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By: Delegates Cane, Bobo, Bozman, Conroy, Glassman, Holmes, Hubbard, Kirk, Marriott, Nathan-Pulliam, Petzold, and Stull

Introduced and read first time: February 28, 2005 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

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2 Governor's Budget - Land Preservation Programs - Funding

- 3 FOR the purpose of requiring certain transfers from the General Fund to a certain
- 4 special fund beginning in a certain fiscal year; providing that under certain
- 5 circumstances a certain amount must be transferred from the General Fund to
- 6 the special fund annually; providing that a transfer of revenues from a certain
- 7 special fund to the General Fund may only occur under certain circumstances
- 8 and providing for a limit on the amount that may be transferred; requiring
- 9 certain transfers to be replaced with general obligation bonds backed by the
- General Fund; requiring the submission of a certain repayment plan under
- certain circumstances; requiring certain transfers to be submitted in an
- individual bill and providing for a limit on the number of years that certain
- transfers may occur; declaring the intent of the General Assembly; and
- generally relating to allocations from a certain special fund to the General Fund.
- 15 BY repealing and reenacting, without amendments,
- 16 Article State Finance and Procurement
- 17 Section 7-311(e) and (f)
- 18 Annotated Code of Maryland
- 19 (2001 Replacement Volume and 2004 Supplement)
- 20 BY repealing and reenacting, with amendments,
- 21 Article State Finance and Procurement
- 22 Section 7-311(j)
- 23 Annotated Code of Maryland
- 24 (2001 Replacement Volume and 2004 Supplement)
- 25 BY repealing and reenacting, without amendments,
- 26 Article Tax Property
- 27 Section 13-209(a)
- 28 Annotated Code of Maryland
- 29 (2001 Replacement Volume and 2004 Supplement)

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1 2 3 4 5	BY adding to Article - Tax - Property Section 13-209(g) and (h) Annotated Code of Maryland (2001 Replacement Volume and 2004 Supplement)
6	Preamble
9	WHEREAS, Since 1970 State transfer tax revenues have been placed in a special fund and used to fund various land preservation programs including Program Open Space, the Maryland Agricultural Land Preservation Fund, Rural Legacy, and the Heritage Conservation Fund; and
11 12	WHEREAS, Since 2002 approximately \$390 million has been diverted from the special fund to the General Fund of the State; and
15	WHEREAS, It is the intent of the General Assembly to discourage the practice of diverting land preservation program funds to the General Fund and to discontinue the practice of diverting land preservation funds without a reasonable plan for repayment; now, therefore,
17 18	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
19	Article - State Finance and Procurement
20	7-311.
21	(e) Except as provided in subsection (f) of this section, for each fiscal year:
	(1) if the Account balance is below 3% of the estimated General Fund revenues for that fiscal year, the Governor shall include in the budget bill an appropriation to the Account equal to at least \$100,000,000; and
27 28	(2) if the Account balance is at least 3% but less than 5% of the estimated General Fund revenues for that fiscal year, the Governor shall include in the budget bill an appropriation to the Account equal to at least the lesser of \$50,000,000 or whatever amount is required for the Account balance to exceed 5% of the estimated General Fund revenues for that fiscal year.
	(f) The appropriations required by subsection (e) of this section are not required when the Account balance exceeds 5% of the estimated General Fund revenues.
35 36	(j) (1) Except as provided in paragraph [(2)] (3) of this subsection and § 3-216(g) of the Transportation Article, for fiscal year 2006 [and for each subsequent fiscal year], the Governor shall include in the budget bill an appropriation to the Account equal to the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000.

EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, § 1 2 3-216(G) OF THE TRANSPORTATION ARTICLE, AND § 13-209(G) OF THE TAX - PROPERTY 3 ARTICLE, FOR FISCAL 2007 AND FOR EACH SUBSEQUENT FISCAL YEAR, THE 4 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE 5 ACCOUNT EQUAL TO THE AMOUNT BY WHICH THE UNAPPROPRIATED GENERAL 6 FUND SURPLUS AS OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS 7 \$10,000,000. 8 [(2)]The appropriation required under this subsection for any fiscal (3) 9 year may be reduced by the amount of any appropriation to the Account required to be 10 included for that fiscal year under subsection (e) of this section. 11 **Article - Tax - Property** 12 13-209. 13 The revenue from transfer tax is payable to the Comptroller for deposit in (a) 14 a special fund. NOTWITHSTANDING § 7-311(J) OF THE STATE FINANCE AND 15 (G) (1) 16 PROCUREMENT ARTICLE, FOR FISCAL 2007 AND FOR EACH SUBSEQUENT FISCAL 17 YEAR, IF THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF JUNE 30 OF THE 18 SECOND PRECEDING YEAR EXCEEDS \$60,000,000, EXCEPT AS PROVIDED IN 19 PARAGRAPH (3) OF THIS SUBSECTION, THE GOVERNOR SHALL INCLUDE IN THE 20 BUDGET BILL A GENERAL FUND APPROPRIATION TO THE SPECIAL FUND IN AN 21 AMOUNT EQUAL TO THE LESSER OF \$50,000,000 OR THE EXCESS SURPLUS OVER 22 \$60,000,000. 23 (2) FOR ANY FISCAL YEAR TO WHICH THIS SUBSECTION APPLIES: 24 UNLESS THE UNAPPROPRIATED GENERAL FUND SURPLUS AS 25 OF JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS THE SUM OF 26 \$60,000,000 AND THE AMOUNT REQUIRED TO BE APPROPRIATED TO THE SPECIAL 27 FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE APPROPRIATION TO THE 28 REVENUE STABILIZATION ACCOUNT UNDER § 7-311(J) OF THE STATE FINANCE AND 29 PROCUREMENT ARTICLE IS NOT REQUIRED; AND IF THE UNAPPROPRIATED GENERAL FUND SURPLUS AS OF 31 JUNE 30 OF THE SECOND PRECEDING FISCAL YEAR EXCEEDS THE SUM OF \$60,000,000 32 AND THE AMOUNT REQUIRED TO BE APPROPRIATED TO THE SPECIAL FUND UNDER 33 PARAGRAPH (1) OF THIS SUBSECTION, THE APPROPRIATION REQUIRED TO THE 34 REVENUE STABILIZATION ACCOUNT UNDER § 7-311(J) OF THE STATE FINANCE AND 35 PROCUREMENT ARTICLE SHALL EQUAL THE AMOUNT BY WHICH THAT SURPLUS 36 EXCEEDS THE SUM OF \$60,000,000 AND THE AMOUNT APPROPRIATED TO THE SPECIAL 37 FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION. THE CUMULATIVE AMOUNT APPROPRIATED TO THE SPECIAL (I)39 FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR ALL FISCAL YEARS MAY NOT 40 EXCEED \$390,000,000.

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- 1 (II) THIS SUBSECTION DOES NOT APPLY TO ANY FISCAL YEAR IF A
 2 CUMULATIVE AMOUNT EQUAL TO AT LEAST \$390,000,000 HAS BEEN APPROPRIATED
 3 TO THE SPECIAL FUND FOR PRIOR FISCAL YEARS UNDER THIS SUBSECTION.
 4 (H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A TRANSFER OF
 5 REVENUES FROM THE SPECIAL FUND TO THE GENERAL FUND OF THE STATE MAY
- 6 OCCUR ONLY IN A FISCAL YEAR IMMEDIATELY FOLLOWING A REPORT OF THE
 7 SPENDING AFFORDABILITY COMMITTEE SUBMITTED TO THE GOVERNOR AND THE
 8 LEGISLATIVE POLICY COMMITTEE PURSUANT TO § 2-1005 OF THE STATE
 9 GOVERNMENT ARTICLE THAT STATES THAT STATE EXPENDITURES EXCEED STATE
 10 REVENUES.
- 11 (2) NO MORE THAN 50% OF THE REVENUES IN THE SPECIAL FUND MAY 12 BE TRANSFERRED TO THE GENERAL FUND OF THE STATE.
- 13 (3) IF REVENUES ARE TRANSFERRED FROM THE SPECIAL FUND TO THE 14 GENERAL FUND OF THE STATE:
- 15 (I) THE TRANSFER OF REVENUES SHALL BE REPLACED WITH 16 GENERAL OBLIGATION BONDS BACKED WITH GENERAL FUNDS; OR
- 17 (II) THE FUNDS SHALL BE REPLACED BY A COMBINATION OF 18 GENERAL OBLIGATION BONDS BACKED WITH GENERAL FUNDS AND A REASONABLE 19 THREE YEAR REPAYMENT PLAN SUBMITTED BY THE GOVERNOR.
- 20 (4) THE TRANSFER OF REVENUES FROM THE SPECIAL FUND TO THE 21 GENERAL FUND SHALL BE:
- 22 (I) SUBMITTED BY THE GOVERNOR AS AN INDIVIDUAL BILL AND 23 MAY NOT BE PART OF A BUDGET RECONCILIATION AND FINANCING ACT; AND
- 24 (II) LIMITED TO TWO CONSECUTIVE YEARS.
- 25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 26 June 1, 2005.