

SENATE BILL 704

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Q3

2003 Regular Session
3r2216

By: **Senator Klausmeier**

Introduced and read first time: February 20, 2003

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Homeland Security Trust Fund - Income Tax Checkoff**

3 FOR the purpose of establishing the Maryland Homeland Security Trust Fund within
4 the Maryland Emergency Management Agency (MEMA) to be used to provide
5 grants to purchase equipment for police, fire, rescue, and emergency medical
6 services; requiring that all expenditures from the Fund be made only through
7 an appropriation in the annual State budget or through an approved budget
8 amendment; requiring the Director of MEMA to adopt certain regulations;
9 requiring the Director to submit a certain report each year to the General
10 Assembly on the administration of the Fund; requiring the Comptroller to
11 include a checkoff on individual income tax return forms for voluntary
12 contributions to the Fund and to include certain information in each individual
13 income tax return package; requiring the Comptroller to collect and account for
14 contributions made through the checkoff system and to credit the proceeds to
15 the Fund after deducting the amount necessary to administer the checkoff;
16 providing for the application of this Act; and generally relating to the Maryland
17 Homeland Security Trust Fund and an income tax checkoff for contributions to
18 the Fund.

19 BY adding to
20 Article - Public Safety
21 Section 14-112.1
22 Annotated Code of Maryland
23 (As enacted by Chapter ____ (S.B. 1) of the Acts of the General Assembly of 2003)

24 BY adding to
25 Article - Tax - General
26 Section 2-112 and 10-804(h)
27 Annotated Code of Maryland
28 (1997 Replacement Volume and 2002 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
30 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Public Safety**

2 14-112.1.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "FUND" MEANS THE MARYLAND HOMELAND SECURITY TRUST FUND
6 ESTABLISHED UNDER THIS SECTION.

7 (3) "INCOME TAX CHECKOFF SYSTEM" MEANS THE CHECKOFF SYSTEM
8 ESTABLISHED UNDER § 2-112 OF THE TAX - GENERAL ARTICLE.

9 (B) (1) THERE IS A MARYLAND HOMELAND SECURITY TRUST FUND.

10 (2) THE NET PROCEEDS FROM CONTRIBUTIONS UNDER THE INCOME
11 TAX CHECKOFF SYSTEM AND ANY OTHER DONATIONS TO THE FUND SHALL BE
12 CREDITED TO THE FUND.

13 (3) THE DIRECTOR SHALL ADMINISTER THE FUND.

14 (4) THE FUND SHALL BE USED ONLY FOR THE PURCHASE OF
15 EQUIPMENT FOR POLICE, FIRE, RESCUE, AND EMERGENCY MEDICAL SERVICES AS
16 PROVIDED IN SUBSECTION (C) OF THIS SECTION.

17 (5) THE FUND SHALL BE MAINTAINED FOR THE PURPOSES STATED IN
18 THIS SECTION AND UNSPENT PORTIONS OF THE FUND SHALL REMAIN IN THE FUND
19 AND MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

20 (6) MONEYS EXPENDED FROM THE FUND FOR EQUIPMENT FOR POLICE,
21 FIRE, RESCUE, AND EMERGENCY MEDICAL SERVICES ARE SUPPLEMENTAL AND ARE
22 NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT WOULD OTHERWISE BE
23 APPROPRIATED FOR EQUIPMENT FOR POLICE, FIRE, RESCUE, AND EMERGENCY
24 MEDICAL SERVICES.

25 (7) ALL EXPENDITURES FROM THE FUND SHALL BE MADE ONLY IN
26 ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE GENERAL ASSEMBLY IN
27 THE ANNUAL STATE BUDGET OR THROUGH AN APPROVED BUDGET AMENDMENT
28 UNDER §§ 7-209 AND 7-210 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

29 (C) (1) THE DIRECTOR MAY DISTRIBUTE NOT MORE THAN 5% OF THE NET
30 PROCEEDS OF THE FUND TO A PROMOTIONAL ACCOUNT TO BE USED TO PROMOTE
31 FURTHER DONATIONS TO THE FUND.

