

SENATE BILL 1

B1

8lr0260
CF HB 1

By: **The President (By Request – Administration)**

Introduced and read first time: October 29, 2007

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: November 1, 2007

CHAPTER _____

1 AN ACT concerning

2 **Budget Reconciliation Act**

3 FOR the purpose of repealing certain provisions relating to certain State aid to certain
4 counties; altering the calculation of certain State aid for public elementary and
5 secondary education; establishing a supplemental grant program to provide
6 certain county boards of education with certain grants; altering the calculation
7 of certain State aid to community colleges, Baltimore City Community College,
8 and certain nonpublic institutions of higher education; ~~repealing a partial~~
9 ~~exemption under the property tax for machinery and equipment used to~~
10 ~~generate electricity or steam for sale or hot or chilled water for sale that is used~~
11 ~~for certain purposes; providing that certain transfer tax revenues in a certain~~
12 ~~special fund shall be used for certain purposes~~ authorizing a county governing
13 body to enter into an agreement with the owner of a facility for the generation of
14 electricity that is located or locates in the county for a negotiated payment by
15 the owner in lieu of taxes on the facility; requiring Washington County to
16 distribute a certain portion of the proceeds of a certain payment in lieu of taxes
17 under certain circumstances; providing that property tax revenues in an
18 amount equal to payments that a county would have been entitled to receive
19 under a certain provision of law shall be excluded from a certain calculation;
20 altering the percentage of certain State funds that may be used for certain
21 capital improvements under certain circumstances; repealing certain provisions
22 relating to the amount of certain funds available for certain capital
23 improvements that may be used to operate certain forests and parks; requiring
24 at least a certain amount of certain funds to be used to reduce a certain backlog
25 of projects in State parks; ~~limiting the amount of a supersedeas bond required~~
26 to stay the enforcement of a judgment in certain actions under certain

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.



~~circumstances; altering the purpose for which the Circuit Court Real Property Records Improvement Fund may be used; repealing a certain termination provision; providing that the Comptroller's appointment of the Chief of the Bureau of Revenue Estimates is subject to the approval of the Board of Revenue Estimates; providing that the Chief may be removed only by a majority of the Board for certain reasons; providing that the Chief is subject to the supervision of a certain Deputy Comptroller, except under certain circumstances; providing for the appointment of other employees of the Bureau by the Chief; requiring the Bureau to submit certain reports including certain information regarding certain revenues to the Board each year; altering a provision relating to certain studies of State revenue sources conducted by the Bureau; requiring the Bureau to submit certain reports to the Governor and to the General Assembly; establishing a Consensus Revenue Monitoring and Forecasting Group to perform certain functions and to advise and collaborate with the Bureau; requiring the Comptroller and the Bureau to provide certain data and certain documents to members of the Group; requiring the Board to submit certain reports to the General Assembly each year; requiring the Governor to incorporate a certain estimate of revenues in the State budget and any supplemental budget submitted to the General Assembly; requiring the Governor to submit a certain statement to the General Assembly under certain circumstances; requiring the Department of Transportation to incorporate in a certain financial forecast a certain estimate of revenues by the Board; providing that the Governor in formulating a certain fiscal year budget shall apply certain monies in a certain fund for a certain purpose; repealing an obsolete provision of law; requiring the Governor to reduce certain regular positions and general fund expenditures associated with those positions in a certain budget; declaring a certain legislative intent relating to the development of a certain budget and the reduction of certain positions; requiring the State Department of Education to update a certain Geographic Cost of Education Index (GCEI) at certain times; requiring the State Department of Education to submit a certain proposed GCEI adjustment update to the Governor and the General Assembly and to recommend certain legislation at certain times; requiring a certain GCEI Adjustment to be used in certain fiscal years; defining certain terms; altering certain definitions; authorizing the transfer of certain funds by budget amendment for a certain fiscal year from a certain special fund to be used only to provide a certain grant; providing that a certain grant may not be provided except under certain circumstances; making certain provisions of this Act subject to certain contingencies; providing for the application of certain provisions of this Act; providing for the effective date of this Act; and generally relating to the financing of State and local government.~~

