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By: Delegates James, Barkley, Bobo, Bohanan, Branch, Cadden, Cane,  
 Cardin, G. Clagett, V. Clagett, Conroy, Conway, DeBoy, Franchot, Frush,  
 Glassman, Griffith, Haynes, Heller, Hubbard, Jones, Kach, Kaiser,  
 Krysiak, Leopold, Madaleno, Mandel, McIntosh, Menes, Montgomery,  
 Niemann, Paige, Parker, Pendergrass, Proctor, Ramirez, Rosenberg,  
 Sophocleus, Trueschler, F. Turner, and Weir

Introduced and read first time: February 10, 2005

Assigned to: Environmental Matters and Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2 **Land Preservation Protection Act**

3 FOR the purpose of requiring certain transfers from the General Fund to a certain  
 4 special fund beginning in a certain fiscal year; requiring the Governor to submit  
 5 a certain repayment plan on or before a certain date to the Senate Budget and  
 6 Taxation Committee and House Appropriations Committee; providing that  
 7 under certain circumstances a specified amount must be transferred from the  
 8 General Fund to the special fund annually; providing that a transfer of revenues  
 9 from a certain special fund to the General Fund may only occur under certain  
 10 circumstances and providing for a limit on the amount that may be transferred;  
 11 declaring the intent of the General Assembly; and generally relating to  
 12 allocations from a certain special fund to the General Fund.

13 BY repealing and reenacting, without amendments,  
 14 Article - Tax - Property  
 15 Section 13-209(c)(1)  
 16 Annotated Code of Maryland  
 17 (2001 Replacement Volume and 2004 Supplement)

18 BY adding to  
 19 Article - Tax - Property  
 20 Section 13-209(g) and (h)  
 21 Annotated Code of Maryland  
 22 (2001 Replacement Volume and 2004 Supplement)

23 Preamble

24 WHEREAS, Since 1970 State transfer tax revenues have been put in a special  
 25 fund and used to fund various land preservation programs including Program Open

1 Space, the Maryland Agricultural Land Preservation Fund, Rural Legacy, and the  
2 Heritage Conservation Fund; and

3 WHEREAS, Since 2002 approximately \$390 million has been diverted from the  
4 special fund to the General Fund of the State and only \$178 million has remained in  
5 the special fund dedicated to the land preservation programs; and

6 WHEREAS, It is the intent of the General Assembly to discourage the practice of  
7 diverting land preservation program funds to the General Fund and to discontinue  
8 the practice of diverting land preservation funds without a reasonable plan for  
9 repayment; now, therefore,

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

12 **Article - Tax - Property**

13 13-209.

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

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

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

22 (iii) for the fiscal year beginning July 1, 2004, \$147,374,444 shall be  
23 allocated to the General Fund of the State, and the remainder shall be allocated as  
24 provided in the State budget.

25 (G) (1) FOR THE FISCAL YEAR BEGINNING JULY 1, 2006, AND EACH  
26 SUBSEQUENT FISCAL YEAR, AN AMOUNT SHALL BE TRANSFERRED FROM THE  
27 GENERAL FUND TO THE SPECIAL FUND UNTIL A CUMULATIVE AMOUNT HAS BEEN  
28 TRANSFERRED EQUAL TO THE SUM OF:

29 (I) THE ALLOCATIONS IN SUBSECTION (C)(1)(II) AND (III) OF THIS  
30 SECTION; AND

31 (II) ANY TRANSFERS MADE IN THE FISCAL YEAR BEGINNING JULY  
32 1, 2005.

33 (2) (I) ON OR BEFORE DECEMBER 1, 2005, THE GOVERNOR SHALL  
34 SUBMIT A REASONABLE PLAN FOR THE REPAYMENT OF FUNDS TO THE SPECIAL  
35 FUND IN ACCORDANCE WITH SUBSECTION (G) OF THIS SECTION. THE REPAYMENT  
36 PLAN SHALL BE PROVIDED TO THE SENATE BUDGET AND TAXATION COMMITTEE  
37 AND THE HOUSE APPROPRIATIONS COMMITTEE.

1 (II) IF THE GOVERNOR DOES NOT SUBMIT A REASONABLE  
2 REPAYMENT PLAN ON OR BEFORE DECEMBER 1, 2005, THE AMOUNT TRANSFERRED  
3 UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR EACH FISCAL YEAR SHALL BE THE  
4 LESSER OF \$20,000,000 OR AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE  
5 CUMULATIVE AMOUNT TRANSFERRED UNDER THIS SUBSECTION AND THE TOTAL  
6 ALLOCATION REQUIRED TO BE TRANSFERRED IN PARAGRAPH (1) OF THIS  
7 SUBSECTION.

8 (3) THE AMOUNTS TRANSFERRED TO THE SPECIAL FUND UNDER  
9 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE ALLOCATED AS PROVIDED IN  
10 SUBSECTION (D) OF THIS SECTION.

11 (H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A TRANSFER OF  
12 REVENUES FROM THE SPECIAL FUND TO THE GENERAL FUND OF THE STATE MAY  
13 OCCUR ONLY IN A FISCAL YEAR IMMEDIATELY FOLLOWING A REPORT OF THE  
14 SPENDING AFFORDABILITY COMMITTEE SUBMITTED TO THE GOVERNOR AND THE  
15 LEGISLATIVE POLICY COMMITTEE PURSUANT TO § 2-1005 OF THE STATE  
16 GOVERNMENT ARTICLE THAT STATES THAT STATE EXPENDITURES EXCEED STATE  
17 REVENUES.

18 (2) NO MORE THAN 50% OF THE REVENUES IN THE SPECIAL FUND MAY  
19 BE TRANSFERRED TO THE GENERAL FUND OF THE STATE.

20 (3) IF REVENUES ARE TRANSFERRED FROM THE SPECIAL FUND TO THE  
21 GENERAL FUND OF THE STATE:

22 (I) THE TRANSFER OF REVENUES SHALL BE REPLACED WITH  
23 GENERAL OBLIGATION BONDS BACKED WITH GENERAL FUNDS;

24 (II) THE GOVERNOR SHALL SUBMIT A REASONABLE REPAYMENT  
25 PLAN; OR

26 (III) THE FUNDS SHALL BE REPLACED BY A COMBINATION OF  
27 GENERAL OBLIGATION BONDS BACKED WITH GENERAL FUNDS AND A REASONABLE  
28 REPAYMENT PLAN SUBMITTED BY THE GOVERNOR.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 July 1, 2005.