HB 869

Department of Legislative Services

Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 869 (The Speaker and the Minority Leader)(By Request – Administration)
Ways and Means and Appropriations

Budget Financing Act of 2004

This Administration bill is one of three omnibus bills to help bring the fiscal 2005 budget into balance by raising new revenue. The bill: (1) increases existing fees in several departments and offices; (2) imposes new fees in the State Department of Assessments and Taxation (SDAT) and modifies others to be nonrefundable; (3) repeals existing fees and provides for general fee-setting authority in several programs of the Department of Health and Mental Hygiene (DHMH); (4) authorizes assessment of indirect costs by DHMH on health regulatory commission budgets and allows the commissions to charge higher fees to absorb that indirect cost assessment; (5) accelerates the time frame for abandoned property to be remitted to the Comptroller; (6) imposes a tax at the lowest county tax rate on certain nonresidents who are subject to the State income tax; (7) permanently modifies, in two phases, the sales and use tax vendor collection credit; and (8) imposes a quarterly assessment on the income of intermediate care facilities for the mentally retarded (ICF-MRs) and on licensed beds in nursing facilities. The bill includes a severability provision.

The budget bill (SB 125/HB 200) includes general fund reductions totaling more than $3.6 million as well as deficiency general fund appropriations of almost $3.9 million, contingent upon enactment of this bill or similar legislation.

The bill takes effect June 1, 2004, but provisions related to fees, abandoned property, and taxes take effect July 1, 2004.

Fiscal Summary

State Effect: General fund revenues increase by $101.7 million in FY 2005, primarily due to the tax and provider assessment provisions in the bill; most of this increase is ongoing in nature. A portion of the general fund revenue growth is offset by increased general fund expenditures. Although not shown below, general fund expenditures increase by $3.9 million in FY 2004. In all years, special fund revenue and expenditure growth are offsetting.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
GF Revenue	$101,735,600	$78,922,300	$81,609,000	$83,498,000	$85,826,000
SF Revenue	3,593,800	3,593,800	3,593,800	3,593,800	3,593,800
GF Expenditure	12,679,000	12,717,500	12,726,000	12,735,100	12,744,900
SF Expenditure	3,593,800	3,593,800	3,593,800	3,593,800	3,593,800
FF Expenditure	14,127,600	14,127,600	14,127,600	14,127,600	14,127,600
Net Effect	$74,929,000	$52,077,200	$54,755,400	$56,635,300	$58,953,500

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Minimal.

Small Business Effect: A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the Administration's assessment becomes available.

Analysis

The provisions in the bill have been grouped into like categories and, to the extent feasible, are discussed in the order they appear in the bill. A summary of proposed actions in this bill is included as **Appendix 1**.

Fee Provisions

Increasing Existing Fees

The bill increases several fees across three departments and two offices, as shown in **Exhibit 1**. Many of these fees are deposited to special funds, and the additional revenue raised would reduce agency reliance on general funds.

All but three of the fees shown below are payable on an annual basis. First, the teacher certification fee is set in statute as the maximum fee payable every five years. Certification activity is relatively constant with about one-fifth of all teachers and related professional personnel being certified each year. A separate departmental bill, HB 156, also provides for a $65 increase in the maximum teacher certification fee that can be charged; that bill also clarifies that the certification fee applies to other professional personnel and creates a non-lapsing special fund. Second, the lead-free report fee is a one-time-only fee, but the Maryland Department of the Environment (MDE) advises that about 4,500 reports are filed each year. Finally, the fee to file an appeal with the Office of Administrative Hearings (OAH) is also a one-time-only fee; however, OAH advises that the level of filings is relatively constant.

