u>	<u>Maryland Stadium Authority - Memorial Stadium Demolition</u>	<u>3,000,000</u>	<u>1,800,000</u>
<u>2001</u>	<u>North Point Indoor Soccer Facility</u>	<u>900,000</u>	<u>900,000</u>
<u>2001</u>	<u>Outward Bound - Leakin Park Campus</u>	<u>500,000</u>	<u>500,000</u>
<u>2001</u>	<u>Park Heights Community Men's Center</u>	<u>350,000</u>	<u>350,000</u>
<u>2001</u>	<u>Phelps Center</u>	<u>570,000</u>	<u>570,000</u>
<u>2001</u>	<u>Quiet Waters Amphitheater</u>	<u>200,000</u>	<u>200,000</u>
<u>2001</u>	<u>Rockville District Court</u>	<u>4,600,000</u>	<u>4,600,000</u>
<u>2001</u>	<u>Rockville Parking Garage</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2001</u>	<u>School Construction Program</u>	<u>171,700,000</u>	<u>37,532,000</u>
<u>2001</u>	<u>Takoma Park Comm Learning Center</u>	<u>500,000</u>	<u>500,000</u>
<u>2001</u>	<u>University of Maryland, Baltimore - New Dental School</u>	<u>22,000,000</u>	<u>12,650,000</u>
<u>2001</u>	<u>Walters Art Gallery</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>Allegheny Highlands</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>Chesapeake Village Park</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>Department of Business and Economic Development - Maryland Competitive Advantage Financing Fund</u>	<u>1,800,000</u>	<u>525,000</u>
<u>2002</u>	<u>Department of Business and Economic Development - Maryland Economic Development Assistance Fund</u>	<u>15,000,000</u>	<u>3,750,000</u>
<u>2002</u>	<u>Department of Business and Economic Development - Maryland Small Business Development Financing Authority</u>	<u>2,275,000</u>	<u>568,750</u>
<u>2002</u>	<u>Department of Business and Economic Development - Smart Growth Economic</u>	<u>10,000,000</u>	<u>2,500,000</u>

(Over)

	<u>Development Infrastructure Fund (One Maryland)</u>		
<u>2002</u>	<u>Department of Housing and Community Development - Homeownership Programs</u>	<u>5,419,000</u>	<u>1,354,750</u>
<u>2002</u>	<u>Department of Housing and Community Development - Neighborhood Business Development Program</u>	<u>6,844,000</u>	<u>1,941,000</u>
<u>2002</u>	<u>Department of Housing and Community Development - Rental Housing Programs</u>	<u>7,871,000</u>	<u>1,967,750</u>
<u>2002</u>	<u>Department of Housing and Community Development - Special Loan Programs</u>	<u>6,042,000</u>	<u>1,510,500</u>
<u>2002</u>	<u>Department of Natural Resources - GreenPrint</u>	<u>5,000,000</u>	<u>5,000,000</u>
<u>2002</u>	<u>Department of Natural Resources - Oyster Restoration</u>	<u>2,000,000</u>	<u>500,000</u>
<u>2002</u>	<u>Department of Natural Resources - Park Improvement Program</u>	<u>3,000,000</u>	<u>750,000</u>
<u>2002</u>	<u>Department of Natural Resources - Community Parks & Playgrounds</u>	<u>11,000,000</u>	<u>5,500,000</u>
<u>2002</u>	<u>Economic Development Opportunities Program (Sunny Day Fund)</u>	<u>15,500,000</u>	<u>3,875,000</u>
<u>2002</u>	<u>Foundation School</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>Great Blacks in Wax</u>	<u>750,000</u>	<u>750,000</u>
<u>2002</u>	<u>High Speed Data Network</u>	<u>10,000,000</u>	<u>2,500,000</u>
<u>2002</u>	<u>Legislative Facilities</u>	<u>22,700,000</u>	<u>15,000,000</u>
<u>2002</u>	<u>Link - Ages</u>	<u>50,000</u>	<u>50,000</u>
<u>2002</u>	<u>Maryland Department of Agriculture - Agricultural Cost Share Program</u>	<u>6,400,000</u>	<u>1,600,000</u>
<u>2002</u>	<u>Maryland Department of the Environment - Nutrient Removal</u>	<u>5,000,000</u>	<u>1,250,000</u>
<u>2002</u>	<u>Maryland Hall for Creative Arts</u>	<u>500,000</u>	<u>500,000</u>

2002	<u>Maryland Higher Education Commission - Community Colleges Grant Program</u>	<u>19,284,000</u>	<u>4,821,000</u>
2002	<u>Maryland Technology Development Corporation - Technology Development Investment Fund</u>	<u>5,000,000</u>	<u>1,250,000</u>
2002	<u>Montgomery County Family Services</u>	<u>250,000</u>	<u>250,000</u>
2002	<u>National Capitol Trolley Museum</u>	<u>100,000</u>	<u>100,000</u>
2002	<u>Olney Boys and Girls Club</u>	<u>100,000</u>	<u>100,000</u>
2002	<u>Olney Theatre</u>	<u>500,000</u>	<u>500,000</u>
2002	<u>Park Heights Golf Range</u>	<u>500,000</u>	<u>500,000</u>
2002	<u>Parole Plaza Improvements</u>	<u>500,000</u>	<u>500,000</u>
2002	<u>Public Safety Communication System</u>	<u>3,900,000</u>	<u>1,000,000</u>
2002	<u>Rockville Science, Cultural and Business Resource Center</u>	<u>500,000</u>	<u>500,000</u>
2002	<u>School Construction Program</u>	<u>133,501,000</u>	<u>47,956,000</u>
2002	<u>Takoma Park Community Learning Center</u>	<u>500,000</u>	<u>500,000</u>
2002	<u>The Johns Hopkins University School of Public Health</u>	<u>2,067,000</u>	<u>2,067,000</u>
2002	<u>Towson University - Fine Arts Building</u>	<u>7,443,000</u>	<u>7,443,000</u>
2002	<u>University of Maryland Biotechnology Institute - Center for Advanced Research in Biotechnology - Second Building</u>	<u>42,442,000</u>	<u>42,442,000</u>
2002	<u>University of Maryland, Baltimore - New Dental School</u>	<u>14,000,000</u>	<u>14,000,000</u>
2002	<u>University of Maryland, Baltimore County - Public Policy Institute</u>	<u>17,542,000</u>	<u>17,542,000</u>
2002	<u>University System of Maryland Office - New Hagerstown Higher Educational Center</u>	<u>13,264,000</u>	<u>12,394,000</u>
2002	<u>Wheaton Multi-purpose Youth</u>	<u>175,000</u>	<u>175,000</u>
2002	<u>YMCA of Central - Howard County Branch</u>	<u>1,500,000</u>	<u>1,500,000</u>

