

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 856

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute:

“Bridge to Excellence in Public Schools Act”.

On page 2, strike beginning with “requiring” in line 9 down through “date;” in line 10; and strike beginning with “repealing” in line 43 down through “schools;” in line 48.

On page 3, strike beginning with “repealing” in line 3 down through “litigation;” in line 5; and in line 9, after “City;” insert “providing for certain State grants for a certain fiscal year to the county boards of education and the New Baltimore City Board of School Commissioners; providing that certain provisions of this Act shall be null and void under certain circumstances; providing for a certain State grant for a certain fiscal year to the Prince George’s County Board of Education under certain circumstances; providing for certain State grants for a certain fiscal year under certain circumstances to certain local agencies for certain services for eligible infants and toddlers and their families; providing for certain State grants for a certain fiscal year under certain circumstances to certain eligible recipients for certain adult education and literacy services; providing that certain provisions of another Act regarding certain funding in the State budget for the Baltimore City Public Schools shall be null and void under certain circumstances; altering the tobacco tax rate for cigarettes; providing for the distribution of certain tobacco tax revenues for a certain fiscal year to a special fund, to be used only for certain purposes; requiring certain counties and Baltimore City to appropriate certain amounts received from the State under a certain grant for the school operating budget in addition to a certain minimum required local appropriation for education; providing for the effective dates of this Act;”.

On page 3, in line 30, strike “3-108.1 and”.

(Over)

On page 4, strike in their entirety lines 11 through 18, inclusive; in line 34, strike “4 and”.
AMENDMENT NO. 2

On pages 5 through 7, strike in their entirety the lines beginning with line 14 on page 5 through line 13 on page 7, inclusive.

AMENDMENT NO. 3

On page 9, in lines 22, 24, and 26, in each instance, strike “SHARE OF”.

On page 10, in line 15, strike “2003” and substitute “2004”; in the same line, strike “2006” and substitute “2008”; in lines 21, 22, 23, and 24, strike “0.25”, “0.45”, “0.65”, and “0.85”, respectively, and substitute “0.40”, “0.52”, “0.71”, and “0.83”, respectively; in lines 21, 22, 23, 24, and 25, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively.

On page 11, in lines 27, 28, 29, 30, and 31, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively.

On page 13, in lines 18, 19, 20, 21, and 22, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively; and in line 36, strike “2003, \$5,634” and substitute “2004, \$5,730”.

On page 17, strike beginning with “IN” in line 29 down through “(2)” in line 32; and after line 34, insert:

“(2) IN FISCAL YEAR 2005, THE STATE SHALL DISTRIBUTE A PARTNERSHIP GRANT OF \$21,139,524 TO THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.

“(3) IN FISCAL YEAR 2006, THE STATE SHALL DISTRIBUTE A PARTNERSHIP GRANT OF \$14,093,016 TO THE NEW BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS.”.

On page 18, in line 1, strike “STATE” and substitute “DEPARTMENT”; and strike beginning with “NO” in line 1 down through “2002” in line 2.

On page 21, strike in their entirety lines 10 and 11 and substitute:

“(B) FOR THE PURPOSE OF CALCULATING THE 2004 BASE GRANTS FOR STUDENT TRANSPORTATION TO COUNTY BOARDS, THE FOLLOWING AMOUNTS SHALL BE USED AS THE FISCAL YEAR 2003 BASE GRANT AMOUNTS:”.

On page 22, in line 34, strike beginning with “subsections” through “AND” and substitute “SUBSECTION”.

On page 23, in lines 1, 2, 3, 4, and 5, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively.

On page 33, in line 6, strike “YEARS 2003 AND” and substitute “YEAR”; and in line 19, strike “\$85,000” and substitute “\$65,000”.

On page 34, in line 4, strike “FISCAL YEAR 2003” and substitute “EACH OF FISCAL YEARS 2004 THROUGH 2007”; and in line 5, strike “75% OF”.

On page 35, in line 36, strike “0.33” and substitute “0.29”; and in the same line, strike “2003” and substitute “2004”.

On page 36, in lines 1, 2, and 3, strike “0.35”, “0.40”, and “0.45”, respectively, and substitute “0.37”, “0.41”, and “0.46”, respectively; and in lines 1, 2, 3, and 4, strike “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2005”, “2006”, “2007”, and “2008”, respectively.