41 BY repealing

42 Article 24 – Political Subdivisions – Miscellaneous Provisions

43 Section 9–1102

44 Annotated Code of Maryland

45 (2005 Replacement Volume and 2007 Supplement)

46 BY repealing and reenacting, with amendments,

1 Article 24 – Political Subdivisions – Miscellaneous Provisions
 2 Section 9–1103(a)
 3 Annotated Code of Maryland
 4 (2005 Replacement Volume and 2007 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Education
 7 Section 5–202(a)(13), 16–305(c)(1)(ii), 16–512(a)(2), and 17–104(d)
 8 Annotated Code of Maryland
 9 (2006 Replacement Volume and 2007 Supplement)

10 BY repealing
 11 Article – Education
 12 Section 5–202(e)
 13 Annotated Code of Maryland
 14 (2006 Replacement Volume and 2007 Supplement)

15 BY adding to
 16 Article – Education
 17 Section 5–202(e)
 18 Annotated Code of Maryland
 19 (2006 Replacement Volume and 2007 Supplement)

20 BY repealing and reenacting, without amendments,
 21 Article – Tax – Property
 22 Section 7–237
 23 Annotated Code of Maryland
 24 (2007 Replacement Volume)

25 BY adding to
 26 Article – Tax – Property
 27 Section 7–514
 28 Annotated Code of Maryland
 29 (2007 Replacement Volume)

30 ~~BY repealing and reenacting, without amendments,~~
 31 ~~Article – Natural Resources~~
 32 ~~Section 5–903(a)~~
 33 ~~Annotated Code of Maryland~~
 34 ~~(2005 Replacement Volume and 2007 Supplement)~~

35 BY repealing and reenacting, with amendments,
 36 Article – Natural Resources
 37 Section ~~5–903(b)~~ 5–903(g)
 38 Annotated Code of Maryland
 39 (2005 Replacement Volume and 2007 Supplement)

40 BY adding to

1 ~~Article – Courts and Judicial Proceedings~~
 2 ~~Section 12-301.1~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2006 Replacement Volume and 2007 Supplement)~~

5 BY repealing and reenacting, without amendments,
 6 Article – Courts and Judicial Proceedings
 7 Section 13-602(a)(1)
 8 Annotated Code of Maryland
 9 (2006 Replacement Volume and 2007 Supplement)

10 BY repealing and reenacting, with amendments,
 11 Article – Courts and Judicial Proceedings
 12 Section 13-603(c)
 13 Annotated Code of Maryland
 14 (2006 Replacement Volume and 2007 Supplement)

15 BY repealing and reenacting, without amendments,
 16 Article – Courts and Judicial Proceedings
 17 Section 13-607
 18 Annotated Code of Maryland
 19 (2006 Replacement Volume and 2007 Supplement)

20 BY repealing and reenacting, with amendments,
 21 Article – State Finance and Procurement
 22 Section 6-103, 6-104, 6-106, and 7-311(a)
 23 Annotated Code of Maryland
 24 (2006 Replacement Volume and 2007 Supplement)

25 BY adding to
 26 Article – State Finance and Procurement
 27 Section 6-105
 28 Annotated Code of Maryland
 29 (2006 Replacement Volume and 2007 Supplement)

30 BY repealing and reenacting, with amendments,
 31 Article – Transportation
 32 Section 2-103.1(1)(2)
 33 Annotated Code of Maryland
 34 (2001 Replacement Volume and 2007 Supplement)

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

37 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

38 [9-1102.