(b) The unexpended appropriations for the following capital projects that were included

(Over)

in the fiscal year 1999 operating budget (Chapter 109, Acts of 1998), the fiscal year 2000 operating budget (Chapter 118, Acts of 1999), the fiscal year 2001 operating budget (Chapter 204, Acts of 2000), or the fiscal year 2002 operating budget (Chapter 102, Acts of 2001) are reduced by the amounts indicated below and are hereby transferred to the State General Fund:

<u>Fiscal Year</u>	<u>Project</u>	<u>Original Appropriation</u>	<u>Reduction</u>
<u>1999</u>	<u>Rockville Science, Cultural and Business Resource Center</u>	<u>\$200,000</u>	<u>\$200,000</u>
<u>2000</u>	<u>Old Blair High School Auditorium Renovation</u>	<u>500,000</u>	<u>500,000</u>
<u>2000</u>	<u>Takoma Park Community Learning Center</u>	<u>500,000</u>	<u>500,000</u>
<u>2001</u>	<u>Department of Health and Mental Hygiene - Western Maryland Center</u>	<u>57,000</u>	<u>57,000</u>
<u>2001</u>	<u>Frostburg State University - New Science Building</u>	<u>24,766,000</u>	<u>10,000,000</u>
<u>2001</u>	<u>Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse</u>	<u>3,147,000</u>	<u>3,000,000</u>
<u>2001</u>	<u>Maryland Higher Education Commission - Community College Grant Program</u>	<u>1,110,000</u>	<u>1,110,000</u>
<u>2001</u>	<u>Maryland Higher Education Commission - Bladen and Lanham Halls Renovation</u>	<u>525,000</u>	<u>525,000</u>
<u>2001</u>	<u>Maryland Science Center</u>	<u>4,000,000</u>	<u>4,000,000</u>
<u>2001</u>	<u>Maryland Stadium Authority - Memorial Stadium Demolition - Veterans' Memorial</u>	<u>3,000,000</u>	<u>1,200,000</u>
<u>2001</u>	<u>Patuxent Institution - Fence/Gatehouse</u>	<u>3,300,000</u>	<u>3,300,000</u>
<u>2001</u>	<u>Penn Place - Garrett Park</u>	<u>500,000</u>	<u>500,000</u>
<u>2001</u>	<u>School Construction Program - Solar Energy Pilot Projects</u>	<u>250,000</u>	<u>250,000</u>
<u>2001</u>	<u>St. Mary's College - Somerset Hall</u>	<u>1,087,000</u>	<u>1,087,000</u>
<u>2001</u>	<u>The Johns Hopkins University - School of Medicine</u>	<u>7,933,000</u>	<u>7,933,000</u>

<u>2001</u>	<u>The Johns Hopkins University - School of Public Health</u>	<u>2,067,000</u>	<u>2,067,000</u>
<u>2001</u>	<u>University of Maryland, Baltimore - Health Sciences Research Facility II</u>	<u>44,428,000</u>	<u>10,000,000</u>
<u>2001</u>	<u>University of Maryland, Baltimore - New Dental School</u>	<u>22,000,000</u>	<u>3,500,000</u>
<u>2001</u>	<u>University of Maryland, Baltimore County - Chemistry/Physics Building</u>	<u>14,100,000</u>	<u>8,100,000</u>
<u>2001</u>	<u>University of Maryland, College Park - Engineering & Applied Sciences Building</u>	<u>6,203,000</u>	<u>6,203,000</u>
<u>2001</u>	<u>University System of Maryland Office - Assateague Education & Research Center</u>	<u>1,500,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>Bowie State University - Campuswide Site Improvements</u>	<u>1,300,000</u>	<u>1,300,000</u>
<u>2002</u>	<u>Coppin State College - Dining Facilities</u>	<u>5,000,000</u>	<u>1,500,000</u>
<u>2002</u>	<u>Doctors Community Hospital</u>	<u>2,000,000</u>	<u>2,000,000</u>
<u>2002</u>	<u>Frostburg State University - New Science Building</u>	<u>3,300,000</u>	<u>3,300,000</u>
<u>2002</u>	<u>Gateway Arts District</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>2002</u>	<u>High Speed Data Network</u>	<u>7,500,000</u>	<u>1,300,000</u>
<u>2002</u>	<u>Howard County Head Start Center</u>	<u>500,000</u>	<u>500,000</u>
<u>2002</u>	<u>Maryland Correctional Institution - Jessup - Perimeter Security/Gatehouse</u>	<u>2,557,000</u>	<u>2,557,000</u>
<u>2002</u>	<u>Morgan State University - Science Research Building with Greenhouse</u>	<u>3,210,000</u>	<u>3,210,000</u>
<u>2002</u>	<u>Salisbury University - New Science Building</u>	<u>939,000</u>	<u>939,000</u>
<u>2002</u>	<u>School Construction Program - Solar Energy Pilot Projects</u>	<u>250,000</u>	<u>250,000</u>
<u>2002</u>	<u>Springfield Hospital - Electrical Distribution System</u>	<u>70,000</u>	<u>70,000</u>
<u>2002</u>	<u>St. Mary's College - Somerset Hall</u>	<u>2,167,000</u>	<u>2,167,000</u>

(Over)