On page 37, in lines 14, 15, 16, and 17, strike “0.33”, “0.35”, “0.40”, and “0.45”, respectively, and substitute “0.29”, “0.37”, “0.41”, and “0.46”, respectively; and in lines 14, 15, 16, 17, and 18, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively.

On page 39, in lines 1, 2, 3, and 4, strike “0.25”, “0.35”, “0.40”, and “0.45”, respectively, and substitute “0.29”, “0.37”, “0.41”, and “0.46”, respectively; and in lines 1, 2, 3, 4, and 5, strike “2003”, “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2004”, “2005”, “2006”, “2007”, and “2008”, respectively.

(Over)

On page 40, in line 28, strike “EACH YEAR” and substitute “FOR FISCAL YEAR 2005 AND EACH FISCAL YEAR THEREAFTER.”.

On page 41, strike line 5 in its entirety; in lines 6, 7, 8, and 9, strike “(2)”, “(3)”, “(4)”, and “(5)”, respectively, and substitute “(1)”, “(2)”, “(3)”, and “(4)”, respectively; in lines 6, 7, and 8, strike “0.40”, “0.60”, and “0.80”, respectively, and substitute “0.25”, “0.50”, and “0.75”, respectively; and in lines 6, 7, 8, and 9, strike “2004”, “2005”, “2006”, and “2007”, respectively, and substitute “2005”, “2006”, “2007”, and “2008”, respectively.

On page 47 in line 27, on page 48 in line 14, and on page 49 in line 11, in each instance, strike “75% OF”.

On page 51, in line 15, strike the brackets; in the same line, strike “2001 AND 2002”; in line 18, strike the brackets; and in the same line, strike “JULY 1, 2002”.

On page 52, in lines 7 and 8, in each instance, strike the brackets; and in lines 7 and 8, in each instance, strike “JUNE 30, 2002”.

On page 60, in lines 31 and 35, strike “2005” and “2007”, respectively, and substitute “2006” and “2008”, respectively.

On page 61 in line 36, and on page 62 in lines 5, 23, and 34, in each instance, strike “2006-2007” and substitute “2007-2008”.

On page 69, in line 8, strike “2003” and substitute “2004”; in the same line, strike “2006” and substitute “2007”; in line 10, strike “2003” and substitute “2004”; in the same line, strike “2006” and substitute “2007”; and in lines 13, 14, 15, and 16, strike “2003”, “2004”, “2005”, and “2006”, respectively, and substitute “2004”, “2005”, “2006”, and “2007”, respectively.

AMENDMENT NO. 4

On page 11, strike in their entirety lines 33 through 35, inclusive.

On page 12, in lines 1, 10, and 13, strike “(III)”, “(IV)”, and “(V)”, respectively, and substitute “(II)”, “(III)”, and “(IV)”, respectively; in line 3, strike “\$4,124” and substitute “\$624”; in

line 3, strike the colon and substitute "0.50."; strike in their entirety lines 4 through 9, inclusive; in line 10, strike "THREE" and substitute "TWO"; in line 11, strike "THROUGH (III)" and substitute "AND (II)"; and in line 13, strike "(IV)" and substitute "(III)".

AMENDMENT NO. 5

On page 13, in line 33, strike "PRODUCT OF 15% OF" and substitute "RESULT OBTAINED BY MULTIPLYING"; in line 34, strike "AND" and substitute "BY"; and in line 34, after "ENROLLMENT" insert ", AND MULTIPLYING THIS PRODUCT BY:

1. 0.25 IN FISCAL YEAR 2004;
2. 0.24 IN FISCAL YEAR 2005;
3. 0.22 IN FISCAL YEAR 2006;
4. 0.19 IN FISCAL YEAR 2007; AND
5. 0.15 IN FISCAL YEAR 2008 AND EACH FISCAL YEAR

THEREAFTER".

