

HOUSE BILL 870

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B1

2004 Regular Session
4r1004
CF 4r1003

By: **The Speaker and the Minority Leader (By Request - Administration)**
Introduced and read first time: February 9, 2004
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Fund Transfers Act of 2004**

3 FOR the purpose of altering the distribution of certain revenues for certain years;
4 requiring the Governor to transfer to the General Fund certain amounts from
5 certain special funds for certain fiscal years; requiring certain proceeds from the
6 sales of certain assets to be deposited to the General Fund; authorizing the use
7 of certain special funds for certain purposes; making the provisions of this Act
8 severable; and generally relating to the transfer of certain funds for certain
9 fiscal years.

10 BY repealing and reenacting, with amendments,
11 Article - Tax - General
12 Section 2-606, 2-614, and 2-615
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2003 Supplement)

15 BY adding to
16 Article - Tax - General
17 Section 2-613.1
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Tax - Property
22 Section 13-209(c)
23 Annotated Code of Maryland
24 (2001 Replacement Volume and 2003 Supplement)

25 BY repealing and reenacting, with amendments,
26 Chapter 203 of the Acts of the General Assembly of 2003
27 Section 16

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

3 **Article - Tax - General**

4 2-606.

5 (a) After making the distributions required under §§ 2-604 and 2-605 of this
6 subtitle, from the remaining income tax revenue from individuals, the Comptroller
7 shall distribute to an unallocated individual revenue account the income tax revenue:

8 (1) with respect to which an income tax return is not filed; and

9 (2) that is attributable to:

10 (i) income tax withheld from salary, wages, or other compensation
11 for personal services under Title 10 of this article; or

12 (ii) estimated income tax payments by individuals.

13 (b) (1) In June of each year, from current collections, the Comptroller shall
14 RESERVE AN AMOUNT OF UNALLOCATED REVENUE THAT THE COMPTROLLER
15 ESTIMATES WILL BE CLAIMED ON RETURNS AND REFUNDED TO TAXPAYERS WITHIN
16 3 YEARS OF THE DATE THE INCOME TAX RETURN WAS DUE TO BE FILED, AND
17 distribute to each county, municipal corporation, and special taxing district a pro rata
18 share of THE BALANCE OF THE unallocated individual income tax revenue[

19 (i) with respect to which an income tax return was not filed within
20 3 years after the date the income tax return was due to be filed; and

21 (ii) that was received during the calendar year ending 42 months
22 before the distribution date].

23 (2) The Comptroller shall adjust the amount distributed under
24 paragraph (1) of this subsection to a county, municipal corporation, or special taxing
25 district to allow for the proportionate part of tax claim payments for a prior calendar
26 year made after a distribution is made to the county, municipal corporation, or special
27 taxing district for that year.

28 (c) (1) To compute the pro rata share for a county, the Comptroller shall:

29 (i) compute the amount equal to the product of multiplying the
30 unallocated individual income tax revenue by a fraction:

31 1. the numerator of which is the income tax for the county
32 collected for a calendar year; and

33 2. the denominator of which is the total income tax from
34 individuals collected for that year; and

1 (ii) reduce the amount computed under item (i) of this paragraph by
2 the pro rata share computed under paragraph (2) of this subsection for municipal
3 corporations and special taxing districts that are located in the county.

4 (2) To compute the pro rata share for a municipal corporation or special
5 taxing district, the Comptroller shall compute the amount equal to the product of
6 multiplying the pro rata share for a calendar year for the county where the municipal
7 corporation or district is located by a fraction:

8 (i) the numerator of which is the amount distributed under §
9 2-607 of this subtitle to that municipal corporation or special taxing district for that
10 year; and

11 (ii) the denominator of which is the total income tax for that county
12 collected for that year.

13 2-613.1.

14 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER § 2-613 OF THIS
15 SUBTITLE, FROM THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS,
16 THE COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER
17 THE LAWS PERTAINING TO THE INCOME TAX REVENUE FROM CORPORATIONS THAT
18 IS DISTRIBUTED TO THE TRANSPORTATION TRUST FUND TO AN ADMINISTRATIVE
19 COST ACCOUNT.

20 2-614.

21 After making the [distribution] DISTRIBUTIONS required under [§ 2-613] §§
22 2-613 AND 2-613.1 of this subtitle, the Comptroller shall distribute monthly 24% of the
23 remaining income tax revenue from corporations to the Gasoline and Motor Vehicle
24 Revenue Account in the Transportation Trust Fund.

25 2-615.

26 After making the distributions required under §§ 2-613 [and] THROUGH 2-614
27 of this subtitle, the Comptroller shall distribute the remaining income tax revenue
28 from corporations to the General Fund of the State.

29 **Article - Tax - Property**

30 13-209.

31 (c) (1) Subject to subsection (e) of this section, of the balance of the revenue
32 in the special fund, not required under subsection (b) of this section:

33 (i) for the fiscal year beginning July 1, 2002, \$47,268,585 shall be
34 allocated to the General Fund of the State and the remainder shall be allocated as
35 provided in subsection (d) of this section;

1 (ii) for the fiscal year beginning July 1, 2003, \$102,833,869 shall be
2 allocated to the General Fund of the State and the remainder shall be allocated as
3 provided in the State budget; and

4 (iii) for the fiscal year beginning July 1, 2004, [an amount equal to
5 50% of the estimated fiscal year 2005 revenue for the special fund] \$190,260,444 shall
6 be allocated to the General Fund of the State, and the remainder shall be allocated as
7 provided in subsection (d) of this section.