<u>2002</u>	<u>Suitland Manor Revitalization</u>	<u>3,000,000</u>	<u>3,000,000</u>
<u>2002</u>	<u>The Johns Hopkins University - School of Medicine</u>	<u>7,933,000</u>	<u>7,933,000</u>
<u>2002</u>	<u>Towson University - 7800 York Road</u>	<u>1,600,000</u>	<u>1,600,000</u>
<u>2002</u>	<u>University of Baltimore - Charles Hall and Annex</u>	<u>1,325,000</u>	<u>1,300,000</u>
<u>2002</u>	<u>University of Maryland Center for Environmental Science - Aquaculture and Ecology Lab</u>	<u>19,527,000</u>	<u>14,000,000</u>
<u>2002</u>	<u>University of Maryland, Baltimore - Health Sciences Research Facility II</u>	<u>17,746,000</u>	<u>17,746,000</u>
<u>2002</u>	<u>University of Maryland, Baltimore County - Chemistry/Physics Building</u>	<u>17,446,000</u>	<u>14,600,000</u>
<u>2002</u>	<u>University of Maryland, Baltimore County - Information Technology/Engineering Facility</u>	<u>32,431,000</u>	<u>21,800,000</u>
<u>2002</u>	<u>University of Maryland, College Park - Chemistry Teaching Building</u>	<u>1,860,000</u>	<u>1,860,000</u>
<u>2002</u>	<u>University of Maryland, Eastern Shore - Food Science and Technology Center</u>	<u>5,250,000</u>	<u>1,300,000</u>
<u>2002</u>	<u>University of Maryland, Eastern Shore - Physical Plant/Central Receiving Building</u>	<u>972,000</u>	<u>972,000</u>
<u>2002</u>	<u>University of Maryland, Eastern Shore - Social Science, Education, & Health Science Building</u>	<u>5,365,000</u>	<u>5,365,000</u>
<u>2002</u>	<u>University System of Maryland Office - Shady Grove Educational Center III</u>	<u>2,425,000</u>	<u>1,000,000</u>

(c) The unexpended appropriations for the following purposes that were included in the fiscal year 2002 operating budget (Chapter 102, Acts of 2001) are reduced by the amounts indicated below and are hereby transferred to the State General Fund:

Amount of Reduction

<u>Fiscal</u> <u>Year</u>	<u>Program</u>	<u>Entitled</u>	<u>General</u> <u>Funds</u>	<u>Current</u> <u>Unrestricted</u> <u>Funds</u>	<u>Special</u> <u>Fund</u>
2002	RA02.01	State Share of Basic Current Expenses	\$450,000		
2002	RA02.56	Governor's Teacher Salary Challenge Program	550,000		
2002	RT00.01	Support for State Operated Institutions of Higher Education	8,581,011		
2002	RB21.00	University of Maryland, Baltimore		1,472,527	
2002	RB22.00	University of Maryland, College Park		3,455,257	
2002	RB23.00	Bowie State University		218,514	
2002	RB24.00	Towson University		654,458	
2002	RB25.00	University of Maryland Eastern Shore		226,586	
2002	RB26.00	Frostburg State University		275,580	
2002	RB27.00	Coppin State College		197,246	
2002	RB28.00	University of Baltimore		235,328	
2002	RB29.00	Salisbury University		283,657	
2002	RB30.00	University of Maryland University College		162,777	
2002	RB31.00	University of Maryland Baltimore County		729,031	
2002	RB34.00	University of Maryland Center for Environmental Science		129,606	
2002	RB35.00	University of Maryland Biotechnology Institute		158,351	
2002	RB36.00	University System of Maryland Office		116,312	
2002	RM00.00	Morgan State University		265,781	
2002	DI01.01	State Board of Elections	1,979,000		
2002	DA03.02	Maryland Stadium Authority			1,000,000".

On page 7, strike in their entirety lines 24 through 36, inclusive, and substitute:

“SECTION 14. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 41 - Governor - Executive and Administrative Departments

18-105.

(b) (1) For purposes of this subtitle, there is a 911 fee to be paid by the subscribers to switched local exchange access service, wireless telephone service, or other 911-accessible service. The 911 fee is 10 cents per month payable at the time when the bills for telephone service are due.

(2) The Public Service Commission shall direct the telephone companies to add the 911 fee to all current bills rendered for switched local exchange access service in the State. The telephone companies shall act as collection agents for the 911 Trust Fund with respect to the fee, and shall remit all proceeds to the Comptroller on a monthly basis. The telephone companies shall be entitled to credit against the proceeds of the 911 fee to be remitted an amount equal to [1 1/2] 0.75 percent of the 911 fee to cover the expenses of billing, collecting, and remitting the 911 fee and any additional charges. The Comptroller shall deposit the funds in the 911 Trust Fund.

(3) The 911 service carriers shall add the 911 fee to all current bills rendered for wireless telephone service or other 911-accessible service in the State. The 911 service carriers shall act as collection agents for the 911 Trust Fund with respect to the fee and shall remit all proceeds to the Comptroller on a monthly basis. The 911 service carriers shall be entitled to credit against the proceeds of the 911 fee to be remitted an amount equal to [1 1/2] 0.75 percent of the 911 fee to cover the expenses of billing, collecting, and remitting the 911 fee and any additional charges. The Comptroller shall deposit the funds in the 911 Trust Fund.

[(4) Notwithstanding the provisions of paragraph (3) of this subsection, for calendar years 1996, 1997, and 1998 only, a 911 service carrier other than a telephone company shall be entitled to credit against the proceeds of the 911 fee to be remitted an amount equal to 2 1/2 percent of the 911 fee to cover the expenses of billing, collecting, and remitting the 911 fee and any additional charges.]

Article - Commercial Law

17-301.

(a) The following property held by a banking or financial organization, or business association is presumed abandoned, if the depositor has been issued a notice by first class mail to the depositor's last known address of the fact that the property will be considered abandoned and there is no response within 30 days to the notification:

(1) Any demand, savings, or matured time deposit account made with a banking organization, together with any interest or dividend on it, excluding any charges that lawfully may be withheld, unless, within [5] 4 years, the owner has:

(i) Increased or decreased the amount of the deposit;

(ii) Presented evidence of the deposit for the crediting of interest;

(iii) Corresponded in writing with the banking organization concerning the deposit;

(iv) Engaged in any credit, trust, or other deposit transaction with the banking organization; or

(v) Otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization;

(2) Any funds paid toward the purchase of shares or other interest in a financial organization, or any deposit made with these funds, and any interest or dividends on these, excluding any charges that lawfully may be withheld, unless, within [5] 4 years, the owner has:

(i) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends;

(Over)

(ii) Corresponded in writing with the financial organization concerning the funds or deposit;

(iii) Engaged in any credit, share, or other deposit transaction with the financial organization; or

(iv) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization;

(3) Any sum payable on a check certified in this State or on a written instrument issued in this State on which a banking or financial organization or business association is directly liable, including any certificate of deposit, draft, traveler's check, and money order, that has been outstanding for more than [5] 4 years from the date it was payable (or 15 years in the case of a traveler's check) or, if payable on demand, from the date of its issuance, unless, within [5] 4 years or 15 years in the case of a traveler's check, the owner has:

(i) Corresponded in writing with the banking or financial organization or business association concerning it; or

(ii) Otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association; and

(4) Any property removed from a safekeeping repository on which the lease or rental period has expired or any surplus amounts arising from the sale of the property pursuant to law, that have been unclaimed by the owner for more than [5] 4 years from the date on which the lease or rental period expired.

