

HOUSE BILL 10

Q6
HB 475/07 – W&M & APP

8lr4515

By: **Delegates Healey, V. Clagett, Gaines, Gilchrist, Harrison, Haynes, Heller, Hixson, Howard, Hubbard, Ivey, Jones, Krysiak, McIntosh, Niemann, Pendergrass, Proctor, Rice, Robinson, Ross, Stukes, F. Turner, and Vallario**

Introduced and read first time: October 29, 2007
Assigned to: Ways and Means and Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Public School Construction Assistance Act of 2008**

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.

18 BY repealing and reenacting, with amendments,
19 Article – Tax – Property
20 Section 12–110(d) and 13–209(a) and (b)
21 Annotated Code of Maryland
22 (2007 Replacement Volume)

23 BY adding to
24 Article – Tax – Property
25 Section 12–110(e), 12–117, and 13–103
26 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2007 Replacement Volume)

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

4 **Article - Tax - Property**

5 12-110.

6 (d) (1) **THE DEPARTMENT SHALL DEDUCT THE COST OF**
7 **ADMINISTERING THE RECORDATION TAX FROM THE TAXES COLLECTED UNDER**
8 **THIS TITLE AND CREDIT THOSE REVENUES TO THE FUND ESTABLISHED UNDER**
9 **§ 1-203.3 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

10 (2) [The] **AFTER DEDUCTING THE REVENUES REQUIRED UNDER**
11 **PARAGRAPH (1) OF THIS SUBSECTION, THE** recordation tax collected under
12 **[§ 12-103(d)] §§ 12-103(D) AND 12-117** of this title shall be paid to the Comptroller.
13 [After deduction of the cost to the Department of collecting the tax, the] **THE**
14 Comptroller shall distribute the revenue to the counties in the ratio that the
15 recordation tax collected in the prior fiscal year in each county bears to the total
16 recordation tax collected in all counties in that year.

17 (e) (1) **EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS**
18 **SUBSECTION, FOR EACH FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2008,**
19 **BUT BEFORE JULY 1, 2012, FROM THE RECORDATION TAX REVENUE RECEIVED**
20 **FOR THE FISCAL YEAR, EACH COUNTY AND BALTIMORE CITY SHALL**
21 **DISTRIBUTE THE FOLLOWING AMOUNT TO A SPECIAL FUND, TO BE USED TO PAY**
22 **ONLY FOR THE COSTS OF PUBLIC SCHOOL CONSTRUCTION AND RENOVATION,**
23 **INCLUDING PAYMENT OF DEBT SERVICE ON BONDS ISSUED TO PAY FOR PUBLIC**
24 **SCHOOL CONSTRUCTION AND RENOVATION:**

| | | |
|----|-----------------------|-------------------|
| 25 | ALLEGANY | \$ 166,177 |
| 26 | ANNE ARUNDEL | 4,633,875 |
| 27 | BALTIMORE CITY | 4,702,790 |
| 28 | BALTIMORE | 8,553,560 |
| 29 | CALVERT | 176,230 |
| 30 | CAROLINE | 88,217 |
| 31 | CARROLL | 489,286 |
| 32 | CECIL | 235,815 |
| 33 | CHARLES | 542,623 |
| 34 | DORCHESTER | 203,310 |
| 35 | FREDERICK | 1,076,352 |
| 36 | GARRETT | 158,556 |
| 37 | HARFORD | 1,349,143 |
| 38 | HOWARD | 2,922,185 |

| | | |
|----|------------------------|-------------------|
| 1 | KENT | 104,538 |
| 2 | MONTGOMERY | 12,594,522 |
| 3 | PRINCE GEORGE'S | 7,648,086 |
| 4 | QUEEN ANNE'S | 173,948 |
| 5 | ST. MARY'S | 564,783 |
| 6 | SOMERSET | 28,462 |
| 7 | TALBOT | 342,340 |
| 8 | WASHINGTON | 535,561 |
| 9 | WICOMICO | 270,192 |
| 10 | WORCESTER | 647,848 |

11 (2) FOR FISCAL YEAR BEGINNING JULY 1, 2008, THE
 12 AMOUNT REQUIRED TO BE DISTRIBUTED TO A SPECIAL FUND BY EACH COUNTY
 13 AND BALTIMORE CITY IS ONE-HALF OF THE AMOUNT SPECIFIED IN PARAGRAPH
 14 (1) OF THIS SUBSECTION.