Exhibit 1
Fee Increases

Description	# Issued	Current Fee	Proposed Fee	Amt of Increase	Additional Revenue
Agriculture: Office of Plant Industries and Pest Management					
Pest consultant certificate	30	$65	$75	$10	$300
Pest control applicator certificate	3,400	$65	$75	$10	$34,000
Pest control business license	1,498	$125	$150	$25	$37,450
Pest control consulting business license	30	$125	$150	$25	$750
Nursery certificate	400	$75	$100	$25	$10,000
Nursery broker/dealer license	1,100	$75	$100	$25	$27,500
Wholesale seedsman permit	310	$50	$100	$50	$15,500
Office of the Attorney General: Securities Division					
Filing for exempt securities*	1,600	$100	$400	$300	$480,000
Office of Administrative Hearings					
Filing an appeal*	22,777	$15	$50	$35	$797,195
Education - Headquarters: Division of Certification & Accreditation					
Teacher certificate**	26,064	$10	$75	$65	$1,563,840
Environment: Waste Management Administration – Lead Poisoning Prevention Program					
Lead-affected rental unit	65,000	$10	$15	$5	$325,000
Lead-free report	4,500	$5	$10	$5	$22,500
Total					**$3,314,035**

*Fees collected are deposited in the general fund.
**The department advises that the fee will be set at a lower level than the maximum amount allowed; therefore, the revenue shown is based on the $60 increase that would be required to offset the contingent reduction. If the maximum fee were charged, the additional annual revenue would be almost $1.7 million.

As shown in **Exhibit 2**, enactment of this bill would effectuate more than $2 million in contingent reductions in the budget bill associated with most of the fees. The Maryland Department of Agriculture (MDA) advises that the contingent reduction for the Turf and Seed program includes $18,590 related to a planned regulatory fee increase of 1¢ for inspecting custom mixes.

Exhibit 2
Contingent Reductions in the Budget Bill Related to Fee Increases in this Bill

Budget Code	Department	Program	Contingent GF Reduction
L00A14.04	Agriculture	Pesticide Regulation	$72,500
L00A14.05	Agriculture	Plant Protection & Weed Management	37,500
L00A14.06	Agriculture	Turf & Seed	34,090
R00A01.18	Education	Div'n of Certification & Accreditation	1,563,840
U00A06.07	Environment	Lead Poisoning Prevention Program	350,000
Total			**$2,057,930**

Imposing New Fees

The bill would raise approximately $630,100 in general funds in fiscal 2005 and $459,100 in subsequent years by reclassifying numerous recording, filing, and issuing fees as nonrefundable processing fees and imposing new fees in the State Department of Assessments and Taxation (SDAT) as shown below:

- making certain fees nonrefundable processing fees – approximately 1,354 documents filed with the department in fiscal 2003 were rejected;
- repealing the exemption for insurance companies that pay an annual filing fee of $25 to the Insurance Commissioner from the requirement to file an annual report of a foreign corporation – the 540 such foreign insurance companies would be required to pay the same fee as other foreign corporations, $300;
- requiring a $300 filing fee to be paid with the 159 annual reports of business trusts; and
- establishing a $20 nonrefundable processing fee for requests by paper document for an extension of an annual personal property tax report. The revenues generated from this fee would decline in the out-years as people elect to request extensions electronically.

The $300 filing fee requirement for foreign insurance companies and business trusts is consistent with the Budget Reconciliation and Financing Act (BRFA) of 2003 which raised the filing fees for corporations and other entities to $300.

The bill also modifies the time frame and process for requesting an extension of the personal property tax annual report. Extensions may be granted until June 15 of the year the report is due. Electronic requests must be made by April 15 and paper requests must be made by March 15 and be accompanied by the new fee for such requests. Under current law, all extension requests must be made by April 15 and extensions may be granted for 60 days.

Repealing Existing Fees and Granting General Fee-Setting Authority in DHMH

The bill authorizes the Secretary of Health and Mental Hygiene to establish fees sufficient to cover the administrative costs associated with inspections or investigations carried out under the Health-General Article and permits, licenses, certifications, or registrations issued under the Article. The fees may not exceed the administrative costs and the Secretary may waive all or part of any fee. Fees do not have to be set by rule or regulation. The Administration's forecast assumes that such fees will produce additional revenue in excess of $1 million in fiscal 2005 and thereafter. DHMH advises that the fee revenues would increase to more than $1.7 million in fiscal 2006 and stabilize at $2.4 million in fiscal 2007 and subsequent years.