1 (a) Except as provided in subsection (b) of this section, for each fiscal year,
 2 the State shall pay the following amounts to the following counties to reimburse the
 3 counties partially for the costs of the property tax exemption under § 7–237 of the Tax
 4 – Property Article:

5	Anne Arundel	\$ 7,820,202
6	Baltimore City	453,421
7	Baltimore	1,794,835
8	Calvert	6,096,574
9	Charles	2,522,612
10	Dorchester	187,442
11	Garrett	11,907
12	Harford	860,767
13	Montgomery	2,765,553
14	Prince George’s	7,744,806
15	Washington	357,082

16 (b) For the fiscal year that begins on July 1, 2000, the State shall pay 50% of
 17 the amounts specified in subsection (a) of this section.

18 (c) The Comptroller shall pay the amounts provided under this section to the
 19 counties in equal amounts for each quarter at the end of each quarter of the fiscal year
 20 for which the payments are made.

21 (d) 35% of the payment received by Washington County under this section
 22 shall be paid to the Town of Williamsport.]

23 9–1103.

24 (a) [In addition to any reimbursement provided under § 9–1102 of this
 25 subtitle, if] **IF** on or before January 1, 2020, the Federal Nuclear Regulatory
 26 Commission license for the Calvert Cliffs Nuclear Power Plant expires and is not
 27 extended or renewed, for each of the 5 property tax years following the expiration and
 28 nonrenewal, the State shall pay as a grant to Calvert County an amount equal to the
 29 applicable percentage, determined under subsection (b) of this section, of the
 30 difference between:

31 (1) The product of multiplying \$14,554,000 times the percentage
 32 specified for the taxable year under § 7–237(b) of the Tax – Property Article; and

33 (2) The sum of:

34 (i) \$2,000,000; and

1 (ii) The county's property tax revenue for the taxable year
 2 derived from personal property that is machinery or equipment used to generate
 3 electricity for sale.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 5 read as follows:

6 **Article - Education**

7 5-202.

8 (a) (13) "Target per pupil foundation amount" means:

9 (i) In fiscal [year 2004, \$5,730] **YEARS 2008, 2009, AND 2010,**
 10 **\$6,694;** and

11 (ii) In subsequent fiscal years:

12 1. The target per pupil foundation amount for the prior
 13 fiscal year increased by the same percentage as the **LESSER OF:**

14 **A. THE** increase in the [implicit price deflator for State
 15 and local government expenditures for the second prior fiscal year];

16 **B. THE CONSUMER PRICE INDEX FOR ALL URBAN**
 17 **CONSUMERS FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA, OR**
 18 **ANY SUCCESSOR INDEX, FOR THE SECOND PREVIOUS FISCAL YEAR;** or

19 **C. 5%; OR**

20 2. If there is no increase in the [implicit price deflator
 21 for State and local government expenditures for the second prior fiscal year] **OR IN**
 22 **THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE**
 23 **WASHINGTON-BALTIMORE METROPOLITAN AREA, OR ANY SUCCESSOR INDEX,**
 24 **FOR THE SECOND PREVIOUS FISCAL YEAR,** the target per pupil foundation amount
 25 for the prior fiscal year.

26 [(e) (1) In fiscal year 2004, the State shall distribute a partnership grant
 27 of \$28,186,032 to the Baltimore City Board of School Commissioners.

28 (2) In fiscal year 2005, the State shall distribute a partnership grant
 29 of \$21,139,524 to the Baltimore City Board of School Commissioners.

30 (3) In fiscal year 2006, the State shall distribute a partnership grant
 31 of \$14,093,016 to the Baltimore City Board of School Commissioners.]