17-302.

(a) Funds held or owing under any life or endowment insurance policy or annuity contract that has matured or terminated are presumed abandoned if unclaimed for more than [5] 4 years after the funds become due and payable as established from the records of the insurance company holding or owing the funds.

(b) If a person other than the insured or annuitant is entitled to the funds and an address of the person is not known to the company or it is not definite and certain from the records of the company who is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the company.

(c) For purposes of this subtitle, a life or endowment insurance policy or annuity contract not matured by actual proof of the death of the insured or annuitant according to the records of the company is matured and the proceeds due and payable if:

(1) The company knows that the insured or annuitant has died; or

(2) (i) The insured has attained, or would have attained if he were living, the limiting age under the mortality table on which the reserve is based;

(ii) The policy was in force at the time the insured attained, or would have attained, the limiting age specified in item (i) of this paragraph; and

(iii) Neither the insured nor any other person appearing to have an interest in the policy within the preceding [5] 4 years, according to the records of the company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to a loan, corresponded in writing with the company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the company.

(d) (1) “Unclaimed funds”, as defined in paragraph (2) of this subsection, held by a fire, casualty, or surety insurance corporation, shall be presumed abandoned if the last known address of the person entitled to the funds, according to the records of the corporation, is in this State. If a person other than the insured, the principal, or the claimant is entitled to the funds and the address of the person is not known to the corporation or if it is not definite and certain from the records of the corporation which person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured, the principal, or the claimant according to the records of the corporation.

(2) “Unclaimed funds”, as used in this subsection, means all money held by any fire, casualty, or surety insurance corporation unclaimed and unpaid for more than [5] 4 years after the money becomes due and payable, as established from the records of the corporation, either to an insured, a principal, or a claimant under any fire, casualty, or surety insurance policy or contract.

(e) Money otherwise payable according to the records of the corporation is considered due and payable although the policy or contract has not been surrendered as required.

17-303.

The following funds held by any utility are presumed abandoned:

(1) Any deposit made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished in the State, less any lawful deduction, that has remained unclaimed by the person who appears on the records of the utility as entitled to it for more than [5] 4 years after the termination of the services for which the deposit or advance payment was made;

(2) Any sum which a utility has been ordered to refund and which was received for utility services rendered in the State, together with any interest on it, less any lawful deduction, that has remained unclaimed by the person appearing on the records of the utility as entitled to it for more than [5] 4 years after the date it became payable in accordance with the final determination or order providing for the refund; and

(3) Any sum paid to a utility for a utility service, which service has not been rendered within [5] 4 years of the payment.

17-304.

(a) Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held by a business association for or to a shareholder, certificate holder, member, bondholder or other security holder, or participating patron of a cooperative, who has not claimed it or corresponded in writing with the business association concerning it within [5] 4 years after the date prescribed for payment or delivery, is presumed

abandoned if:

(1) It is held by a business association organized under the laws of or created in this State;

(2) It is held by a business association doing business in this State but not organized under the laws of this State, and the records of the business association indicate that the last known address of the person entitled to it is in this State; or

(3) It is held by a business association not doing business in this State and not organized under the laws of this State, but the records of the business association indicate that the last known address of the person entitled to it is in this State.

(b) This section shall apply to the stock or other certificate of ownership on, for or from which the amounts described in subsection (a) of this section have been presumed abandoned if the owner of said underlying stock or certificate has not, within the [5-year] 4-YEAR period giving rise to the presumption of abandonment:

(1) Communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest; or

(2) Otherwise communicated with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(c) At the expiration of a [5-year] 4-YEAR period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least [5] 4 dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If [5] 4 dividends, distributions, or other sums are paid during the [5-year] 4-YEAR period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If [5] 4 dividends, distributions, or other sums

(Over)

are not paid during the presumptive period, the period continues to run until there have been [5] 4 dividends, distributions, or other sums that have not been claimed by the owner.

(d) The running of the [5-year] 4-YEAR period of abandonment ceases immediately upon the occurrence of a communication referred to in subsection (b) of this section. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

(e) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

(f) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within [5] 4 years communicated in any manner described in subsection (b) of this section.

(g) The holder of an interest under this section shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the administrator. Upon delivery of a duplicate certificate to the administrator, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with the provision of § 17-313 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the administrator, for any losses or damages resulting to any person by the issuance and delivery to the administrator of the duplicate certificate.

17-306.

All intangible personal property and any income or increment on it, held in a fiduciary capacity for the benefit of another person, is presumed abandoned unless, within [5] 4 years after it becomes payable or distributable, the owner has increased or decreased the principal, accepted

payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary.

17-307.

All intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this State or any political subdivision of it that has remained unclaimed by the owner for more than [5] 4 years is presumed abandoned.

17-308.

(a) All unclaimed wages or outstanding payroll checks held or owing in the ordinary course of the holder's business, that have remained unclaimed by the owner for more than [5] 4 years after they became payable, are presumed abandoned.

(b) All intangible personal property, not otherwise covered by this title, including any income or increment on it and deducting any lawful charges, that is held or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than [5] 4 years after it became payable or distributable, is presumed abandoned.

(c) Property is payable or distributable for the purpose of this title notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.

(d) Property is reportable to this State under subsection (b) of this section under the priority rules established under § 17-301(c) of this subtitle.

Article - Environment

9-228.

(g) (5) A tire dealer who timely files a tire recycling fee return and pays the tire recycling fees due is allowed, for the expense of administering and paying the fee, a credit equal to

(Over)

[1.2%] 0.6% of the gross amount of tire recycling fees that the tire dealer is to pay to the Comptroller.

Article - Public Utility Companies

7-203.

(d) (2) The Department of Natural Resources shall credit against the amount the Commission requires each electric company to pay into the Environmental Trust Fund [1.5%] 0.75% of the total surcharge amount attributed to the electric company on the basis of the amount of the electricity distributed in the State.

Article - State Government

9-111.

