

HOUSE BILL 475

Q6
HB 1294/06 – W&M & APP

71r1710

By: **Delegates Healey, Cardin, G. Clagett, V. Clagett, Davis, Gaines, Gilchrist, Haynes, Heller, Hixson, Howard, Hubbard, Ivey, James, Kaiser, N. King, Love, Montgomery, Niemann, Pendergrass, Rice, Ross, Stukes, F. Turner, and Walker**

Introduced and read first time: February 6, 2007
Assigned to: Ways and Means and Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 2007

CHAPTER _____

1 AN ACT concerning

2 **Public School Construction Assistance Act of 2007**

3 FOR the purpose of imposing recordation and transfer taxes on the transfer of
4 controlling interest in certain entities owning certain interests in real property
5 in Maryland; requiring the counties and Baltimore City for certain fiscal years
6 to dedicate certain recordation tax revenues to public school construction and
7 renovation; providing that certain transfer tax revenues for certain fiscal years
8 may be used for certain purposes; providing for a certain report to be submitted
9 to the Governor and the General Assembly by a certain date; requiring the filing
10 of a certain report; providing for a filing fee; establishing the rate of taxation
11 and the method of calculation of tax liability; exempting certain transfers;
12 providing for interest and a penalty for certain filings; requiring the State
13 Department of Assessments and Taxation to adopt certain regulations;
14 requiring the Department to deduct and credit certain revenues to a certain
15 fund; defining certain terms; providing for a delayed effective date; and
16 generally relating to the taxation of transfers of controlling interests in certain
17 entities.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
 2 Article – Tax – Property
 3 Section 12–110(d) and 13–209(a) and (b)
 4 Annotated Code of Maryland
 5 (2001 Replacement Volume and 2006 Supplement)

6 BY adding to
 7 Article – Tax – Property
 8 Section 12–110(e), 12–116, and 13–103
 9 Annotated Code of Maryland
 10 (2001 Replacement Volume and 2006 Supplement)

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

13 **Article – Tax – Property**

14 12–110.

15 (d) (1) **THE DEPARTMENT SHALL DEDUCT THE COST OF**
 16 **ADMINISTERING THE RECORDATION TAX FROM THE TAXES COLLECTED UNDER**
 17 **THIS TITLE AND CREDIT THOSE REVENUES TO THE FUND ESTABLISHED UNDER**
 18 **§ 1–203.3 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

19 (2) [The] **AFTER DEDUCTING THE REVENUES REQUIRED UNDER**
 20 **PARAGRAPH (1) OF THIS SUBSECTION, THE** recordation tax collected under
 21 [§ 12–103(d)] §§ **12–103(D) AND 12–116** of this title shall be paid to the Comptroller.
 22 [After deduction of the cost to the Department of collecting the tax, the] **THE**
 23 Comptroller shall distribute the revenue to the counties in the ratio that the
 24 recordation tax collected in the prior fiscal year in each county bears to the total
 25 recordation tax collected in all counties in that year.

26 (e) (1) **EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS**
 27 **SUBSECTION, FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2007,**
 28 **BUT BEFORE JULY 1, 2011, FROM THE RECORDATION TAX REVENUE RECEIVED**
 29 **FOR THE FISCAL YEAR, EACH COUNTY AND BALTIMORE CITY SHALL**
 30 **DISTRIBUTE THE FOLLOWING AMOUNT TO A SPECIAL FUND, TO BE USED TO PAY**
 31 **ONLY FOR THE COSTS OF PUBLIC SCHOOL CONSTRUCTION AND RENOVATION,**
 32 **INCLUDING PAYMENT OF DEBT SERVICE ON BONDS ISSUED TO PAY FOR PUBLIC**
 33 **SCHOOL CONSTRUCTION AND RENOVATION:**

1	ALLEGANY	\$ 194,483
2	ANNE ARUNDEL	5,423,188
3	BALTIMORE CITY	5,503,842
4	BALTIMORE	10,010,535
5	CALVERT	206,249
6	CARROLL	572,629
7	CECIL	275,983
8	CHARLES	635,051
9	DORCHESTER	237,941
10	FREDERICK	1,259,692
11	GARRETT	185,564
12	HARFORD	1,578,950
13	HOWARD	3,419,937
14	KENT	122,344
15	MONTGOMERY	14,739,815
16	PRINCE GEORGE'S	8,950,826
17	QUEEN ANNE'S	203,578
18	ST. MARY'S	660,986
19	SOMERSET	33,310
20	TALBOT	400,653
21	WASHINGTON	626,786
22	WICOMICO	316,216
23	WORCESTER	758,200