AMENDMENT NO. 6

On page 17, in line 35, after "(1)" insert "FOR FISCAL YEAR 2004, THE STATE SHARE OF THE FOUNDATION PROGRAM SHALL BE ADJUSTED TO REFLECT REGIONAL DIFFERENCES IN THE COST OF EDUCATION THAT ARE DUE TO FACTORS OUTSIDE THE CONTROL OF LOCAL JURISDICTIONS, BY INCREASING THE STATE SHARE OF THE FOUNDATION PROGRAM OTHERWISE DETERMINED FOR THE FOLLOWING COUNTIES BY:

- (I) 1% FOR ANNE ARUNDEL COUNTY;
- (II) 3% FOR BALTIMORE CITY;
- (III) 3% FOR HOWARD COUNTY; AND

(Over)

(IV) 4% FOR MONTGOMERY COUNTY.

(2)".

On page 18, in line 1, strike "(2)" and substitute "(3)".

AMENDMENT NO. 7

On page 35, in line 21, after "(3)" insert "(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH."; strike beginning with "WHO" in line 22 down through "SECOND" in line 23 and substitute "FOR THE"; and after line 23, insert:

"(II) FOR FISCAL YEAR 2004, "COMPENSATORY EDUCATION ENROLLMENT COUNT" MEANS THE GREATER OF:

1. THE NUMBER OF STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS FOR THE PRIOR FISCAL YEAR; OR

2. THE NUMBER OF STUDENTS ELIGIBLE FOR FREE OR REDUCED PRICE MEALS FOR THE SECOND PRIOR FISCAL YEAR."

On page 37, in line 1, after "(5)" insert "(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH."; strike beginning with "WHO" in line 2 down through "SECOND" in line 3 and substitute "FOR THE"; and after line 3, insert:

"(II) FOR FISCAL YEAR 2004, "LEP ENROLLMENT COUNT" MEANS THE GREATER OF:

1. THE NUMBER OF STUDENTS WITH LIMITED ENGLISH PROFICIENCY FOR THE PRIOR FISCAL YEAR; OR

2. THE NUMBER OF STUDENTS WITH LIMITED ENGLISH PROFICIENCY FOR THE SECOND PRIOR FISCAL YEAR."

On page 38, in line 23, after "(5)" insert "(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH."; strike beginning with "WHO" in line 24 down

through "SECOND" in line 25 and substitute "FOR THE"; in lines 27, 28, and 29, strike "(I)", "(II)", and "(III)", respectively, and substitute "1.", "2.", and "3.", respectively; and after line 29, insert:

"(II) FOR FISCAL YEAR 2004, "SPECIAL EDUCATION ENROLLMENT COUNT" MEANS THE GREATER OF:

1. THE NUMBER OF SPECIAL EDUCATION STUDENTS FOR THE PRIOR FISCAL YEAR; OR

2. THE NUMBER OF SPECIAL EDUCATION STUDENTS FOR THE SECOND PRIOR FISCAL YEAR."

AMENDMENT NO. 8

On page 36, after line 26, insert:

"(D) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (C)(4) OF THIS SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM COMPENSATORY EDUCATION GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE STATE SHALL DISTRIBUTE AN ADDITIONAL GRANT TO THE COUNTY IN THE AMOUNT BY WHICH THE MINIMUM COMPENSATORY EDUCATION GRANT AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (C)(4) OF THIS SECTION.

(2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE MINIMUM COMPENSATORY EDUCATION GRANT AMOUNT FOR EACH COUNTY IS THE RESULT OBTAINED BY MULTIPLYING THE COMPENSATORY EDUCATION PER PUPIL AMOUNT BY THE COUNTY'S COMPENSATORY EDUCATION ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY:

(I) 0.50 FOR FISCAL YEAR 2004;

(II) 0.66 FOR FISCAL YEAR 2005;

(Over)

(III) 0.70 FOR FISCAL YEAR 2006;

(IV) 0.76 FOR FISCAL YEAR 2007; AND

(V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR
THEREAFTER.”.

On page 37, strike in their entirety lines 23 and 24 and substitute:

“(11) “TIER I LEP FUNDING” MEANS:

(I) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR
THEREAFTER, \$0; AND

(II) FOR FISCAL YEARS 2004 THROUGH 2007, THE RESULT
OBTAINED BY MULTIPLYING \$1,350 BY THE STATEWIDE LEP ENROLLMENT COUNT,
AND MULTIPLYING THIS PRODUCT BY:

1. 1.0 FOR FISCAL YEAR 2004;

2. 0.75 FOR FISCAL YEAR 2005;