Accordingly, references to setting reasonable fees by rule or regulation or fees sufficient to cover administrative costs are repealed and replaced with references to the broader fee-setting authority for:

- public health and clinical laboratory services;
- medical laboratory licenses;
- cholesterol testing permits;
- water bottler licenses; and
- out-of-state water bottler registration.

Fees set in statute are repealed and also replaced with references to the broader fee-setting authority for:

- regulation of youth day camps;
- food establishment licenses;
- soft drink registration inspections;
- milk product permits;
- frozen dessert production licenses; and
- bedding and related licenses.

In addition, the costs associated with other regulatory activities must be recouped through fee revenue. Consequently, fees would be imposed on regulatory functions related to migratory labor camps, mobile home parks, pool operation, pool construction, farms in the milk product program, and plan reviews in the food program. Some of these fees would be phased in.

The bill also gives the Secretary the authority to set fees for issuing and renewing the certification for programs certified to perform medication-assisted treatment within the Alcohol and Drug Abuse Administration. This provision applies to 41 methadone treatment clinics and would raise $90,000 annually.

Authorizing Administrative Cost Assessments on Health Regulatory Commissions

The bill authorizes the Secretary of Health and Mental Hygiene to assess an administrative charge, consistent with the indirect cost charge of 32% of base salary levels assessed to federal grants, to fund services provided to both the Maryland Health Care Commission (MHCC) and the Health Services Cost Review Commission (HSCRC). Accordingly, the costs of the health regulatory commissions will include the administrative costs incurred by DHMH on behalf of the commissions, and the total fees that the commissions may assess in any given year are increased to allow them to raise sufficient revenue to pay the indirect cost assessment:

- MHCC may assess up to $11.2 million in any fiscal year, an increase of $1.2 million; these fees are assessed on hospitals, nursing homes, payors, and health care practitioners.

- HSCRC may assess up to $4.5 million in any fiscal year, an increase of $500,000; these fees are assessed on hospitals and related institutions whose rates have been approved by HSCRC.

The budget bill assumes an indirect cost assessment of almost $1.6 million on the health regulatory commissions and makes a corresponding general fund reduction, contingent on enactment of this bill. MHCC would be assessed $1.1 million and HSCRC would be assessed $475,000.

As shown in **Exhibit 3**, the amount of the indirect cost assessment, added to the commissions' current budgets and the proposed 1.6% cost-of-living adjustment (COLA) in the budget, would raise user fee assessments almost to current statutory limits. These additional costs leave the commissions little room for growth in future fiscal years absent the increased fee limit.

Exhibit 3
Combined Effect of Indirect Cost Assessment and COLA on Commission Fees
($ in millions)

	MHCC	HSCRC
Fiscal 2005 allowance	$8.63	$3.44
Cost-of-living adjustment	0.08	0.04
Indirect cost assessment	1.08	0.48
Total	**$9.79**	**$3.96**
Current user fee limit	**$10.00**	**$4.00**
Proposed user fee limit	**$11.20**	**$4.50**

Accelerating Receipt of Abandoned Property

The bill requires holders of abandoned property to remit the property at the same time they provide a report of the property to the Comptroller. Under current law, abandoned property must be remitted to the Comptroller within 265 days of filing the abandoned property report. Accelerating receipt of abandoned property would have a one-time effect of $2.5 million in advance receipts in fiscal 2005 as well as increased interest income each year. In the first year, the interest income is estimated to be $273,000, escalating to $383,000 in fiscal 2009 due to an increase in the value of property on deposit each year.

Under current law, there are two reporting periods for abandoned property. Most reports must be done on a fiscal-year basis and be filed by October 31. Reports for insurance corporations may be done on a calendar-year basis; these reports must be filed by April 30 of the following year. The bill retains those two reporting periods. However, in fiscal 2005 only, property will be remitted three times as illustrated in **Exhibit 4**.

