

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 1
Ways and Means

(Delegate Hixson, *et al.*)

Budget and Taxation

Commission on Maryland's Fiscal Structure

This emergency bill establishes a 17-member Commission on Maryland's Fiscal Structure to review and evaluate the State's current budget and fiscal structure. The commission must submit an interim report of its preliminary findings and recommendations to the Governor and the General Assembly by December 15, 2002, and a final report by September 1, 2003. Staff support for the commission must be provided by the Department of Legislative Services (DLS), the Department of Business and Economic Development (DBED), and the Comptroller's Office.

Fiscal Summary

State Effect: None. Any expense reimbursements for commission members and staffing costs for DLS, DBED, and the Comptroller's Office are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Each year the Spending Affordability Committee recommends to the Governor and General Assembly a level of spending for the State's operating budget that is reflective of the current and prospective condition of the State's economy. DLS staffs the committee and prepares numerous reports on the State's revenue and expenditure outlooks.

Background: The fiscal 2003 State budget totals \$22 billion, of which \$11 billion is general funds, \$6 billion is special and higher education funds, and \$5 billion is federal funds. Personal income taxes provide 53% of general fund revenues, and sales and use taxes provide 28% of general fund revenues. The State lottery is the third largest general fund revenue source providing 4% of revenues.

State Fiscal Effect: Unlike the other two staffing agencies (DLS and the Comptroller's Office), DBED contends that consultants and an intern at a cost of \$95,000 would be needed to provide additional expertise to the commission. DLS advises that external consultants are not needed to provide relevant information to the commission.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Department of Business and Economic Development, Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2002
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