3. 0.50 FOR FISCAL YEAR 2006; AND

4. 0.25 FOR FISCAL YEAR 2007.”;

in line 30, after “(B)” insert “(1)”; in the same line, strike “EACH YEAR” and substitute “FOR
FISCAL YEARS 2004 THROUGH 2007”; after line 31, insert:

“(2) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER,
THE STATE SHALL DISTRIBUTE TIER II LEP GRANTS TO COUNTY BOARDS.”;

in line 32, after “(C)” insert “(1) FOR FISCAL YEARS 2004 THROUGH 2007.”; in line 33, strike
“PRODUCT OF” and substitute “RESULT OBTAINED BY MULTIPLYING”; in the same line,

strike "AND" and substitute "BY"; and in line 34, after "COUNT" insert ", AND MULTIPLYING THIS PRODUCT BY:

- (I) 1.0 FOR FISCAL YEAR 2004;
- (II) 0.75 FOR FISCAL YEAR 2005;
- (III) 0.50 FOR FISCAL YEAR 2006; AND
- (IV) 0.25 FOR FISCAL YEAR 2007.

(2) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER, THE STATE MAY NOT MAKE TIER I LEP GRANTS TO COUNTY BOARDS."

On page 38, after line 12, insert:

"(E) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(4) OF THIS SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM TIER II LEP GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE STATE SHALL DISTRIBUTE AN ADDITIONAL GRANT TO THE COUNTY IN THE AMOUNT BY WHICH THE MINIMUM TIER II LEP GRANT AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (D)(4) OF THIS SECTION.

(2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE MINIMUM TIER II LEP GRANT AMOUNT FOR EACH COUNTY IS THE RESULT OBTAINED BY MULTIPLYING THE TIER II LEP PER PUPIL AMOUNT BY THE COUNTY'S LEP ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY:

- (I) 0.50 FOR FISCAL YEAR 2004;
- (II) 0.66 FOR FISCAL YEAR 2005;
- (III) 0.70 FOR FISCAL YEAR 2006;

(Over)

(IV) 0.76 FOR FISCAL YEAR 2007; AND

(V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR
THEREAFTER.”.

On page 39, after line 33, insert:

“(D) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (C)(4) OF THIS SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM TIER II SPECIAL EDUCATION GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE STATE SHALL DISTRIBUTE AN ADDITIONAL GRANT TO THE COUNTY IN THE AMOUNT BY WHICH THE MINIMUM TIER II SPECIAL EDUCATION GRANT AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (C)(4) OF THIS SECTION.

(2) FOR PURPOSES OF PARAGRAPH (1) OF THIS SUBSECTION, THE MINIMUM TIER II SPECIAL EDUCATION GRANT AMOUNT FOR EACH COUNTY IS THE RESULT OBTAINED BY MULTIPLYING THE TIER II SPECIAL EDUCATION PER PUPIL AMOUNT BY THE COUNTY’S COMPENSATORY EDUCATION ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY:

(I) 0.50 FOR FISCAL YEAR 2004;

(II) 0.66 FOR FISCAL YEAR 2005;

(III) 0.70 FOR FISCAL YEAR 2006;

(IV) 0.76 FOR FISCAL YEAR 2007; AND

(V) 0.80 FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR
THEREAFTER.”.

AMENDMENT NO. 9

On page 10, in line 27, strike “(i)”.

On pages 10 and 11, strike in their entirety the lines beginning with line 32 on page 10 through line 2 on page 11, inclusive.

On page 12, strike beginning with “INCLUDES” in line 22 down through “SHARES” in line 26 and substitute “MEANS ALL PROPERTY CLASSIFIED AS PERSONAL PROPERTY UNDER § 8-101(C) OF THE TAX - PROPERTY ARTICLE”; and strike beginning with “includes” in line 27 down through “Taxation” in line 32 and substitute “MEANS ALL PROPERTY CLASSIFIED AS REAL PROPERTY UNDER § 8-101(B) OF THE TAX - PROPERTY ARTICLE”.

On page 13, in line 5, after “VALUE” insert “FOR COUNTY PURPOSES”.

On page 14, after line 11, insert:

“(II) 100 PERCENT OF THE ASSESSED VALUE OF THE OPERATING REAL PROPERTY OF PUBLIC UTILITIES;”;

and in lines 12 and 13, strike “(ii)” and “(iii)”, respectively, and substitute “(III)” and “(IV)”, respectively.