Exhibit 4
Effect on Remittance in Fiscal 2005

Reporting Basis	Report Due	Remittance Due
Calendar year	April 30, 2004	Mid-January 2005
Fiscal year	October 31, 2004	October 31, 2004
Calendar year	April 30, 2005	April 30, 2005

According to the Comptroller's Office, most states have report and remit laws and most holders of abandoned property in Maryland already report and remit simultaneously. However, banks and insurance companies typically hold the funds as long as they can. Under current law, approximately 15% of owners claim their property from the holder before it would otherwise be remitted to the Comptroller's Office. The burden of returning the property to the owner in these cases would shift to the Comptroller's Office. The Comptroller's Office estimates that 7,000 such accounts each year would be remitted to it rather than paid to the owner by the holder and that it would need four additional staff to pay these additional claims. The staffing needs related to notification will not change as the Comptroller's Office already must send notice to property owners within four months of the report and publish notice in a newspaper within six months of the report. Given the current staffing complement of the Abandoned Property Division, Legislative Services believes the Comptroller's Office would need three additional staff at a cost of $122,101 in fiscal 2005. Other expenses could be absorbed with existing resources.

Imposing the Lowest County Income Tax Rate on Nonresidents with a Tax Liability

The bill imposes a tax at a rate equal to the lowest county income tax rate in Maryland (currently 1.25%) on individuals who are subject to the State income tax but are not subject to the county income tax. This change is applicable to all taxable years after December 31, 2003. Regular wage earners who work in Maryland but live in states with which Maryland has an income tax reciprocity agreement – Virginia, Pennsylvania, West Virginia, or the District of Columbia – would not be affected. However, wage earners who work in Maryland but live anywhere else would be affected by the bill, with one exception – residents of Wilmington, Delaware who work in Maryland are technically subject to the county income tax in Maryland since Wilmington imposes a similar tax on wages of Maryland residents who work there. More generally, the provision would apply to the business-related income of nonresidents.

As shown in **Exhibit 5**, the budget bill assumes $38.6 million in additional general fund revenues in fiscal 2005 as the tax applies to all of tax year 2004 and one-half of tax year 2005. Revenues dip to $27.8 million in fiscal 2006 but escalate upward to $33.1 million by fiscal 2009. If the proposed changes had been in effect for tax year 2002, 55,143 nonresidents with $1.7 billion in net taxable income would have had additional tax liability. Based on historical data and the current revenue estimate, taxable income for affected nonresidents is estimated to increase by 7.6% annually from 2002 through 2005 and 6% annually thereafter.

Exhibit 5
Collection of Additional Income Tax on Nonresidents
($ in thousands)

Tax Year	Nonresidential Taxable Income	Tax at 1.25%	Tax Collected in Fiscal Years 2005	2006	2007	2008	2009
2004	$2,007,886	$25,099	$25,099				
2005	$2,159,763	$26,997	$13,499	$13,499			
2006	$2,289,349	$28,617		$14,308	$14,308		
2007	$2,426,710	$30,334			$15,167	$15,167	
2008	$2,572,312	$32,154				$16,077	$16,077
2009	$2,726,651	$34,083					$17,042
Total			**$38,597**	**$27,807**	**$29,475**	**$31,244**	**$33,119**

This bill does not require the Comptroller to waive the penalty for taxpayers who do not adjust withholding or estimated payments and do not meet the safe harbor requirements. Additional revenue would be received through these payments. If one-half of the affected taxpayers do not adjust payments and earn income evenly throughout the year, revenues could increase by another $1 million in fiscal 2005. However, under current law, the Comptroller has the authority to waive penalty and interest for good cause.