(b) With the approval of the Commission and the Legislative Policy Committee, the Director may enter into [an agreement] AGREEMENTS to operate [a multi-state lottery] MULTIJURISDICTIONAL LOTTERIES with:

(1) any other political entity outside the State OR OUTSIDE THE UNITED STATES that operates a lottery; OR

(2) A PRIVATE LICENSEE OF A STATE OR A FOREIGN NATION.

Article - Tax - General

2-1302.1.

[(a)] After making the distributions required under §§ 2-1301 and 2-1302 of this subtitle, the Comptroller monthly shall distribute 45% of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of this article to the Transportation Trust Fund established under § 3-216 of the Transportation Article.

[(b) For the period from January 1, 2002 through June 30, 2002 and for fiscal years beginning on or after July 1, 2002 but before July 1, 2007, after making the distribution under subsection (a) of this section, the Comptroller shall distribute the remaining sales and use tax collected on short-term vehicle rentals under § 11-104(c) of this article to the Transportation Trust Fund established under § 3-216 of the Transportation Article.]

9-315.

(a) A licensed dealer or licensed special fuel seller shall deduct [~~1%~~ 0.5% of the 1st 10 cents of the motor fuel tax on each gallon of motor fuel, as a discount:

(1) instead of an allowance for evaporation, shrinkage, and handling; and

(2) to reimburse the licensed dealer or licensed special fuel seller for expenses incurred for the State in:

(i) keeping records;

(ii) collecting and paying the tax; and

(iii) preparing reports.

Article - Transportation

3-202.

(a) The Department from time to time may issue its bonds on behalf of this State to finance the cost of any one or more or combination of transportation facilities.

(b) The bonds shall be known as “consolidated transportation bonds” and may be issued in any amount as long as the aggregate outstanding and unpaid principal balance of these bonds and

(Over)

bonds of prior issues does not exceed at any one time the sum of [\$1.2] \$1.4 billion.

(c) The maximum outstanding and unpaid principal balance of consolidated transportation bonds and bonds of prior issues as of June 30 for the next fiscal year:

(1) Shall be established each year by the General Assembly in the State budget;
and

(2) May not exceed the limit established in subsection (b) of this section.

3-215.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(1) The motor fuel tax revenue distributed under §§ 2-1103(2) and 2-1104(4) of the Tax - General Article;

(2) The income tax revenue distributed under §§ 2-614 and 2-616 of the Tax - General Article;

(3) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of this article; and

(4) The sales and use tax revenues distributed under [§ 2-1302.1(a)] § 2-1302.1 of the Tax - General Article.

8-402.

(b) All revenues collected from the following, after deductions provided by law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

(1) All of the motor vehicle fuel tax;

(2) Except as otherwise provided by law, 80 percent of the vehicle titling tax;

(3) Except for revenues collected under Parts III and IV of Title 13, Subtitle 9 of this article, vehicle registration fees;

(4) The revenue disbursed to this account under §§ 2-614 and 2-616 of the Tax - General Article; and

(5) 80 percent of the funds distributed on short-term vehicle rentals under [§ 2-1302.1(a)] § 2-1302.1 of the Tax - General Article to the Transportation Trust Fund from the sales and use tax.

13-208.

(a) [(1) Except as provided in paragraph (2) of this subsection, of each filing fee received under this subtitle, the Administration shall deposit \$9 in the Transportation Trust Fund and \$5 in the General Fund.

(2) For the fiscal year beginning July 1, 2001, of] OF each filing fee received under this subtitle, the Administration shall deposit \$14 in the General Fund.

(b) For each fiscal year, the Comptroller shall distribute to Baltimore City an amount equal to \$5 [of the General Fund portion of] FOR each filing fee received under this subtitle.

13-613.

(d) Except as provided in subsection (e) of this section, of the proceeds collected annually from the additional fees charged under this section:

(1) The first \$180,000 shall be paid into a special fund administered by the Maryland Higher Education Commission for use in the medical, dental, legal, nursing, social work, and pharmaceutical scholarship programs provided by this State;

(2) The next \$200,000 shall be used solely for the purposes of the scholarship

(Over)

program authorized by §§ 18-1101 through 18-1105 of the Education Article; and

(3) Except as otherwise provided by law, any balance shall be distributed[:

(i) To] TO the General Fund of the State [for the fiscal year beginning July 1, 2001; and

(ii) To the Transportation Trust Fund for each fiscal year beginning on or after July 1, 2002].

17-106.

(e) (2) (i) A penalty assessed under this subsection shall be paid as follows:

1. 70% to be allocated as provided in subparagraphs (ii) through [(vii)] (IV) of this paragraph; and

2. 30% to the Administration, which may be used by the Administration, subject to subsection (f) of this section, to provide funding for contracts with independent insurance producers to assist in the recovery of evidences of registration as authorized in subsection (d)(3) of this section.

(ii) For the fiscal year beginning July 1, 2001, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the Motor Vehicle Registration Enforcement Fund, the School Bus Safety Enforcement Fund, the Transportation Trust Fund, and the General Fund as follows:

1. \$400,000 to the Motor Vehicle Registration Enforcement Fund;

2. \$600,000 to the School Bus Safety Enforcement Fund;

3. \$11,600,000 to the Transportation Trust Fund; and

4. The balance to the General Fund.

(iii) For the fiscal year beginning July 1, 2002, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated among the VEHICLE THEFT PREVENTION FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, THE Motor Vehicle Registration Enforcement Fund, the School Bus Safety Enforcement Fund, and the [Transportation Trust Fund] GENERAL FUND as follows:

1. \$400,000 to the Motor Vehicle Registration Enforcement Fund;
2. \$600,000 to the School Bus Safety Enforcement Fund; [and]
3. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
4. \$2,000,000 TO THE MARYLAND AUTOMOBILE INSURANCE FUND; AND
5. The balance to the [Transportation Trust Fund] GENERAL FUND.

(iv) For each fiscal year beginning ON OR AFTER July 1, 2003 [or July 1, 2004], the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated [between] AMONG the School Bus Safety Enforcement Fund, THE VEHICLE THEFT PREVENTION FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, and the [Transportation Trust Fund] GENERAL FUND as follows:

1. \$600,000 to the School Bus Safety Enforcement Fund; [and]
2. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND;
3. THE AMOUNT DISTRIBUTED TO THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR

(Over)

YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

4. The balance to the [Transportation Trust Fund] GENERAL FUND.

[(v) For each fiscal year beginning July 1, 2005 or July 1, 2006, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be distributed to the Transportation Trust Fund.