AMENDMENT NO. 10

On pages 70 through 75, strike in their entirety the lines beginning with line 3 on page 70 through line 13 on page 75, inclusive.

On page 77, strike in their entirety lines 3 through 6, inclusive.

On page 80, in lines 6 and 25, in each instance, strike “2002” and substitute “2003”.

On page 81, in line 15, strike “2003” and substitute “2007”; and in lines 20 and 23, in each instance, strike “2006” and substitute “2007”.

AMENDMENT NO. 11

On page 81, after line 12, insert:

“SECTION 11. AND BE IT FURTHER ENACTED, That, in addition to any other State aid to local public education, the State shall provide unrestricted grants for public education for fiscal year 2003 to the county boards of education and the New Baltimore City Board of School Commissioners in the following amounts:

<u>Allegany</u>	<u>\$2,890,661</u>
<u>Anne Arundel</u>	<u>1,368,568</u>
<u>Baltimore City</u>	<u>18,684,668</u>
<u>Baltimore</u>	<u>2,087,705</u>
<u>Calvert</u>	<u>793,974</u>
<u>Caroline</u>	<u>929,352</u>
<u>Carroll</u>	<u>936,689</u>
<u>Cecil</u>	<u>900,472</u>
<u>Charles</u>	<u>1,278,854</u>
<u>Dorchester</u>	<u>408,720</u>
<u>Frederick</u>	<u>1,912,848</u>
<u>Garrett</u>	<u>312,282</u>
<u>Harford</u>	<u>1,811,353</u>
<u>Howard</u>	<u>1,849,594</u>
<u>Kent</u>	<u>120,310</u>
<u>Montgomery</u>	<u>7,586,129</u>
<u>Prince George’s</u>	<u>12,527,220</u>
<u>Queen Anne’s</u>	<u>105,717</u>
<u>St. Mary’s</u>	<u>496,593</u>
<u>Somerset</u>	<u>556,384</u>
<u>Talbot</u>	<u>1,009,900</u>
<u>Washington</u>	<u>1,181,006</u>
<u>Wicomico</u>	<u>1,410,573</u>
<u>Worcester</u>	<u>1,497,263</u>

SECTION 12. AND BE IT FURTHER ENACTED, That:

(a) If Chapter (H.B. 949) of the Acts of the General Assembly of 2002 is enacted:

(1) Any provisions of this Act that are in conflict with the provisions of Chapter _____ (H.B. 949) shall be null and void without the necessity of further action by the General Assembly; and

(2) In addition to any other State aid to local public education, the State shall provide, subject to subsection (b) of this section, an unrestricted grant for public education for fiscal year 2003 only to the Prince George's County Board of Education in an amount equal to \$10,000,000.

(b) The State Superintendent of Schools may not release the supplemental grant under this section to the Prince George's County Board of Education until:

(1) The Prince George's County Board of Education develops and submits to the State Department of Education a comprehensive master plan that meets the requirements of § 5-401 of the Education Article as enacted under Section 2 of this Act; and

(2) The State Superintendent has determined that the comprehensive master plan will have the effect of improving student achievement and increasing progress toward meeting State performance standards.

SECTION 13. AND BE IT FURTHER ENACTED, That, if Chapter _____ (S.B. 419/H.B.371) of the Acts of the General Assembly of 2002 is enacted, the State shall provide grants for fiscal year 2003 to local lead agencies in the counties and Baltimore City under the Maryland Infants and Toddlers Program as follows:

<u>Allegany</u>	<u>\$ 75,618</u>
<u>Anne Arundel</u>	<u>479,666</u>
<u>Baltimore City</u>	<u>747,150</u>
<u>Baltimore</u>	<u>636,238</u>
<u>Calvert</u>	<u>45,709</u>
<u>Caroline</u>	<u>24,265</u>
<u>Carroll</u>	<u>116,813</u>
<u>Cecil</u>	<u>53,045</u>

(Over)