Modifying the Sales and Use Tax Collection Vendor Credit

To offset the expense of collecting and paying the State sales and use tax, vendors are allowed to retain a portion of the sales tax collected if they file their returns on a timely basis. For fiscal 2005, the bill sets the credit or discount at 0.5% of the amount due to the Comptroller. The bill modifies the amount vendors would be allowed as a credit in future years to be only a flat rate of 0.9% of the amount collected. Under current law, vendors would be allowed a greater percentage (1.2%) for the first $6,000 collected. The bill repeals that provision.

This credit was temporarily halved for fiscal 2003 and 2004 by the Budget Reconciliation and Financing Act (BRFA) of 2002 so that vendors received 0.6% for the first $6,000 collected and 0.45% for any amount above that. Absent the bill, in fiscal 2005 and subsequent years, the credit would resume at 1.2% for the first $6,000 collected and 0.9% for any amount above that.

As the vendor credit is deducted before sales taxes are remitted, there is no precise information on the total cost of the credit. However, the Comptroller's Office advises that the average credit is closer to the maximum rate of 1.2%. The estimates of the fiscal effect of this provision assume an average credit rate of 1.1%, that 90% of the tax due is paid with timely-filed returns, and the growth in the sales and use tax in the Board of Revenue Estimates December 2003 forecast.

The Administration's out-year forecast does not appear to account for the repeal of the greater credit for the first $6,000 collected. The forecast assumes a $13.3 million general fund revenue increase in fiscal 2005 only and no fiscal effect in subsequent years. **Exhibit 6** shows the estimated impact of this provision.

Exhibit 6
Reduced Sales Tax Vendor Credit
($ in thousands)

Fiscal Year	**Forecast Sales and Use Tax**	**Growth Rate**	**Credit Allowed Under Current Law**	**Credit Allowed Under The Bill**	**New Rate**	**Revenue Impact**
2005	$2,968,495		$31,021	$14,100	0.5%	$16,921
2006	$3,078,809	3.7%	$32,174	$25,381	0.9%	$6,793
2007	$3,199,538	3.9%	$33,435	$26,324	0.9%	$7,111
2008	$3,309,112	3.4%	$34,580	$27,356	0.9%	$7,224
2009	$3,441,476	4.0%	$35,963	$28,293	0.9%	$7,671
Total						**$45,720**

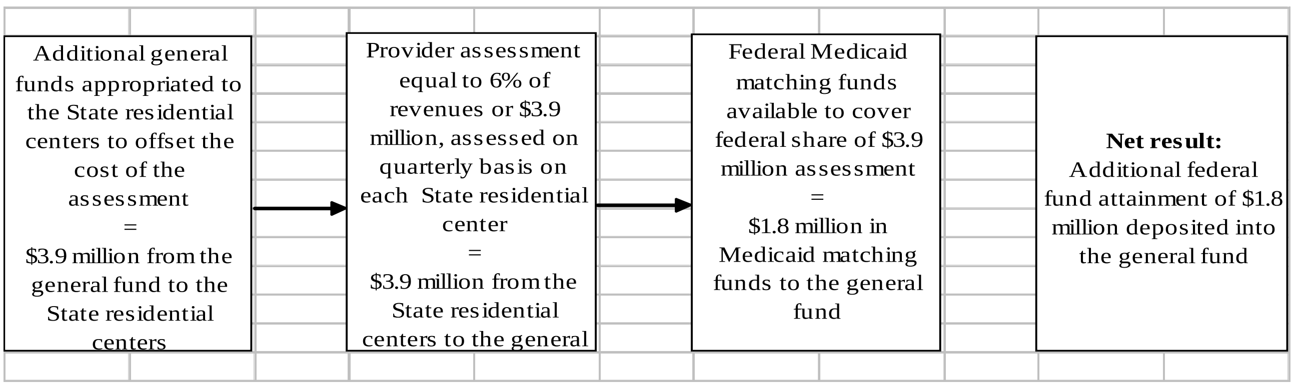
Imposing Quarterly Assessments on ICF-MRs and Nursing Facilities

Assessment on Intermediate Care Facilities for the Mentally Retarded

The bill imposes an assessment of 6% on all ICF-MR income. As defined in the bill, this assessment will apply exclusively to the four State residential centers for the developmentally disabled – the Rosewood Center, Holly Center, Potomac, and Joseph D. Brandenburg Center. The assessment will be paid quarterly, by the 15th day of the quarter, based on the income received during the previous fiscal quarter. However, this assessment will terminate if it is not permissible under Section 1903(W) of the Social Security Act, which relates to provider donations and health care taxes.