1 (E) (1) IN THIS SUBSECTION, "STATE FINANCIAL ASSISTANCE FOR
2 PUBLIC EDUCATION" MEANS THE TOTAL FINANCIAL ASSISTANCE PROVIDED BY
3 THE STATE TO A COUNTY BOARD UNDER THE FOLLOWING PROGRAMS:

4 (I) FUNDING FOR THE FOUNDATION PROGRAM UNDER THIS
5 SECTION;

6 (II) ~~FUNDING~~ IN FISCAL YEAR 2009, 50% OF THE FUNDING
7 RECEIVED UNDER THE GCEI ADJUSTMENT GRANT PROGRAM UNDER
8 SUBSECTION (F) OF THIS SECTION AND IN FISCAL YEAR 2010, 60% OF THE
9 FUNDING RECEIVED UNDER THE GCEI ADJUSTMENT GRANT PROGRAM UNDER
10 SUBSECTION (F) OF THIS SECTION;

11 (III) TRANSPORTATION AID UNDER § 5-205 OF THIS
12 SUBTITLE;

13 (IV) FUNDING FOR COMPENSATORY EDUCATION UNDER
14 § 5-207 OF THIS SUBTITLE;

15 (V) FUNDING FOR STUDENTS WITH LIMITED ENGLISH
16 PROFICIENCY UNDER § 5-208 OF THIS SUBTITLE;

17 (VI) FUNDING FOR SPECIAL EDUCATION STUDENTS UNDER §
18 5-209 OF THIS SUBTITLE;

19 (VII) FUNDING FOR THE GUARANTEED TAX BASE PROGRAM
20 UNDER § 5-210 OF THIS SUBTITLE;

21 (VIII) 50% OF THE STATE PAYMENTS FOR RETIREMENT
22 CONTRIBUTIONS FOR EMPLOYEES OF A LOCAL SCHOOL SYSTEM IN
23 ACCORDANCE WITH THE PROVISIONS OF DIVISION II OF THE STATE
24 PERSONNEL AND PENSIONS ARTICLE; AND

25 (IX) FUNDING FOR SUPPLEMENTAL GRANTS UNDER THIS
26 SUBSECTION.

27 (2) (I) FOR FISCAL YEARS 2009 AND 2010 ONLY, THE STATE
28 SHALL PROVIDE A SUPPLEMENTAL GRANT TO A COUNTY BOARD THAT DOES NOT
29 RECEIVE AT LEAST A 1% INCREASE IN STATE FINANCIAL ASSISTANCE FOR
30 PUBLIC EDUCATION OVER THE AMOUNT RECEIVED BY THE COUNTY BOARD IN
31 THE PREVIOUS FISCAL YEAR.

32 (II) THE SUPPLEMENTAL GRANT UNDER THIS PARAGRAPH
33 SHALL BE THE AMOUNT NECESSARY TO INCREASE A COUNTY BOARD'S STATE

1 FINANCIAL ASSISTANCE FOR PUBLIC EDUCATION BY 1% OVER THE AMOUNT
2 RECEIVED BY THE COUNTY BOARD IN THE PREVIOUS FISCAL YEAR.

3 (3) FOR FISCAL YEAR 2011 AND EACH FISCAL YEAR THEREAFTER,
4 A COUNTY BOARD SHALL RECEIVE A SUPPLEMENTAL GRANT EQUAL TO THE
5 AMOUNT THE COUNTY BOARD RECEIVED UNDER PARAGRAPH (2) OF THIS
6 SUBSECTION IN FISCAL YEAR 2010.

7 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article - Education**

10 16-305.

11 (c) (1) (ii) For purposes of this subsection, the State's General Fund
12 appropriation per full-time equivalent student to the 4-year public institutions of
13 higher education in the State for the previous fiscal year shall:

14 **1. INCLUDE NONCAPITAL APPROPRIATIONS FROM**
15 **THE HIGHER EDUCATION INVESTMENT FUND; AND**

16 **2. [reflect] REFLECT** any amendments or reductions to
17 the appropriation for the previous fiscal year.

18 16-512.

19 (a) (2) For purposes of this subsection, the State's General Fund
20 appropriation per full-time equivalent student to the 4-year public institutions of
21 higher education in the State for the previous fiscal year shall:

22 **(I) INCLUDE NONCAPITAL APPROPRIATIONS FROM THE**
23 **HIGHER EDUCATION INVESTMENT FUND; AND**

24 **(II) [reflect] REFLECT** any amendments or reductions to the
25 appropriation for the previous fiscal year.