(vi) For the fiscal year beginning July 1, 2007, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated between the Maryland Automobile Insurance Fund and the General Fund as follows:

1. \$4,400,000 to the Maryland Automobile Insurance Fund; and
2. The balance to the General Fund.

(vii) For a fiscal year beginning on or after July 1, 2008, the percentage of the penalties specified under subparagraph (i)1 of this paragraph shall be allocated between the Maryland Automobile Insurance Fund and the General Fund as follows:

1. The amount distributed to the Maryland Automobile Insurance Fund in the prior fiscal year under the provisions of this paragraph adjusted by the change for the calendar year preceding the fiscal year in the Consumer Price Index - All Urban Consumers - Medical Care as published by the United States Bureau of Labor Statistics to the Maryland Automobile Insurance Fund; and
2. The balance to the General Fund.]

Chapter 459 of the Acts of 1994, as amended by Chapter 434 of the Acts of 1997, and Chapter 338 of the Acts of 2000

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1994. [It shall remain in effect for a period of nine years and one day and, at the end of July 1, 2003, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.]

Chapter 332 of the Acts of 2000

SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provisions of Section 5 of this Act, this Act shall take effect July 1, 2000. [Sections 1 and 2 of this Act shall remain effective for a period of 5 years and, at the end of June 30, 2005, with no further action required by the General Assembly, Sections 1 and 2 of this Act shall be abrogated and of no further force or effect. Any balance in the School Bus Safety Enforcement Fund after June 30, 2005, shall be transferred to the State General Fund.]

SECTION 15. AND BE IT FURTHER ENACTED, That Section(s) 10-221 of Article - Tax - General of the Annotated Code of Maryland be renumbered to be Section(s) 10-108.

SECTION 16. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

10-108.

(a) [Unless] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND UNLESS expressly provided otherwise by law, an amendment of the Internal Revenue Code that, [during the] FOR A taxable year THAT BEGINS IN THE CALENDAR YEAR in which the amendment is enacted, eliminates [or reduces], REDUCES, ADDS, OR INCREASES a deduction [or substitutes], SUBSTITUTES a credit for a deduction, OR SUBSTITUTES A DEDUCTION FOR A CREDIT, does not affect the [deduction for purposes of] DETERMINATION OF MARYLAND TAXABLE INCOME UNDER this title [during that] FOR ANY TAXABLE year THAT BEGINS IN THE CALENDAR YEAR IN WHICH THE AMENDMENT IS ENACTED.

(Over)

(b) Within 60 days after an amendment of the Internal Revenue Code is enacted, the Comptroller shall prepare and submit to the Governor and, subject to § 2-1246 of the State Government Article, the President of the Senate and the Speaker of the House a report that outlines:

- (1) the changes in the Internal Revenue Code; and
- (2) the impact of those changes on State revenue and on various classes and types of taxpayers.

(C) SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO AN AMENDMENT OF THE INTERNAL REVENUE CODE IF THE COMPTROLLER DETERMINES THAT THE IMPACT OF THE AMENDMENT ON STATE INCOME TAX REVENUE FOR THE FISCAL YEAR THAT BEGINS DURING THE CALENDAR YEAR IN WHICH THE AMENDMENT IS ENACTED WILL BE LESS THAN \$1,000,000.

10-204.

(a) To the extent excluded from federal adjusted gross income, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(H) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT DEDUCTED UNDER § 222 OF THE INTERNAL REVENUE CODE FOR QUALIFIED TUITION AND RELATED EXPENSES PAID DURING THE TAXABLE YEAR.

10-210.1.

IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-204 THROUGH 10-210 OF THIS SUBTITLE, TO DETERMINE MARYLAND ADJUSTED GROSS INCOME OF AN INDIVIDUAL:

(1) AN AMOUNT IS ADDED TO FEDERAL ADJUSTED GROSS INCOME TO DETERMINE THE DEPRECIATION DEDUCTION PROVIDED UNDER § 167(A) OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO ANY ADDITIONAL ALLOWANCE

UNDER § 168(K)(1) OF THE INTERNAL REVENUE CODE:

(2) AN AMOUNT IS SUBTRACTED FROM FEDERAL ADJUSTED GROSS INCOME TO DETERMINE THE ADJUSTED BASIS OF PROPERTY AS TO WHICH THE ADDITIONAL ALLOWANCE UNDER § 168(K)(1)(A) OF THE INTERNAL REVENUE CODE HAS BEEN ALLOWED FOR FEDERAL INCOME TAX PURPOSES WITHOUT REGARD TO THE REDUCTION REQUIRED UNDER § 167(K)(1)(B) OF THE INTERNAL REVENUE CODE; AND

(3) AN AMOUNT IS ADDED TO OR SUBTRACTED FROM FEDERAL ADJUSTED GROSS INCOME TO DETERMINE THE NET OPERATING LOSS DEDUCTION ALLOWED UNDER § 172 OF THE INTERNAL REVENUE CODE WITHOUT REGARD TO THE SPECIAL 5-YEAR CARRYBACK PERIOD PROVIDED UNDER § 172(B)(1)(H) OF THE INTERNAL REVENUE CODE.

10-310.

IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-305 THROUGH 10-309 OF THIS SUBTITLE, TO DETERMINE MARYLAND MODIFIED INCOME THE FEDERAL TAXABLE INCOME OF A CORPORATION SHALL BE ADJUSTED AS PROVIDED FOR AN INDIVIDUAL UNDER § 10-210.1 OF THIS TITLE.

SECTION 17. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

7-304.

(a) [In] SUBJECT TO § 7-309 OF THIS SUBTITLE, IN this section, “federal credit” means the maximum credit for death taxes paid to any state that is allowable under § 2011 of the Internal Revenue Code against the federal estate tax of a decedent as reduced by the proportion that the amount of the estate not included in the Maryland estate bears to the amount of the entire estate

(Over)

of the decedent.

(b) (1) Except as otherwise provided in this subsection, the Maryland estate tax is the amount, if any, by which the federal credit exceeds the total of death taxes other than the Maryland estate tax that:

(i) are imposed by a state on property included in the Maryland estate;

(ii) are allowable in computing the federal credit; and

(iii) except as provided in § 13-906 of this article, have actually been paid out of the Maryland estate and received by the appropriate unit of this State.