The budget bill assumes a full year's effect in fiscal 2004 as the effective date of the assessment is June 1, 2004. Accordingly, the budget bill includes a fiscal 2004 general fund deficiency appropriation of almost $3.9 million to the residential centers to offset the cost of the assessment on these State facilities – representing the general fund share of a full-year's assessment – contingent on enactment of this bill. The budget also assumes that the federal Medicaid program will provide matching funds to cover the federal share of the assessment, an estimated $1.8 million beginning in fiscal 2004, resulting in a net gain of $1.8 million to the general fund. The anticipated annual effect of the assessment is shown in **Exhibit 7**.

Exhibit 7
ICF-MR Provider Assessment Equal to $3.9 Million



However, as drafted, the assessment is on a quarterly basis. Given the June 1 effective date, the first assessment would be due July 15, 2004 and would be based only on revenues in the final quarter of fiscal 2004. If the provision is not changed, enactment of this bill would result in an unnecessary deficiency appropriation in fiscal 2004.

Nursing Facility Assessment

The bill also imposes an assessment of $1,200 per licensed bed on all nursing facilities in the State, payable in quarterly installments to the Comptroller's Office. Each nursing facility must pay, by the 15th day of each quarter, $300 for each bed that was licensed as of the first day of the previous quarter. Continuing care retirement communities (CCRCs) are excluded from the definition of nursing facilities for purposes of this assessment, and DHMH is required to request permission for the exclusion from the federal Centers for Medicare and Medicaid Services.

The assessment will terminate if it is not permissible under Section 1903(W) of the Social Security Act or the federal Centers for Medicare and Medicaid Services do not approve the exclusion. Under current law, provider donations and taxes cannot include a hold harmless provision and must be both broad-based and uniform.

The bill provides for changes in ownership by requiring a new owner to assume the obligation to pay all assessments that are due and owing. However, if a new owner shows good cause, this requirement may be waived. In addition, the Comptroller may impose a fine of up to $1,000 per day for each day that any part of the assessment payment is delinquent.

The Administration's out-year forecast assumes $29 million in general fund revenue annually from a nursing facility provider assessment. However, DHMH advises that revenues of $34.7 million would be realized annually, based on almost 29,000 licensed beds being subject to the assessment. Medicaid pays for about 65% of all nursing home days in Maryland. The State would mitigate the impact of the assessment by adjusting Medicaid reimbursement rates. Since the federal government covers one-half of Maryland's long-term care Medicaid costs, raising Medicaid rates to offset the impact of the assessment on Medicaid beds results in the federal government paying about 50% of the assessment on the Medicaid bed days.

The fiscal impact of the nursing facility assessment on the State, federal participation in Medicaid, and the nursing facilities themselves is illustrated in **Exhibit 8**. Mitigating the impact of the assessment on the nursing facilities is a proposed $36 million ($18 million of general funds and $18 million of federal funds) enhancement to the Medicaid nursing home reimbursement formula. However, only two-thirds of the proposed enhancement amount is included in the budget ($12.3 million of general funds and $12.3 million of federal funds). Assuming revenues of $34.7 million and the full reimbursement enhancement, the net impact of the assessment on the State general fund is a gain of $16.7 million. The net impacts will be more skewed in the favor of the State if the lower enhancement is provided.