24 **(2) FOR FISCAL YEAR BEGINNING JULY 1, 2007, THE**
25 **AMOUNT REQUIRED TO BE DISTRIBUTED TO A SPECIAL FUND BY EACH COUNTY**

1 AND BALTIMORE CITY IS ONE-HALF OF THE AMOUNT SPECIFIED IN PARAGRAPH
2 (1) OF THIS SUBSECTION.

3 (3) FOR ANY FISCAL YEAR, THE AMOUNT THAT A COUNTY IS
4 REQUIRED TO DISTRIBUTE TO A SPECIAL FUND UNDER THIS SECTION MAY NOT
5 EXCEED THE AMOUNT BY WHICH THE TOTAL REVENUE COLLECTED BY THE
6 COUNTY FROM RECORDATION AND TRANSFER TAXES FOR THAT FISCAL YEAR
7 EXCEEDS THE TOTAL REVENUE COLLECTED BY THE COUNTY FROM
8 RECORDATION AND TRANSFER TAXES FOR FISCAL YEAR 2007, AFTER
9 ADJUSTING FOR ANY CHANGE IN TAX RATES.

10 (4) RECORDATION TAX REVENUES DEDICATED TO PUBLIC
11 SCHOOL CONSTRUCTION AND RENOVATION UNDER THIS SUBSECTION ARE
12 INTENDED TO SUPPLEMENT FUNDING FOR PUBLIC SCHOOL CONSTRUCTION AND
13 RENOVATION AND MAY NOT SUPPLANT OTHER COUNTY OR STATE FUNDING FOR
14 PUBLIC SCHOOL CONSTRUCTION AND RENOVATION.

15 12-116.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
17 MEANINGS INDICATED.

18 (2) "CONTROLLING INTEREST" MEANS:

19 (I) MORE THAN 80% OF THE TOTAL VALUE OF ALL CLASSES
20 OF STOCK OF A CORPORATION;

21 (II) MORE THAN 80% OF THE TOTAL INTEREST IN CAPITAL
22 AND PROFITS OF A PARTNERSHIP, ASSOCIATION, LIMITED LIABILITY COMPANY,
23 OR OTHER UNINCORPORATED FORM OF DOING BUSINESS; OR

24 (III) MORE THAN 80% OF THE BENEFICIAL INTEREST IN A
25 TRUST.

26 (3) "FINAL TRANSFER" MEANS THAT TRANSFER OF ANY PORTION
27 OF A CONTROLLING INTEREST THAT COMPLETES THE TRANSFER OF A
28 CONTROLLING INTEREST IN A REAL PROPERTY ENTITY.

1 (4) (I) **“PLAN OF TRANSFER” MEANS AN INTENTIONAL PLAN**
2 **OR PROGRAM TO TRANSFER THE CONTROLLING INTEREST IN A REAL PROPERTY**
3 **ENTITY.**

4 (II) **“PLAN OF TRANSFER” DOES NOT INCLUDE A SERIES OF**
5 **SALES OF SHARES OF A PUBLICLY TRADED ENTITY.**

6 (5) (I) **“REAL PROPERTY” MEANS REAL PROPERTY LOCATED**
7 **IN THE STATE.**

8 (II) **“REAL PROPERTY” DOES NOT INCLUDE:**

9 1. **A LEASEHOLD, UNLESS CREATED BY A LEASE**
10 **THAT IS REQUIRED TO BE RECORDED UNDER § 3-101(A) OF THE REAL**
11 **PROPERTY ARTICLE; OR**

12 2. **ANY MORTGAGE, DEED OF TRUST, OR OTHER LIEN**
13 **ON OR SECURITY INTEREST IN REAL PROPERTY THAT SECURES AN**
14 **INDEBTEDNESS.**

15 (6) (I) **“REAL PROPERTY ENTITY” MEANS A CORPORATION,**
16 **PARTNERSHIP, ASSOCIATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY**
17 **PARTNERSHIP, OTHER UNINCORPORATED FORM OF DOING BUSINESS, OR TRUST**
18 **THAT DIRECTLY OR BENEFICIALLY OWNS REAL PROPERTY THAT:**