15 (3) FOR ANY FISCAL YEAR, THE AMOUNT THAT A COUNTY IS
 16 REQUIRED TO DISTRIBUTE TO A SPECIAL FUND UNDER THIS SECTION MAY NOT
 17 EXCEED THE AMOUNT BY WHICH THE TOTAL REVENUE COLLECTED BY THE
 18 COUNTY FROM RECORDATION AND TRANSFER TAXES FOR THAT FISCAL YEAR
 19 EXCEEDS THE TOTAL REVENUE COLLECTED BY THE COUNTY FROM
 20 RECORDATION AND TRANSFER TAXES FOR FISCAL YEAR 2008, AFTER
 21 ADJUSTING FOR ANY CHANGE IN TAX RATES.

22 (4) RECORDATION TAX REVENUES DEDICATED TO PUBLIC
 23 SCHOOL CONSTRUCTION AND RENOVATION UNDER THIS SUBSECTION ARE
 24 INTENDED TO SUPPLEMENT FUNDING FOR PUBLIC SCHOOL CONSTRUCTION AND
 25 RENOVATION AND MAY NOT SUPPLANT OTHER COUNTY OR STATE FUNDING FOR
 26 PUBLIC SCHOOL CONSTRUCTION AND RENOVATION.

27 **12-117.**

28 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
 29 MEANINGS INDICATED.

30 (2) "CONTROLLING INTEREST" MEANS:

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

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

1 (III) MORE THAN 80% OF THE BENEFICIAL INTEREST IN A
2 TRUST.

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

6 (4) (I) "PLAN OF TRANSFER" MEANS AN INTENTIONAL PLAN
7 OR PROGRAM TO TRANSFER THE CONTROLLING INTEREST IN A REAL PROPERTY
8 ENTITY.

9 (II) "PLAN OF TRANSFER" DOES NOT INCLUDE A SERIES OF
10 SALES OF SHARES OF A PUBLICLY TRADED ENTITY.

11 (5) (I) "REAL PROPERTY" MEANS REAL PROPERTY LOCATED
12 IN THE STATE.

13 (II) "REAL PROPERTY" DOES NOT INCLUDE:

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

17 2. ANY MORTGAGE, DEED OF TRUST, OR OTHER LIEN
18 ON OR SECURITY INTEREST IN REAL PROPERTY THAT SECURES AN
19 INDEBTEDNESS.

20 (6) (I) "REAL PROPERTY ENTITY" MEANS A CORPORATION,
21 PARTNERSHIP, ASSOCIATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
22 PARTNERSHIP, OTHER UNINCORPORATED FORM OF DOING BUSINESS, OR TRUST
23 THAT DIRECTLY OR BENEFICIALLY OWNS REAL PROPERTY THAT:

24 1. CONSTITUTES AT LEAST 80% OF THE VALUE OF
25 ITS ASSETS; AND

26 2. HAS AN AGGREGATE VALUE OF AT LEAST
27 \$1,000,000.

28 (II) FOR THE PURPOSES OF THIS PARAGRAPH, THE VALUE
29 OF REAL PROPERTY SHALL BE DETERMINED WITHOUT REDUCTION FOR ANY
30 MORTGAGE, DEED OF TRUST, OR OTHER LIEN ON OR SECURITY INTEREST IN
31 THE REAL PROPERTY.

