
By: **Senators Garagiola, Brochin, Dyson, Klausmeier, Mooney, and Stone**

Introduced and read first time: February 25, 2005

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **State Property Tax Rate Reduction**

3 FOR the purpose of requiring the Governor to include in the budget bill for certain
4 fiscal years a certain general fund appropriation for payment of debt service on
5 State bonds; requiring the Governor to transfer certain funds in a certain
6 account to the Annuity Bond Fund, to be used for certain purposes; and
7 generally relating to a certain transfer and funding of the Annuity Bond Fund to
8 reduce the State property tax rate.

9 BY adding to
10 Article - State Finance and Procurement
11 Section 8-134(c)
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2004 Supplement)

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

16 **Article - State Finance and Procurement**

17 8-134.

18 (C) FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2006, THE
19 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL A GENERAL FUND APPROPRIATION
20 FOR THE PAYMENT OF DEBT SERVICE ON STATE BONDS IN AN AMOUNT NOT LESS
21 THAN THE AMOUNT ESTIMATED TO BE SUFFICIENT TO ALLOW THE BOARD OF
22 PUBLIC WORKS TO ESTABLISH A PROPERTY TAX RATE OF 8.4 CENTS PER \$100 OF
23 ASSESSED VALUE FOR REAL PROPERTY OTHER THAN OPERATING PROPERTY OF A
24 PUBLIC UTILITY.

25 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
26 other provision of law, on or before June 30, 2006, of the funds in the Revenue
27 Stabilization Account of the State Reserve Fund established under § 7-311 of the
28 State Finance and Procurement Article, the Governor shall transfer \$166,777,000 to
29 the Annuity Bond Fund for the payment of debt service requirements for fiscal 2006

1 on State bonds. It is the intent of the General Assembly that the additional revenues
2 provided for fiscal 2006 for payment of debt service under this Act be used to reduce
3 the State property tax rate for real property other than operating property of a public
4 utility for the tax year beginning July 1, 2005, to 8.4 cents per \$100 of assessed value.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2005.