19 1. **CONSTITUTES AT LEAST 80% OF THE VALUE OF**
20 **ITS ASSETS; AND**

21 2. **HAS AN AGGREGATE VALUE OF AT LEAST**
22 **\$1,000,000.**

23 (II) **FOR THE PURPOSES OF THIS PARAGRAPH, THE VALUE**
24 **OF REAL PROPERTY SHALL BE DETERMINED WITHOUT REDUCTION FOR ANY**
25 **MORTGAGE, DEED OF TRUST, OR OTHER LIEN ON OR SECURITY INTEREST IN**
26 **THE REAL PROPERTY.**

27 (III) **“REAL PROPERTY ENTITY” DOES NOT INCLUDE AN**
28 **ENTITY WITH LAND HOLDINGS THAT, OTHER THAN HOMESITES OR AREAS OF**
29 **COMMERCIAL ACTIVITY RELATED TO AGRICULTURAL PRODUCTION, ARE**

1 ENTIRELY SUBJECT TO AN AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF
2 THIS ARTICLE.

3 (B) (1) THE RECORDATION TAX IS IMPOSED ON THE TRANSFER OF A
4 CONTROLLING INTEREST IN A REAL PROPERTY ENTITY, AS IF THE REAL
5 PROPERTY DIRECTLY OR BENEFICIALLY OWNED BY THE REAL PROPERTY
6 ENTITY, WAS CONVEYED BY AN INSTRUMENT OF WRITING THAT IS RECORDED
7 WITH THE CLERK OF THE CIRCUIT COURT FOR A COUNTY OR FILED WITH THE
8 DEPARTMENT UNDER § 12-102 OF THIS SUBTITLE.

9 (2) (I) THE RECORDATION TAX IS IMPOSED ON THE
10 CONSIDERATION PAYABLE FOR THE TRANSFER OF THE CONTROLLING INTEREST
11 IN THE REAL PROPERTY ENTITY.

12 (II) THE CONSIDERATION TO WHICH THE RECORDATION TAX
13 APPLIES INCLUDES THE AMOUNT OF:

14 1. ANY MORTGAGE, DEED OF TRUST, OR OTHER LIEN
15 ON OR SECURITY INTEREST IN THE REAL PROPERTY DIRECTLY OR
16 BENEFICIALLY OWNED BY THE REAL PROPERTY ENTITY; AND

17 2. ANY OTHER DEBT OR ENCUMBRANCE OF THE
18 REAL PROPERTY ENTITY.

19 (III) THE CONSIDERATION TO WHICH THE RECORDATION
20 TAX APPLIES IS REDUCED BY THE AMOUNT ALLOCABLE TO THE ASSETS OF THE
21 REAL PROPERTY ENTITY OTHER THAN REAL PROPERTY.

22 (IV) THE REAL PROPERTY ENTITY HAS THE BURDEN OF
23 ESTABLISHING TO THE SATISFACTION OF THE DEPARTMENT THE
24 CONSIDERATION REFERRED TO IN SUBPARAGRAPH (I) OF THIS PARAGRAPH AND
25 THE AMOUNT OF ANY CONSIDERATION ALLOCABLE TO ASSETS OTHER THAN
26 REAL PROPERTY REFERRED TO IN SUBPARAGRAPH (III) OF THIS PARAGRAPH.

27 (V) IF THE REAL PROPERTY ENTITY FAILS TO ESTABLISH
28 THE AMOUNT OF CONSIDERATION REFERRED TO IN SUBPARAGRAPH (I) OF THIS
29 PARAGRAPH, THE RECORDATION TAX IS IMPOSED ON THE VALUE OF THE REAL
30 PROPERTY, DIRECTLY OR BENEFICIALLY OWNED BY THE REAL PROPERTY
31 ENTITY, DETERMINED BY THE DEPARTMENT AT THE DATE OF FINALITY
32 IMMEDIATELY BEFORE THE DATE OF THE FINAL TRANSFER.