32 (III) "REAL PROPERTY ENTITY" DOES NOT INCLUDE AN
33 ENTITY WITH LAND HOLDINGS THAT, OTHER THAN HOMESITES OR AREAS OF

1 COMMERCIAL ACTIVITY RELATED TO AGRICULTURAL PRODUCTION, ARE
2 ENTIRELY SUBJECT TO AN AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF
3 THIS ARTICLE.

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

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

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

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

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

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

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

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

34 (3) EXCEPT AS OTHERWISE PROVIDED IN § 12-103(D) OF THIS
35 SUBTITLE, THE RECORDATION TAX IS APPLIED AT THE RATE SET UNDER

1 § 12-103(B) OF THIS SUBTITLE BY THE COUNTY WHERE THE REAL PROPERTY IS
2 LOCATED.

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

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

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

13 (II) THE TRANSFER IS NOT MADE IN ACCORDANCE WITH A
14 PLAN OF TRANSFER.

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

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

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

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

30 (III) THE COMMON PARENT CORPORATION.

31 (5) THE RECORDATION TAX IS NOT IMPOSED ON THE TRANSFER
32 OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY IF THE
33 TRANSFEREE OF THE CONTROLLING INTEREST IN THE REAL PROPERTY ENTITY
34 IS:

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

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

6 (6) THE REAL PROPERTY ENTITY HAS THE BURDEN OF
7 ESTABLISHING TO THE SATISFACTION OF THE DEPARTMENT THE
8 APPLICABILITY OF ANY EXEMPTION REFERRED TO IN PARAGRAPHS (1)
9 THROUGH (5) OF THIS SUBSECTION.

10 (D) (1) THE REAL PROPERTY ENTITY SHALL FILE WITH THE
11 DEPARTMENT A REPORT OF ANY TRANSFER OF A CONTROLLING INTEREST IN
12 THE REAL PROPERTY ENTITY THAT IS COMPLETED WITHIN A PERIOD OF 12
13 MONTHS OR LESS WITHIN 30 DAYS FOLLOWING THE DATE OF THE FINAL
14 TRANSFER.

15 (2) THE REPORT SHALL INCLUDE ALL INFORMATION TO
16 ESTABLISH TO THE SATISFACTION OF THE DEPARTMENT:

17 (I) THE CONSIDERATION REFERRED TO IN SUBSECTION
18 (B)(2)(I) OF THIS SECTION;

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

21 (III) ANY EXEMPTION PROVIDED FOR IN SUBSECTION (C) OF
22 THIS SECTION.

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

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

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

26 (E) (1) IF ANY TAX DUE UNDER THIS SECTION REMAINS UNPAID FOR
27 30 DAYS AFTER THE DATE OF THE FINAL TRANSFER:

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

30 (II) A PENALTY OF 10% OF THE UNPAID AMOUNT SHALL BE
31 DUE.

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

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

5 **(F) THIS SECTION DOES NOT APPLY TO:**

6 **(1) A PLEDGE OF STOCK OR OTHER INTEREST IN A REAL**
7 **PROPERTY ENTITY AS SECURITY FOR A LOAN; OR**

8 **(2) THE ADMISSION TO THE REAL PROPERTY ENTITY OF**
9 **ADDITIONAL SHAREHOLDERS, PARTNERS, BENEFICIAL OWNERS, OR OTHER**
10 **MEMBERS INCIDENT TO THE RAISING OF ADDITIONAL CAPITAL THROUGH A**
11 **PUBLIC OR PRIVATE OFFERING OF STOCK OR OTHER INTERESTS IN THE REAL**
12 **PROPERTY ENTITY IF:**

13 **(I) THE EFFECTIVE MANAGEMENT OF THE REAL PROPERTY**
14 **ENTITY IS NOT SUBSTANTIALLY CHANGED; AND**

15 **(II) UNDER THE TERMS OF THE OFFERING, NONE OF THE**
16 **NEW MEMBERS IS EXPECTED TO PARTICIPATE IN THE DAY-TO-DAY**
17 **MANAGEMENT OF THE REAL PROPERTY ENTITY.**