32 (2) AFTER MAKING THE DISTRIBUTION ALLOWED UNDER PARAGRAPH
33 (1) OF THIS SUBSECTION, THE DIRECTOR SHALL USE THE REMAINDER OF THE NET
34 PROCEEDS OF THE FUND ONLY TO PROVIDE GRANTS TO THE STATE POLICE OR TO
35 ELIGIBLE POLITICAL SUBDIVISIONS TO PURCHASE EQUIPMENT FOR POLICE, FIRE,
36 RESCUE, AND EMERGENCY MEDICAL SERVICES.

1 (D) (1) ON OR BEFORE AUGUST 31 OF EACH YEAR, THE DIRECTOR SHALL
2 SUBMIT A REPORT TO THE GENERAL ASSEMBLY, PURSUANT TO § 2-1246 OF THE
3 STATE GOVERNMENT ARTICLE, ON THE ADMINISTRATION OF THE MARYLAND
4 HOMELAND SECURITY TRUST FUND.

5 (2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

6 (I) THE GROSS AMOUNT OF DONATIONS TO THE FUND THROUGH
7 THE INCOME TAX CHECKOFF SYSTEM AND OTHERWISE;

8 (II) THE COSTS OF ADMINISTRATION BY THE COMPTROLLER OF
9 THE INCOME TAX CHECKOFF SYSTEM;

10 (III) A DESCRIPTION OF PROMOTIONAL EFFORTS UNDERTAKEN
11 WITH MONEY FROM THE FUND; AND

12 (IV) A DETAILED ACCOUNTING OF THE USE OF THE FUND.

13 (E) THE DIRECTOR SHALL ADOPT REGULATIONS TO IMPLEMENT A
14 HOMELAND SECURITY GRANT PROGRAM UNDER THIS SECTION.

15 **Article - Tax - General**

16 2-112.

17 (A) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME
18 TAX RETURN FORM A CHECKOFF DESIGNATED AS THE "MARYLAND HOMELAND
19 SECURITY TRUST FUND CONTRIBUTION".

20 (2) THE CHECKOFF SHALL STATE THAT:

21 (I) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT
22 RETURN, MAY CONTRIBUTE TO THE MARYLAND HOMELAND SECURITY TRUST FUND
23 THE AMOUNT DESIGNATED BY THE INDIVIDUAL; AND

24 (II) 1. THE INDIVIDUAL SHALL DEDUCT THE AMOUNT OF THE
25 CONTRIBUTION FROM ANY REFUND TO WHICH THE INDIVIDUAL IS ENTITLED; OR

26 2. IF THE INDIVIDUAL IS NOT ENTITLED TO A REFUND, THE
27 INDIVIDUAL SHALL ADD THE AMOUNT OF THE CONTRIBUTION TO THE INCOME TAX
28 TO BE PAID WITH THE RETURN.

29 (3) THE COMPTROLLER SHALL INCLUDE, WITH THE INDIVIDUAL
30 INCOME TAX RETURN PACKAGE, A DESCRIPTION OF THE PURPOSES FOR WHICH THE
31 MARYLAND HOMELAND SECURITY TRUST FUND WAS ESTABLISHED AND THE
32 PURPOSES FOR WHICH THE FUND MAY BE USED.

33 (B) THE COMPTROLLER SHALL:

1 (1) COLLECT THE CHECKOFF CONTRIBUTIONS AND ACCOUNT TO THE
2 STATE TREASURER FOR THE MONEY COLLECTED;

3 (2) FROM THE CONTRIBUTIONS COLLECTED, DISTRIBUTE THE AMOUNT
4 NECESSARY TO ADMINISTER THE CHECKOFF SYSTEM TO AN ADMINISTRATIVE COST
5 ACCOUNT; AND

6 (3) AFTER THE DISTRIBUTION UNDER ITEM (2) OF THIS SUBSECTION,
7 DISTRIBUTE THE REMAINDER OF THE MONEY COLLECTED UNDER THIS SUBSECTION
8 TO THE MARYLAND HOMELAND SECURITY TRUST FUND ESTABLISHED UNDER §
9 14-112.1 OF THE PUBLIC SAFETY ARTICLE.

10 10-804.

11 (H) AN INDIVIDUAL MAY DESIGNATE A CONTRIBUTION TO THE MARYLAND
12 HOMELAND SECURITY TRUST FUND, ESTABLISHED UNDER § 14-112.1 OF THE PUBLIC
13 SAFETY ARTICLE, BY THE CHECKOFF SYSTEM ON THE RETURN.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2003 and shall be applicable to all taxable years beginning after December
16 31, 2002.