8 (2) Subject to subsection (e) of this section, for the fiscal years beginning
9 July 1, 2005 and each subsequent fiscal year, the balance of the revenue in the special
10 fund, not required under subsection (b) of this section shall be allocated as provided in
11 subsection (d) of this section. THE AMOUNT OF \$41,886,000 SHALL BE DEDUCTED
12 FROM THE ACTUAL FISCAL YEAR 2004 TRANSFER TAX REVENUE COLLECTIONS FOR
13 THE CALCULATION OF THE EXCESS OR DEFICIENCY UNDER SUBSECTION (F) OF THIS
14 SECTION.

15 Chapter 203 of the Acts of 2003

16 SECTION 16. AND BE IT FURTHER ENACTED, That, notwithstanding
17 anything to the contrary in § 8-403 of the Transportation Article or any other
18 provision of State law, for fiscal years 2003, 2004, and 2005, only: (a) the amount to be
19 distributed under § 8-403(b) of the Transportation Article shall be reduced by
20 \$17,949,407 for fiscal year 2003[,] AND \$102,440,128 for FISCAL YEARS 2004 AND
21 2005 [fiscal year 2004, and \$51,220,064 for fiscal year 2005] and those amounts shall
22 be distributed to the General Fund; and (b) the amount to be distributed to Baltimore
23 City under § 8-403(a) of the Transportation Article shall be limited to \$171,817,132 in
24 fiscal year 2003 and \$170,000,000 in each of fiscal years 2004 and 2005.

25 SECTION 2. AND BE IT FURTHER ENACTED, That notwithstanding any
26 other provision of law, on or before June 30, 2005, the Governor shall transfer to the
27 General Fund:

28 \$3,000,000 of the funds in the Spinal Cord Injury Research Trust Fund
29 established under § 13-1406 of the Health - General Article;

30 \$415,100 of the funds in the Special Fund established under § 11-401 of the
31 Business Regulation Article;

32 \$2,000,000 of the funds in the account of the State Use Industries established
33 under § 3-507 of the Correctional Services Article;

34 \$4,500,000 of the funds in the Central Collection Fund established under §
35 3-306 of the State Finance and Procurement Article;

36 \$163,000 of the funds in the State Board of Dental Examiners Fund established
37 under § 4-207 of the Health Occupations Article;

38 \$251,000 of the funds in the State Board of Physical Therapy Examiners Fund
39 established under § 13-207 of the Health Occupations Article;

1 \$107,000 of the funds in the State Board of Examiners for Psychologists Fund
2 established under § 18-207 of the Health Occupations Article;

3 \$251,000 of the funds in the State Board of Social Work Examiners Fund
4 established under § 19-206 of the Health Occupations Article; and

5 \$628,000 of the funds in the State Board of Physicians Fund established under
6 § 14-207 of the Health Occupations Article.

7 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
8 other provisions of law, the proceeds (net of the expenses directly related to the sale)
9 obtained from the sale of the vessel known as Maryland Independence shall be
10 deposited into the General Fund on or before June 30, 2004.

11 SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding any
12 other provisions of law, if, between June 1, 2004 and June 30, 2005, executive branch
13 agencies dispose of passenger vehicles that are not essential to core business
14 functions, the proceeds of the sale (net of costs directly related to the sale) of excess
15 vehicles shall be deposited into the General Fund unless otherwise required by
16 federal law or regulation. This provision does not apply to vehicles that are necessary
17 to operations and for which replacement vehicles are required.

18 SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding the
19 provisions of § 8-204 of the Public Safety Article or any other provision of law, in
20 fiscal years 2005, 2006, and 2007, loan repayments from the Emergency Assistance
21 Trust Account of the Volunteer Company Assistance Fund may be used for the
22 purpose of providing grants to the Maryland State Firemen's Association for
23 administrative expenses and grants to widows and orphans.

24 SECTION 6. AND BE IT FURTHER ENACTED, That:

25 (a) In addition to the distributions provided by § 2-606 of the Tax - General
26 Article, on or before August 30, 2004, the Comptroller shall distribute from the
27 unallocated individual revenue account:

28 (1) \$81,000,000 to counties, municipalities, and special taxing districts,
29 apportioned as described in § 2-606(c) of the Tax - General Article and based on the
30 income tax collected for calendar year 2003; and

31 (2) \$81,000,000 to the General Fund of the State.

32 (b) The amount distributed to the General Fund of the State shall be
33 subtracted from the State's liability to counties, municipalities, and special taxing
34 districts for distributions of unallocated income tax revenue, and the State shall have
35 no further liability for this amount.

36 SECTION 7. AND BE IT FURTHER ENACTED, That if any provision of this
37 Act or the application thereof to any person or circumstance is held invalid for any
38 reason in a court of competent jurisdiction, the invalidity does not affect other
39 provisions or any other application of this Act which can be given effect without the

1 invalid provision or application, and for this purpose the provisions of this Act are
2 declared severable.

3 SECTION 8. AND BE IT FURTHER ENACTED, That this Act shall take
4 effect June 1, 2004.