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By: **Delegates Conway, Barve, Branch, Cadden, G. Clagett, Gaines, Hixson,  
Jones, Levy, Madaleno, McIntosh, Niemann, Paige, Proctor, and  
F. Turner**

Introduced and read first time: February 10, 2006

Assigned to: Appropriations

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Committee Report: Favorable

House action: Adopted

Read second time: March 8, 2006

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2                                   **Operating Budget - Revenue Stabilization Account - Use and Minimum**  
3                                   **Appropriation**

4 FOR the purpose of altering a certain percentage used to determine when certain  
5 minimum appropriations to the Revenue Stabilization Account are required and  
6 to calculate certain minimum annual appropriations to the Account; authorizing  
7 the Governor to transfer funds from the Account to General Fund revenues as  
8 necessary to support the operation of State government on a temporary basis  
9 under certain circumstances; limiting the authority of the Governor to transfer  
10 funds from the Account to General Fund revenues under certain circumstances;  
11 and generally relating to the use of the Revenue Stabilization Account and  
12 appropriations to the Account.

13 BY repealing and reenacting, with amendments,  
14 Article - State Finance and Procurement  
15 Section 7-311  
16 Annotated Code of Maryland  
17 (2001 Replacement Volume and 2005 Supplement)

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

1 **Article - State Finance and Procurement**

2 7-311.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) "Account" means the Revenue Stabilization Account.

5 (3) "Estimated General Fund revenues" means the estimated General  
6 Fund revenues stated in the annual report of the Board of Revenue Estimates  
7 submitted to the Governor under § 6-106 of this article.8 (b) The Revenue Stabilization Account is established to retain State revenues  
9 for future needs and reduce the need for future tax increases by moderating revenue  
10 growth.11 (c) The Account is a continuing, nonlapsing fund which is not subject to §  
12 7-302 of this subtitle.

13 (d) The Account consists of:

14 (1) moneys appropriated in the State budget to the Account; and

15 (2) interest or other income earned from the investment of any portion of  
16 this Account or any other account in the State Reserve Fund.

17 (e) Except as provided in subsection (f) of this section, for each fiscal year:

18 (1) if the Account balance is below 3% of the estimated General Fund  
19 revenues for that fiscal year, the Governor shall include in the budget bill an  
20 appropriation to the Account equal to at least \$100,000,000; and21 (2) if the Account balance is at least 3% but less than [5%] 7.5% of the  
22 estimated General Fund revenues for that fiscal year, the Governor shall include in  
23 the budget bill an appropriation to the Account equal to at least the lesser of  
24 \$50,000,000 or whatever amount is required for the Account balance to exceed [5%]  
25 7.5% of the estimated General Fund revenues for that fiscal year.26 (f) The appropriations required by subsection (e) of this section are not  
27 required when the Account balance exceeds [5%] 7.5% of the estimated General Fund  
28 revenues.29 (g) (1) [If] UNLESS THE TRANSFER WOULD RESULT IN AN ACCOUNT  
30 BALANCE BELOW 5% OF THE ESTIMATED GENERAL FUND REVENUES FOR THE  
31 FISCAL YEAR IN WHICH THE TRANSFER IS MADE, IF authorized by an act of the  
32 General Assembly or specifically authorized in the State budget bill as enacted, the  
33 Governor may transfer funds from the Account to General Fund revenues AS  
34 NECESSARY TO SUPPORT THE OPERATION OF STATE GOVERNMENT ON A  
35 TEMPORARY BASIS.

1           (2)       IF THE TRANSFER WOULD RESULT IN AN ACCOUNT BALANCE BELOW  
2 5% OF THE ESTIMATED GENERAL FUND REVENUES FOR THE FISCAL YEAR IN WHICH  
3 THE TRANSFER IS MADE, THE GOVERNOR MAY TRANSFER FUNDS FROM THE  
4 ACCOUNT TO GENERAL FUND REVENUES ONLY IF THE TRANSFER IS AUTHORIZED BY  
5 AN ACT OF THE GENERAL ASSEMBLY OTHER THAN THE STATE BUDGET BILL.

6       (h)       If the budget bill as submitted to the General Assembly includes a transfer  
7 of funds from the Account pursuant to subsection (g) of this section, the budget bill as  
8 enacted by the General Assembly may provide for a reduction of the amount of the  
9 transfer from the Account by an amount up to the amount of the reductions made by  
10 the General Assembly in the General Fund appropriations.

11       (i)       Funds of the Account may only be transferred from the Account as  
12 provided in this section and are not subject to transfer by budget amendment.

13       (j)       (1)       Except as provided in paragraph (2) of this subsection and §  
14 13-209(g) of the Tax - Property Article, for fiscal year 2007 and for each subsequent  
15 fiscal year, the Governor shall include in the budget bill an appropriation to the  
16 Account equal to the amount by which the unappropriated General Fund surplus as  
17 of June 30 of the second preceding fiscal year exceeds \$10,000,000.

18           (2)       The appropriation required under this subsection for any fiscal year  
19 may be reduced by the amount of any appropriation to the Account required to be  
20 included for that fiscal year under subsection (e) of this section.

21       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2006.