Exhibit 8
Impact of Nursing Facility Assessment
($ in millions)

	Fiscal Impact on		
	Nursing Home Industry	**State**	**Federal Medicaid**
Total Assessment	($34.7)	$34.7	$0
Full Enhanced Medicaid Payment	$36.0	($18.0)	($18.0)
Net Impact	**$1.3**	**$16.7**	**($18.0)**
Two-thirds Enhanced Payment	$24.6	($12.3)	($12.3)
Net Impact	**($10.1)**	**$22.4**	**($12.3)**

The net impact on the nursing home industry with the full reimbursement enhancement is a gain of $1.3 million. However, the impact varies by nursing home (**Exhibit 9**). Nursing homes that serve a disproportionate share of Medicaid patients will benefit because the enhanced rates will produce about $2,265 annually per bed occupied by a Medicaid patient compared to the $1,200 assessment on that bed. Nursing homes which serve only a few Medicaid patients will experience an increase in costs as the assessment will more than exceed the additional revenue.

Exhibit 9
Impact Varies Based on Percentage of Patients Who Are Medicaid

	Nursing Home A	Nursing Home B
Annual Assessment	$1,200	$1,200
Licensed Beds	100	100
Payments to State	$120,000	$120,000
Medicaid Beds	25	75
Medicaid Enhanced Rate	$2,265	$2,265
Total Medicaid Payments	$56,625	$169,875
Net Gain/Loss	**-$63,375**	**$49,875**

Under the bill, nursing homes that fill 53% or more of their **licensed beds** with Medicaid patients will realize a net gain. Since only about 85% of licensed beds are currently occupied, the typical nursing home will need 62% or more of its **active beds** to be filled with Medicaid patients to realize a net gain. Analysis of nursing home cost data published by the Maryland Health Care Commission for fiscal 2001 indicates that about one-half of the State's nursing homes would be adversely impacted by the proposal.

The bill exempts CCRCs from the assessment as these facilities serve predominantly non-Medicaid patients and would be among the most adversely impacted by the assessment. However, exempting certain nursing beds from the assessment appears to be inconsistent with federal rules. Failure to obtain the waiver would result in a net loss to the State of $16.7 million, assuming the full nursing home rate enhancement and that the enhancement is made contingent on the implementation of the provider assessment. If the two-thirds enhanced rate currently in the budget is not contingent on the assessment, failure to implement the assessment would result in a net loss of $29 million.

Additional Information

Prior Introductions: None.

Cross File: SB 508 (The President) (By Request – Administration) – Budget and Taxation.

Information Source(s): State Department of Assessments and Taxation, Comptroller's Office, Office of the Attorney General (Securities Division), Maryland Department of the Environment, Maryland State Department of Education, Office of Administrative Hearings, Maryland Tax Court, Maryland Association of Counties, Department of Health and Mental Hygiene, Maryland Department of Agriculture, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2004
ncs/jr

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Appendix 1
Summary of Proposed Actions in the Budget Financing Act of 2004