1 **(3) EXCEPT AS OTHERWISE PROVIDED IN § 12-103(D) OF THIS**
2 **SUBTITLE, THE RECORDATION TAX IS APPLIED AT THE RATE SET UNDER**
3 **§ 12-103(B) OF THIS SUBTITLE BY THE COUNTY WHERE THE REAL PROPERTY IS**
4 **LOCATED.**

5 **(C) (1) THE TRANSFER OF A CONTROLLING INTEREST IN A REAL**
6 **PROPERTY ENTITY IS NOT SUBJECT TO RECORDATION TAX IF THE TRANSFER OF**
7 **THE REAL PROPERTY BY AN INSTRUMENT OF WRITING BETWEEN THE SAME**
8 **PARTIES AND UNDER THE SAME CIRCUMSTANCES WOULD HAVE BEEN EXEMPT**
9 **UNDER § 12-108 OF THIS SUBTITLE.**

10 **(2) THE RECORDATION TAX IS NOT IMPOSED ON THE TRANSFER**
11 **OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY EFFECTED IN MORE**
12 **THAN ONE TRANSACTION IF:**

13 **(I) THE TRANSFER IS COMPLETED OVER A PERIOD OF**
14 **MORE THAN 12 MONTHS; OR**

15 **(II) THE TRANSFER IS NOT MADE IN ACCORDANCE WITH A**
16 **PLAN OF TRANSFER.**

17 **(3) THE RECORDATION TAX IS NOT IMPOSED ON THE TRANSFER**
18 **OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY TO ANOTHER**
19 **BUSINESS IF THE OWNERSHIP INTERESTS IN THE TRANSFEREE BUSINESS**
20 **ENTITY ARE HELD BY THE SAME PERSONS AND IN THE SAME PROPORTION AS IN**
21 **THE REAL PROPERTY ENTITY THE CONTROLLING INTEREST OF WHICH WAS**
22 **TRANSFERRED.**

23 **(4) THE RECORDATION TAX IS NOT IMPOSED ON THE TRANSFER**
24 **OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY IF EACH**
25 **TRANSFEROR, EACH TRANSFEREE, AND EACH REAL PROPERTY ENTITY IS:**

26 **(I) A SUBSIDIARY CORPORATION, ALL OF THE STOCK OF**
27 **WHICH IS OWNED, DIRECTLY OR INDIRECTLY, BY A COMMON PARENT**
28 **CORPORATION;**

29 **(II) A PARTNERSHIP, ALL OF THE INTERESTS IN WHICH ARE**
30 **OWNED, DIRECTLY OR INDIRECTLY, BY ONE OR MORE SUBSIDIARIES OR THE**
31 **COMMON PARENT CORPORATION; OR**

1 (III) THE COMMON PARENT CORPORATION.

2 (5) THE RECORDATION TAX IS NOT IMPOSED ON THE TRANSFER
3 OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY IF THE
4 TRANSFEREE OF THE CONTROLLING INTEREST IN THE REAL PROPERTY ENTITY
5 IS:

6 (I) A NONSTOCK CORPORATION ORGANIZED UNDER TITLE
7 5, SUBTITLE 2 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND

8 (II) REGISTERED WITH THE DEPARTMENT OF AGING AS A
9 CONTINUING CARE RETIREMENT COMMUNITY UNDER ARTICLE 70B, § 9 OF THE
10 CODE.

11 (6) THE REAL PROPERTY ENTITY HAS THE BURDEN OF
12 ESTABLISHING TO THE SATISFACTION OF THE DEPARTMENT THE
13 APPLICABILITY OF ANY EXEMPTION REFERRED TO IN PARAGRAPHS (1)
14 THROUGH (5) OF THIS SUBSECTION.

15 (D) (1) THE REAL PROPERTY ENTITY SHALL FILE WITH THE
16 DEPARTMENT A REPORT OF ANY TRANSFER OF A CONTROLLING INTEREST IN
17 THE REAL PROPERTY ENTITY THAT IS COMPLETED WITHIN A PERIOD OF 12
18 MONTHS OR LESS WITHIN 30 DAYS FOLLOWING THE DATE OF THE FINAL
19 TRANSFER.

20 (2) THE REPORT SHALL INCLUDE ALL INFORMATION TO
21 ESTABLISH TO THE SATISFACTION OF THE DEPARTMENT:

22 (I) THE CONSIDERATION REFERRED TO IN SUBSECTION
23 (B)(2)(I) OF THIS SECTION;

24 (II) THE AMOUNT OF ASSETS OTHER THAN REAL ESTATE
25 REFERRED TO IN SUBSECTION (B)(2)(II) OF THIS SECTION; AND

26 (III) ANY EXEMPTION PROVIDED FOR IN SUBSECTION (C) OF
27 THIS SECTION.