<u>Charles</u>	<u>69,410</u>
<u>Dorchester</u>	<u>38,373</u>
<u>Frederick</u>	<u>207,667</u>
<u>Garrett</u>	<u>15,236</u>
<u>Harford</u>	<u>291,750</u>
<u>Howard</u>	<u>264,663</u>
<u>Kent</u>	<u>4,515</u>
<u>Montgomery</u>	<u>838,183</u>
<u>Prince George's</u>	<u>536,661</u>
<u>Queen Anne's</u>	<u>23,701</u>
<u>St. Mary's</u>	<u>71,668</u>
<u>Somerset</u>	<u>7,336</u>
<u>Talbot</u>	<u>15,236</u>
<u>Washington</u>	<u>104,398</u>
<u>Wicomico</u>	<u>82,954</u>
<u>Worcester</u>	<u>17,494</u>

SECTION 14. AND BE IT FURTHER ENACTED, That, if Chapter _____ (S.B. 737/H.B. 910) of the Acts of the General Assembly of 2002 is enacted, the State shall provide grants for fiscal year 2003 for adult education and literacy services for eligible recipients, to be allocated among the counties and Baltimore City as follows:

<u>Allegany</u>	<u>\$ 25,387</u>
<u>Anne Arundel</u>	<u>89,383</u>
<u>Baltimore City</u>	<u>152,492</u>
<u>Baltimore</u>	<u>172,578</u>
<u>Calvert</u>	<u>22,930</u>
<u>Caroline</u>	<u>4,330</u>
<u>Carroll</u>	<u>35,782</u>
<u>Cecil</u>	<u>14,410</u>
<u>Charles</u>	<u>61,921</u>
<u>Dorchester</u>	<u>7,319</u>
<u>Frederick</u>	<u>35,170</u>
<u>Garrett</u>	<u>6,028</u>

<u>Harford</u>	<u>35,584</u>
<u>Howard</u>	<u>57,182</u>
<u>Kent</u>	<u>3,871</u>
<u>Montgomery</u>	<u>134,114</u>
<u>Prince George's</u>	<u>143,579</u>
<u>Queen Anne's</u>	<u>8,956</u>
<u>St. Mary's</u>	<u>10,388</u>
<u>Somerset</u>	<u>8,414</u>
<u>Talbot</u>	<u>4,031</u>
<u>Washington</u>	<u>36,038</u>
<u>Wicomico</u>	<u>19,662</u>
<u>Worcester</u>	<u>10,471</u>

SECTION 15. AND BE IT FURTHER ENACTED, That, if Chapter (S.B. 687/H.B. 853) of the Acts of the General Assembly of 2002 is enacted, Sections 2 through 4 of Chapter (S.B. 687/H.B. 853) shall be null and void without the necessity of further action by the General Assembly.

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

Article - Tax - General

12-105.

(a) The tobacco tax rate for cigarettes is:

(1) [33] 50 cents for each package of 10 or fewer cigarettes;

(2) [66 cents] \$1.00 for each package of at least 11 and not more than 20 cigarettes;

(3) [3.3] 5.0 cents for each cigarette in a package of more than 20 cigarettes;

and

(Over)

- (4) [3.3] 5.0 cents for each cigarette in a package of free sample cigarettes.

SECTION 17. AND BE IT FURTHER ENACTED, That all cigarettes used, possessed, or held in the State on or after June 1, 2002 by any person for sale or use in the State shall be subject to the full tobacco tax of \$1.00 on cigarettes imposed by this Act. This requirement includes: (1) cigarettes in vending machines or other mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock") in packages which already bear stamps issued by the Comptroller under the State Tobacco Tax Act but for an amount less than the full tax imposed of 50 cents for each 10 cigarettes or fractional part thereof; all cigarettes held for sale by any person in the State on or after June 1, 2002 that bear a tax stamp issued by the Comptroller of a value less than \$1.00 for each pack of 20 cigarettes must be stamped with the additional stamps necessary to make the aggregate value equal to \$1.00. In lieu of the additional stamps necessary to make the aggregate tax value equal to \$1.00 the Comptroller may provide an alternate method of collecting the additional tax. The revenue attributable to this requirement shall be remitted to the Comptroller by September 30, 2002. Except as provided above, on and after June 1, 2002, no Maryland stamp shall be used except the stamp issued by the Comptroller to evidence the tobacco tax on cigarettes of \$1.00 imposed by this Act.