(2) [The] SUBJECT TO § 7-309 OF THIS SUBTITLE, THE Maryland estate tax may not exceed the amount whose timely payment in accordance with federal law would reduce the amount of the federal estate tax payable out of the Maryland estate had this subtitle not been enacted.

(c) The Maryland estate tax is not affected by a failure to take or preserve the federal credit.

7-309.

(A) [If Congress passes an act] NOTWITHSTANDING AN ACT OF CONGRESS that repeals OR REDUCES the federal credit under § 2011 of the Internal Revenue Code, [and does not enact a similar statute as a substitute:

(1)] the provisions of this subtitle [that are] in effect before the passage of the Act of Congress shall apply with respect to a decedent who [died before the end of the period covered by a budget bill that the General Assembly passed before the effective date of the Act of Congress; and

(2) this subtitle is void with respect to a decedent who dies after the effective date of the Act of Congress] DIES AFTER THE EFFECTIVE DATE OF THE ACT OF CONGRESS SO AS TO CONTINUE THE MARYLAND ESTATE TAX IN FORCE WITHOUT REDUCTION IN THE SAME MANNER AS IF THE FEDERAL CREDIT HAD NOT BEEN REPEALED OR REDUCED.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AFTER THE EFFECTIVE DATE OF AN ACT OF CONGRESS DESCRIBED IN SUBSECTION (A) OF THIS SECTION, THE MARYLAND ESTATE TAX SHALL BE DETERMINED USING:

(I) THE FEDERAL CREDIT ALLOWABLE BY § 2011 OF THE INTERNAL REVENUE CODE AS IN EFFECT BEFORE THE REDUCTION OR REPEAL OF THE FEDERAL CREDIT PURSUANT TO THE ACT OF CONGRESS; AND

(II) OTHER PROVISIONS OF FEDERAL ESTATE TAX LAW, INCLUDING THE APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX, AS IN EFFECT ON THE DATE OF THE DECEDENT'S DEATH.

(2) IF THE FEDERAL ESTATE TAX IS NOT IN EFFECT ON THE DATE OF THE DECEDENT'S DEATH, THE MARYLAND ESTATE TAX SHALL BE DETERMINED USING:

(I) THE FEDERAL CREDIT ALLOWABLE BY § 2011 OF THE INTERNAL REVENUE CODE AS IN EFFECT BEFORE THE REDUCTION OR REPEAL OF THE FEDERAL CREDIT PURSUANT TO THE ACT OF CONGRESS; AND

(II) OTHER PROVISIONS OF FEDERAL ESTATE TAX LAW, INCLUDING THE APPLICABLE UNIFIED CREDIT ALLOWED AGAINST THE FEDERAL ESTATE TAX, AS IN EFFECT ON THE DATE IMMEDIATELY PRECEDING THE EFFECTIVE DATE OF THE REPEAL OF THE FEDERAL ESTATE TAX.

SECTION 18. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

11-105.

(a) Except as provided in subsection (b) of this section, a person who timely files a sales

(Over)

and use tax return is allowed, for the expense of collecting and paying the tax, a credit equal to [0.9%] 0.45% of the gross amount of sales and use tax that the person is to pay to the Comptroller.

(b) (1) Subject to paragraph (2) of this subsection, the credit allowed under this section is [1.2%] 0.6% of the first \$6,000 of the gross amount of sales and use tax that the person is to pay with each return.

(2) For a vendor who files or is eligible to file a consolidated return under § 11-502 of this title, the credit allowed under paragraph (1) of this subsection is [1.2%] 0.6% of the first \$6,000 of the gross amount of sales and use tax that the person is or would be required to pay with the consolidated return.

Article - Transportation

13-812.

(a) For collecting and remitting the tax, a licensed dealer who, on behalf of the Administration, collects the excise tax imposed by this part may keep the lesser of [\$24] \$12 per vehicle or [1.2] 0.6 percent of the gross excise tax the dealer collects.

SECTION 19. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, to recognize the reduction in the general fund requirement for debt service resulting from bond premiums, accrued interest, and refunding, for fiscal year 2003 only, the General Assembly may reduce the general fund appropriation to program RA02.45 Public School Construction by up to \$14,000,000.

SECTION 20. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Commercial Law

17-301.

(a) The following property held by a banking or financial organization, or business association is presumed abandoned, if the depositor has been issued a notice by first class mail to the

depositor's last known address of the fact that the property will be considered abandoned and there is no response within 30 days to the notification:

(1) Any demand, savings, or matured time deposit account made with a banking organization, together with any interest or dividend on it, excluding any charges that lawfully may be withheld, unless, within [4] 3 years, the owner has:

- (i) Increased or decreased the amount of the deposit;
- (ii) Presented evidence of the deposit for the crediting of interest;
- (iii) Corresponded in writing with the banking organization concerning the deposit;
- (iv) Engaged in any credit, trust, or other deposit transaction with the banking organization; or
- (v) Otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization;

(2) Any funds paid toward the purchase of shares or other interest in a financial organization, or any deposit made with these funds, and any interest or dividends on these, excluding any charges that lawfully may be withheld, unless, within [4] 3 years, the owner has:

- (i) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends;
- (ii) Corresponded in writing with the financial organization concerning the funds or deposit;
- (iii) Engaged in any credit, share, or other deposit transaction with the financial organization; or

(iv) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization;

(3) Any sum payable on a check certified in this State or on a written instrument issued in this State on which a banking or financial organization or business association is directly liable, including any certificate of deposit, draft, traveler's check, and money order, that has been outstanding for more than [4] 3 years from the date it was payable (or 15 years in the case of a traveler's check) or, if payable on demand, from the date of its issuance, unless, within [4] 3 years or 15 years in the case of a traveler's check, the owner has:

(i) Corresponded in writing with the banking or financial organization or business association concerning it; or

(ii) Otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association; and

(4) Any property removed from a safekeeping repository on which the lease or rental period has expired or any surplus amounts arising from the sale of the property pursuant to law, that have been unclaimed by the owner for more than [4] 3 years from the date on which the lease or rental period expired.

17-302.

(a) Funds held or owing under any life or endowment insurance policy or annuity contract that has matured or terminated are presumed abandoned if unclaimed for more than [4] 3 years after the funds become due and payable as established from the records of the insurance company holding or owing the funds.

(b) If a person other than the insured or annuitant is entitled to the funds and an address of the person is not known to the company or it is not definite and certain from the records of the company who is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the company.