18 **(G) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO**
19 **ADMINISTER THIS SECTION.**

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

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

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

27 **(III) THERE IS NO DOUBLE TAXATION OF A SINGLE**
28 **TRANSACTION.**

29 **13-103.**

30 **(A) IN THIS SECTION, “CONTROLLING INTEREST”, “REAL PROPERTY”,**
31 **AND “REAL PROPERTY ENTITY” HAVE THE MEANINGS STATED IN § 12-117 OF**
32 **THIS ARTICLE.**

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

7 **(2) THE TAXES UNDER THIS SECTION ARE IMPOSED ON THE**
8 **CONSIDERATION PAYABLE FOR THE TRANSFER OF THE CONTROLLING INTEREST**
9 **IN THE REAL PROPERTY ENTITY OR ON THE VALUE OF THE REAL PROPERTY**
10 **DIRECTLY OR BENEFICIALLY OWNED BY THE REAL PROPERTY ENTITY, AS**
11 **PROVIDED IN § 12-117(B)(2) OF THIS ARTICLE.**

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

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

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

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

22 **(2) IN § 12-117(C) OF THIS ARTICLE THAT EXEMPTS THE**
23 **TRANSFER OF A CONTROLLING INTEREST IN A REAL PROPERTY ENTITY FROM**
24 **THE RECORDATION TAX.**

25 **(D) IN EACH INSTANCE IN WHICH A CONTROLLING INTEREST IN A REAL**
26 **PROPERTY ENTITY IS TRANSFERRED, THE PROVISIONS OF § 12-117(D) AND (E)**
27 **OF THIS ARTICLE ARE APPLICABLE.**

28 **(E) THIS SECTION DOES NOT APPLY IN THE CIRCUMSTANCES**
29 **DESCRIBED IN § 12-117(F) OF THIS ARTICLE.**

30 **(F) THE DEPARTMENT SHALL ADOPT REGULATIONS TO ADMINISTER**
31 **THIS SECTION IN THE SAME MANNER AS IN § 12-117(G) OF THIS ARTICLE.**

32 13-209.

1 (a) **(1) THE DEPARTMENT SHALL DEDUCT THE COST OF**
2 **ADMINISTERING THE TRANSFER TAX FROM THE TAXES COLLECTED UNDER THIS**
3 **TITLE AND CREDIT THOSE REVENUES TO THE FUND ESTABLISHED UNDER**
4 **§ 1-203.3 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

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

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

13 **(2) IN ADDITION TO AMOUNTS THAT MAY BE APPROPRIATED**
14 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, FOR EACH FISCAL YEAR**
15 **BEGINNING ON OR AFTER JULY 1, 2008, BUT BEFORE JULY 1, 2012, UP TO**
16 **\$5,000,000 OF THE REVENUES IN THE SPECIAL FUND MAY BE APPROPRIATED IN**
17 **THE STATE BUDGET FOR SALARIES AND RELATED EXPENSES FOR THE**
18 **MARYLAND PARK SERVICE IN THE DEPARTMENT OF NATURAL RESOURCES.**

19 **(3) ANY FUNDS APPROPRIATED UNDER PARAGRAPH (2) OF THIS**
20 **SUBSECTION ARE INTENDED TO SUPPLEMENT, AND NOT SUPPLANT, ANY STATE**
21 **GENERAL FUND APPROPRIATIONS OTHERWISE PROVIDED FOR IN THE ANNUAL**
22 **STATE BUDGET.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
24 General Assembly that the Department of Natural Resources study, develop, and
25 implement a plan to fully fund the operations of the Maryland Park Service using
26 State general funds. The Department shall report the results of its study and its
27 recommendations to the Governor and, subject to § 2-1246 of the State Government
28 Article, to the General Assembly on or before October 1, 2009.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 January 1, 2009.