28 (3) THE REPORT SHALL BE ACCOMPANIED BY PAYMENT OF:

1 (I) A \$20 FILING FEE; AND

2 (II) ANY TAX, INTEREST, AND PENALTY THAT IS DUE.

3 (E) (1) IF ANY TAX DUE UNDER THIS SECTION REMAINS UNPAID FOR
4 30 DAYS AFTER THE DATE OF THE FINAL TRANSFER:

5 (I) INTEREST ON THE UNPAID AMOUNT SHALL ACCRUE
6 THEREAFTER AT THE RATE OF 1% PER MONTH; AND

7 (II) A PENALTY OF 10% OF THE UNPAID AMOUNT SHALL BE
8 DUE.

9 (2) ANY TAX, INTEREST, AND PENALTY DUE UNDER THIS SECTION
10 IS AN OBLIGATION OF THE REAL PROPERTY ENTITY.

11 (3) FOR REASONABLE CAUSE, THE DEPARTMENT MAY WAIVE THE
12 IMPOSITION OF INTEREST OR PENALTY.

13 (F) THIS SECTION DOES NOT APPLY TO:

14 (1) A PLEDGE OF STOCK OR OTHER INTEREST IN A REAL
15 PROPERTY ENTITY AS SECURITY FOR A LOAN; OR

16 (2) THE ADMISSION TO THE REAL PROPERTY ENTITY OF
17 ADDITIONAL SHAREHOLDERS, PARTNERS, BENEFICIAL OWNERS, OR OTHER
18 MEMBERS INCIDENT TO THE RAISING OF ADDITIONAL CAPITAL THROUGH A
19 PUBLIC OR PRIVATE OFFERING OF STOCK OR OTHER INTERESTS IN THE REAL
20 PROPERTY ENTITY IF:

21 (I) THE EFFECTIVE MANAGEMENT OF THE REAL PROPERTY
22 ENTITY IS NOT SUBSTANTIALLY CHANGED; AND

23 (II) UNDER THE TERMS OF THE OFFERING, NONE OF THE
24 NEW MEMBERS IS EXPECTED TO PARTICIPATE IN THE DAY-TO-DAY
25 MANAGEMENT OF THE REAL PROPERTY ENTITY.

26 (G) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO
27 ADMINISTER THIS SECTION.

1 **(2) THE REGULATIONS SHALL INCLUDE ANY ADDITIONAL**
2 **STANDARDS AND EXEMPTIONS TO ASSURE THAT:**

3 **(I) A TAX IS IMPOSED WHEN A TRANSACTION IS**
4 **STRUCTURED INVOLVING A CONTROLLING INTEREST IN A REAL PROPERTY**
5 **ENTITY TO AVOID PAYMENT OF THE RECORDATION TAX;**

6 **(II) EXEMPTIONS PROVIDED BY LAW WHEN REAL PROPERTY**
7 **IS TRANSFERRED BY AN INSTRUMENT OF WRITING ARE APPLICABLE; AND**

8 **(III) THERE IS NO DOUBLE TAXATION OF A SINGLE**
9 **TRANSACTION.**

10 **13-103.**

11 **(A) IN THIS SECTION, “CONTROLLING INTEREST”, “REAL PROPERTY”,**
12 **AND “REAL PROPERTY ENTITY” HAVE THE MEANINGS STATED IN § 12-116 OF**
13 **THIS ARTICLE.**

14 **(B) (1) THE TAXES UNDER THIS TITLE ARE IMPOSED ON THE**
15 **TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY AS IF**
16 **THE REAL PROPERTY, DIRECTLY OR BENEFICIALLY OWNED BY THE REAL**
17 **PROPERTY ENTITY, WAS CONVEYED BY AN INSTRUMENT OF WRITING THAT IS**
18 **RECORDED WITH THE CLERK OF THE CIRCUIT COURT FOR A COUNTY OR FILED**
19 **WITH THE DEPARTMENT UNDER § 13-202 OF THIS TITLE.**

20 **(2) THE TAXES UNDER THIS SECTION ARE IMPOSED ON THE**
21 **CONSIDERATION PAYABLE FOR THE TRANSFER OF THE CONTROLLING INTEREST**
22 **IN THE REAL PROPERTY ENTITY OR ON THE VALUE OF THE REAL PROPERTY**
23 **DIRECTLY OR BENEFICIALLY OWNED BY THE REAL PROPERTY ENTITY, AS**
24 **PROVIDED IN § 12-116(B)(2) OF THIS ARTICLE.**