(c) For purposes of this subtitle, a life or endowment insurance policy or annuity contract

not matured by actual proof of the death of the insured or annuitant according to the records of the company is matured and the proceeds due and payable if:

(1) The company knows that the insured or annuitant has died; or

(2) (i) The insured has attained, or would have attained if he were living, the limiting age under the mortality table on which the reserve is based;

(ii) The policy was in force at the time the insured attained, or would have attained, the limiting age specified in item (i) of this paragraph; and

(iii) Neither the insured nor any other person appearing to have an interest in the policy within the preceding [4] 3 years, according to the records of the company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to a loan, corresponded in writing with the company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the company.

(d) (1) “Unclaimed funds”, as defined in paragraph (2) of this subsection, held by a fire, casualty, or surety insurance corporation, shall be presumed abandoned if the last known address of the person entitled to the funds, according to the records of the corporation, is in this State. If a person other than the insured, the principal, or the claimant is entitled to the funds and the address of the person is not known to the corporation or if it is not definite and certain from the records of the corporation which person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured, the principal, or the claimant according to the records of the corporation.

(2) “Unclaimed funds”, as used in this subsection, means all money held by any fire, casualty, or surety insurance corporation unclaimed and unpaid for more than [4] 3 years after the money becomes due and payable, as established from the records of the corporation, either to an insured, a principal, or a claimant under any fire, casualty, or surety insurance policy or contract.

(e) Money otherwise payable according to the records of the corporation is considered due and payable although the policy or contract has not been surrendered as required.

(Over)

17-303.

The following funds held by any utility are presumed abandoned:

(1) Any deposit made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished in the State, less any lawful deduction, that has remained unclaimed by the person who appears on the records of the utility as entitled to it for more than [4] 3 years after the termination of the services for which the deposit or advance payment was made;

(2) Any sum which a utility has been ordered to refund and which was received for utility services rendered in the State, together with any interest on it, less any lawful deduction, that has remained unclaimed by the person appearing on the records of the utility as entitled to it for more than [4] 3 years after the date it became payable in accordance with the final determination or order providing for the refund; and

(3) Any sum paid to a utility for a utility service, which service has not been rendered within [4] 3 years of the payment.

17-304.

(a) Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held by a business association for or to a shareholder, certificate holder, member, bondholder or other security holder, or participating patron of a cooperative, who has not claimed it or corresponded in writing with the business association concerning it within [4] 3 years after the date prescribed for payment or delivery, is presumed abandoned if:

(1) It is held by a business association organized under the laws of or created in this State;

(2) It is held by a business association doing business in this State but not organized under the laws of this State, and the records of the business association indicate that the

last known address of the person entitled to it is in this State; or

(3) It is held by a business association not doing business in this State and not organized under the laws of this State, but the records of the business association indicate that the last known address of the person entitled to it is in this State.

(b) This section shall apply to the stock or other certificate of ownership on, for or from which the amounts described in subsection (a) of this section have been presumed abandoned if the owner of said underlying stock or certificate has not, within the [4-year] 3-YEAR period giving rise to the presumption of abandonment:

(1) Communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest; or

(2) Otherwise communicated with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(c) At the expiration of a [4-year] 3-YEAR period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least [4] 3 dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If [4] 3 dividends, distributions, or other sums are paid during the [4-year] 3-YEAR period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If [4] 3 dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been [4] 3 dividends, distributions, or other sums that have not been claimed by the owner.

(d) The running of the [4-year] 3-YEAR period of abandonment ceases immediately upon the occurrence of a communication referred to in subsection (b) of this section. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a

(Over)

subsequent dividend, distribution, or other sum became due and payable.

(e) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

(f) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within [4] 3 years communicated in any manner described in subsection (b) of this section.

(g) The holder of an interest under this section shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the administrator. Upon delivery of a duplicate certificate to the administrator, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with the provision of § 17-313 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the administrator, for any losses or damages resulting to any person by the issuance and delivery to the administrator of the duplicate certificate.

17-306.

All intangible personal property and any income or increment on it, held in a fiduciary capacity for the benefit of another person, is presumed abandoned unless, within [4] 3 years after it becomes payable or distributable, the owner has increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary.

17-307.

All intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this State or any political subdivision of it that has remained

unclaimed by the owner for more than [4] 3 years is presumed abandoned.

17-308.

(a) All unclaimed wages or outstanding payroll checks held or owing in the ordinary course of the holder's business, that have remained unclaimed by the owner for more than [4] 3 years after they became payable, are presumed abandoned.

(b) All intangible personal property, not otherwise covered by this title, including any income or increment on it and deducting any lawful charges, that is held or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than [4] 3 years after it became payable or distributable, is presumed abandoned.

(c) Property is payable or distributable for the purpose of this title notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.

(d) Property is reportable to this State under subsection (b) of this section under the priority rules established under § 17-301(c) of this subtitle.”.

AMENDMENT NO. 9

On page 7, in line 37, strike “16.” and substitute “21.”.

On page 8, strike in their entirety lines 3 and 4 and substitute:

“SECTION 22. AND BE IT FURTHER ENACTED, That Sections 2 through 11 and 14 through 19 of this Act shall take effect July 1, 2002.

SECTION 23. AND BE IT FURTHER ENACTED, That, except as otherwise provided in this Section, Section 16 of this Act shall be applicable to all taxable years beginning after December 31, 2001. The provisions of §§ 10-210.1 and 10-310 of the Tax - General Article as enacted under Section 16 of this Act shall be applicable to any taxable year to which the additional allowance for depreciation under § 168(k)(1)(A) of the Internal Revenue Code or the special 5-year

(Over)

net operating loss carryback period provided under § 172(b)(1)(H) of the Internal Revenue Code applies.

SECTION 24. AND BE IT FURTHER ENACTED, That Section 17 of this Act shall be applicable to any Act of Congress enacted on or after January 1, 2001 with respect to decedents dying after December 31, 2001.

SECTION 25. AND BE IT FURTHER ENACTED, That Section 18 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2004, with no further action required by the General Assembly, Section 18 of this Act shall be abrogated and of no further force or effect.

SECTION 26. AND BE IT FURTHER ENACTED, That Section 20 of this Act shall take effect July 1, 2003.

SECTION 27. AND BE IT FURTHER ENACTED, That, except as provided in Sections 22 through 26 of this Act, this Act shall take effect June 1, 2002.”.