SECTION 18. AND BE IT FURTHER ENACTED, That:

- (a) In this section, "Special Fund" means the special fund established under this section.
- (b) (1) A Special Fund is established to dedicate certain tobacco tax revenues for education aid purposes as provided in this section.
- (2) The Special Fund is a continuing, nonlapsing fund which is not subject to § 7-302 of the State Finance and Procurement Article.
- (3) The Special Fund consists of the tobacco tax revenues distributed to the Fund under subsection (c) of this section.
- (4) The Treasurer shall separately hold, and the Comptroller shall account for, the Special Fund.

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

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

(c) Notwithstanding § 2-1603 of the Tax - General Article or any other provision of law, for fiscal year 2003 only, after making the distributions required under §§ 2-1601 and 2-1602 of the Tax - General Article, from the remaining tobacco tax revenue, the Comptroller shall distribute:

(1) \$78,524,611 to the Special Fund; and

(2) The remaining balance to the General Fund of the State.

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

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

(i) \$62,656,835 may be used to make grants for fiscal year 2003 to county boards of education and the New Baltimore City Board of School Commissioners as provided under Section 11 of this Act;

(ii) If Chapter _____ (H.B. 949) of the Acts of the General Assembly of 2002 is enacted, \$10,000,000 may be used to make a grant for fiscal year 2003 to the Prince George's County Board of Education as provided under Section 12 of this Act;

(iii) If Chapter _____ (S.B. 419/H.B.371) of the Acts of the General Assembly of 2002 is enacted, \$4,767,749 may be used to make grants for fiscal year 2003 to local lead agencies in the counties and Baltimore City under the Maryland Infants and Toddlers Program as provided under Section 13 of this Act; and

(Over)

(iv) If Chapter _____ (S.B. 737/H.B. 910) of the Acts of the General Assembly of 2002 is enacted, \$1,100,020 may be used to make grants for fiscal year 2003 for adult education and literacy services as provided under Section 14 of this Act.

(3) (i) If Chapter _____ (H.B. 949) of the Acts of the General Assembly of 2002 is not enacted, \$10,000,000 from the Special Fund shall be transferred to the General Fund of the State.

(ii) If Chapter _____ (S.B. 419/H.B.371) of the Acts of the General Assembly of 2002 is not enacted, \$4,767,749 from the Special Fund shall be transferred to the General Fund of the State.

(iii) If Chapter _____ (S.B. 737/H.B. 910) of the Acts of the General Assembly of 2002 is not enacted, \$1,100,020 from the Special Fund shall be transferred to the General Fund of the State.

SECTION 19. AND BE IT FURTHER ENACTED, That, in addition to the local appropriation to the school operating budget that the county governing body is required to make under § 5-202(b)(3) of the Education Article, of the amounts received from the State as a county income tax disparity grant under Article 24, § 9-1101 of the Code, for fiscal year 2003 the following counties and Baltimore City shall appropriate at least the following amounts to the school operating budget:

<u>Allegany</u>	<u>\$ 497,884</u>
<u>Baltimore City</u>	<u>4,326,695</u>
<u>Caroline</u>	<u>140,125</u>
<u>Garrett</u>	<u>10,626</u>
<u>Prince George's</u>	<u>5,325,793</u>
<u>Somerset</u>	<u>164,435</u>
<u>Washington</u>	<u>876,584</u>
<u>Wicomico</u>	<u>562,430</u> ".

On page 81, before line 13, insert:

“SECTION 20. AND BE IT FURTHER ENACTED, That:

(a) Except as provided in subsection (b) of this section, Sections 1 and 2 of this Act shall take effect July 1, 2003.

(b) The changes to § 5-104 of the Education Article as enacted under Section 2 of this Act shall take effect July 1, 2002 and shall be applicable to all taxable years beginning after June 30, 2003.

(c) On or before September 30, 2002, the Prince George’s County Board of Education shall develop and submit to the State Department of Education a comprehensive master plan that meets the requirements of § 5-401 of the Education Article as enacted under Section 2 of this Act.

(d) On or before September 30, 2002, the State Department of Education shall contract with a private entity to conduct the study required under § 5-202(f)(2) of the Education Article as enacted under Section 2 of this Act.”;

in lines 13, 16, 19, 21, and 24, strike “11.”, “12.”, “13.”, “14.”, and “15.”, respectively, and substitute “21.”, “22.”, “23.”, “24.”, and “25.”, respectively; and in line 25, strike “Section 13” and substitute “Sections 20 and 23”.