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
General Fund Revenues						
OAG Exempt Securities Filing Fee		480,000	480,000	480,000	480,000	480,000
OAH Appeals Filing Fee		797,195	797,195	797,195	797,195	797,195
New SDAT Filing Fees		209,700	209,700	209,700	209,700	209,700
SDAT Nonrefundable Processing Fees		135,400	135,400	135,400	135,400	135,400
SDAT Paper Extension Fee		285,000	114,000	114,000	114,000	114,000
Community Health Fees		1,047,829	1,737,543	2,427,258	2,427,258	2,427,258
Methadone Clinic Certification Fees		90,000	90,000	90,000	90,000	90,000
Report-Remit Abandoned Property		2,773,000	359,000	370,000	377,000	383,000
Minimum County Income Tax		38,597,000	27,807,000	29,475,000	31,244,000	33,119,000
Modified Sales Tax Vendor Discount		16,921,000	6,793,000	7,111,000	7,224,000	7,671,000
ICF-MR Provider Assessment*		5,699,463	5,699,463	5,699,463	5,699,463	5,699,463
Nursing Home Provider Assessment		34,700,000	34,700,000	34,700,000	34,700,000	34,700,000
Subtotal GF Revenues		**101,735,587**	**78,922,301**	**81,609,016**	**83,498,016**	**85,826,016**
Special Fund Revenues						
Pesticide Regulation Fees		72,500	72,500	72,500	72,500	72,500
Plant Protection Fees		37,500	37,500	37,500	37,500	37,500
Turf & Seed Fees**		15,500	15,500	15,500	15,500	15,500
Teacher Certification Fee		1,563,840	1,563,840	1,563,840	1,563,840	1,563,840
MDE Lead Poisoning Prevention Fees**		347,500	347,500	347,500	347,500	347,500
Indirect Costs-MHCC/HSCRC		1,557,000	1,557,000	1,557,000	1,557,000	1,557,000
Subtotal SF Revenues		**3,593,840**	**3,593,840**	**3,593,840**	**3,593,840**	**3,593,840**
General Fund Expenditures						
Pesticide Regulation Fees		(72,500)	(72,500)	(72,500)	(72,500)	(72,500)
Plant Protection Fees		(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
Turf & Seed Fees**		(34,090)	(15,500)	(15,500)	(15,500)	(15,500)
Teacher Certification Fee		(1,563,840)	(1,563,840)	(1,563,840)	(1,563,840)	(1,563,840)
MDE Lead Poisoning Prevention Fees**		(350,000)	(347,500)	(347,500)	(347,500)	(347,500)
Indirect Costs-MHCC/HSCRC		(1,557,000)	(1,557,000)	(1,557,000)	(1,557,000)	(1,557,000)
Report-Remit Abandoned Property – New Staffing***		122,101	139,483	147,984	157,126	166,970
ICF-MR Provider Assessment*	3,869,170	3,871,817	3,871,817	3,871,817	3,871,817	3,871,817
Nursing Home Provider Reimbursement Enhancement		12,300,000	12,300,000	12,300,000	12,300,000	12,300,000
Subtotal GF Expenditures	**3,869,170**	**12,678,988**	**12,717,460**	**12,725,961**	**12,735,103**	**12,744,947**
Special Fund Expenditures						
Pesticide Regulation Fees		72,500	72,500	72,500	72,500	72,500
Plant Protection Fees		37,500	37,500	37,500	37,500	37,500
Turf & Seed Fees**		15,500	15,500	15,500	15,500	15,500
Teacher Certification Fee		1,563,840	1,563,840	1,563,840	1,563,840	1,563,840
MDE Lead Poisoning Prevention Fees**		347,500	347,500	347,500	347,500	347,500
Indirect Costs-MHCC/HSCRC		1,557,000	1,557,000	1,557,000	1,557,000	1,557,000
Subtotal SF Expenditures		**3,593,840**	**3,593,840**	**3,593,840**	**3,593,840**	**3,593,840**
Federal Fund Expenditures						
ICF-MR Provider Assessment*		1,827,646	1,827,646	1,827,646	1,827,646	1,827,646
Nursing Home Provider Reimbursement Enhancement		12,300,000	12,300,000	12,300,000	12,300,000	12,300,000
Subtotal FF Expenditures		**14,127,646**	**14,127,646**	**14,127,646**	**14,127,646**	**14,127,646**
Net Impact	**(3,869,170)**	**74,928,953**	**52,077,195**	**54,755,409**	**56,635,267**	**58,953,423**

*A deficiency appropriation of $3.9 million is included in the Governor's allowance for the State's four residential centers for the developmentally disabled. As the bill is drafted, the first assessment on ICF-MR income will be due July 15, 2004 – in fiscal 2005; therefore, corresponding revenues are not shown for fiscal 2004.

**The contingent general fund reduction in fiscal 2005 is greater than the amount of special fund revenue to be generated through the fees affected by this bill.

***Staffing is for three new positions in the Comptroller's Office to handle the increased workload associated with processing claims due to the new abandoned property report-remit provisions.