25 **(3) (I) EXCEPT FOR THE COUNTY TRANSFER TAX, THE TAXES**
26 **UNDER THIS SECTION SHALL BE APPLIED AT THE RATES ESTABLISHED IN THIS**
27 **TITLE.**

28 **(II) THE COUNTY TRANSFER TAX SHALL BE APPLIED AT THE**
29 **RATE IMPOSED BY THE COUNTY WHERE THE REAL PROPERTY IS LOCATED.**

1 **(C) THE TAXES UNDER THIS TITLE ARE NOT IMPOSED ON THE**
2 **TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY IN ANY**
3 **OF THE CIRCUMSTANCES DESCRIBED:**

4 **(1) IN § 13-207 OF THIS TITLE THAT EXEMPTS AN INSTRUMENT**
5 **OF WRITING FROM THE TRANSFER TAX; OR**

6 **(2) IN § 12-116(C) OF THIS ARTICLE THAT EXEMPTS THE**
7 **TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY FROM**
8 **THE RECORDATION TAX.**

9 **(D) IN EACH INSTANCE IN WHICH A CONTROLLING INTEREST IN A REAL**
10 **PROPERTY ENTITY IS TRANSFERRED, THE PROVISIONS OF § 12-116(D) AND (E)**
11 **OF THIS ARTICLE ARE APPLICABLE.**

12 **(E) THIS SECTION DOES NOT APPLY IN THE CIRCUMSTANCES**
13 **DESCRIBED IN § 12-116(F) OF THIS ARTICLE.**

14 **(F) THE DEPARTMENT SHALL ADOPT REGULATIONS TO ADMINISTER**
15 **THIS SECTION IN THE SAME MANNER AS IN § 12-116(G) OF THIS ARTICLE.**

16 13-209.

17 **(a) (1) THE DEPARTMENT SHALL DEDUCT THE COST OF**
18 **ADMINISTERING THE TRANSFER TAX FROM THE TAXES COLLECTED UNDER THIS**
19 **TITLE AND CREDIT THOSE REVENUES TO THE FUND ESTABLISHED UNDER**
20 **§ 1-203.3 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

21 **(2) [The] AFTER DEDUCTING THE REVENUES REQUIRED UNDER**
22 **PARAGRAPH (1) OF THIS SUBSECTION, THE** revenue from transfer tax is payable to
23 the Comptroller for deposit in a special fund.

24 **(b) (1) For the fiscal year beginning July 1, 2002 and for subsequent fiscal**
25 **years, up to 3% of the revenues in the special fund may be appropriated in the State**
26 **budget for salaries and related expenses in the Departments of General Services and**
27 **Natural Resources and in the Department of Planning necessary to administer Title 5,**
28 **Subtitle 9 of the Natural Resources Article (Program Open Space).**

29 **(2) IN ADDITION TO AMOUNTS THAT MAY BE APPROPRIATED**
30 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, FOR EACH FISCAL YEAR**

1 BEGINNING ON OR AFTER JULY 1, 2007, BUT BEFORE JULY 1, 2011, UP TO
 2 \$5,000,000 OF THE REVENUES IN THE SPECIAL FUND MAY BE APPROPRIATED IN
 3 THE STATE BUDGET FOR SALARIES AND RELATED EXPENSES FOR THE
 4 MARYLAND PARK SERVICE IN THE DEPARTMENT OF NATURAL RESOURCES.

5 (3) ANY FUNDS APPROPRIATED UNDER PARAGRAPH (2) OF THIS
 6 SUBSECTION ARE INTENDED TO SUPPLEMENT, AND NOT SUPPLANT, ANY STATE
 7 GENERAL FUND APPROPRIATIONS OTHERWISE PROVIDED FOR IN THE ANNUAL
 8 STATE BUDGET.

9 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
 10 General Assembly that the Department of Natural Resources study, develop, and
 11 implement a plan to fully fund the operations of the Maryland Park Service using
 12 State general funds. The Department shall report the results of its study and its
 13 recommendations to the Governor and, subject to § 2-1246 of the State Government
 14 Article, to the General Assembly on or before October 1, 2008.

15 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
 16 effect January 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.