26 17-104.

27 (d) For purposes of this section, the State's General Fund appropriation per
28 full-time equivalent student to the 4-year public institutions of higher education in
29 the State for the previous fiscal year shall:

30 **(1) INCLUDE NONCAPITAL APPROPRIATIONS FROM THE HIGHER**
31 **EDUCATION INVESTMENT FUND; AND**

1 (2) [reflect] REFLECT any amendments or reductions to the
2 appropriation for the previous fiscal year.

3 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
4 read as follows:

5 **Article - Tax - Property**

6 ~~7~~-237.

7 (a) Except as provided in subsection (b) of this section, personal property is
8 exempt from property tax if the property is machinery or equipment used to generate:

9 (1) electricity or steam for sale; or

10 (2) hot or chilled water for sale that is used to heat or cool a building.

11 (b) Personal property that is machinery or equipment described in subsection
12 (a) of this section is subject to county or municipal corporation property tax on:

13 (1) 75% of its value for the taxable year beginning July 1, 2000; and

14 (2) 50% of its value for the taxable year beginning July 1, 2001 and
15 each subsequent taxable year.†

16 **7-514.**

17 **(A) THIS SECTION SHALL BE APPLICABLE TO ALL TAXABLE YEARS**
18 **BEGINNING AFTER JUNE 30, 2008.**

19 **(B) (1) THE GOVERNING BODY OF A COUNTY MAY ENTER INTO AN**
20 **AGREEMENT WITH THE OWNER OF A FACILITY FOR THE GENERATION OF**
21 **ELECTRICITY THAT IS LOCATED OR LOCATES IN THE COUNTY FOR A**
22 **NEGOTIATED PAYMENT BY THE OWNER IN LIEU OF TAXES ON THE FACILITY.**

23 **(2) AN AGREEMENT FOR A NEGOTIATED PAYMENT IN LIEU OF**
24 **TAXES UNDER THIS SECTION SHALL PROVIDE THAT, FOR THE TERM SPECIFIED**
25 **IN THE AGREEMENT:**

26 **(I) THE OWNER SHALL PAY TO THE COUNTY A SPECIFIED**
27 **AMOUNT EACH YEAR IN LIEU OF THE PAYMENT OF COUNTY REAL AND**
28 **PERSONAL PROPERTY TAX; AND**

29 **(II) ALL OR A SPECIFIED PART OF THE REAL AND PERSONAL**
30 **PROPERTY AT THE FACILITY SHALL BE EXEMPT FROM COUNTY PROPERTY TAX**
31 **FOR THE TERM OF THE AGREEMENT.**

1 **(C) (1) AS SPECIFIED IN THE AGREEMENT FOR A NEGOTIATED**
 2 **PAYMENT IN LIEU OF TAXES UNDER THIS SECTION, FOR THE TERM SPECIFIED IN**
 3 **THE AGREEMENT, THE REAL AND PERSONAL PROPERTY AT A FACILITY FOR THE**
 4 **GENERATION OF ELECTRICITY THAT IS LOCATED OR LOCATES IN THE COUNTY IS**
 5 **EXEMPT FROM COUNTY PROPERTY TAX.**

6 **(2) FOR EACH TAXABLE YEAR, WASHINGTON COUNTY SHALL**
 7 **DISTRIBUTE TO THE TOWN OF WILLIAMSPORT THE GREATER OF:**

8 **(I) AN AMOUNT EQUAL TO 35% OF ANY AMOUNT RECEIVED**
 9 **UNDER A NEGOTIATED PAYMENT IN LIEU OF TAXES UNDER THIS SECTION; OR**

10 **(II) \$125,000.**

11 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 12 read as follows:

13 **Article - Natural Resources**

14 5-903.

15 ~~(a) (1) Of the funds distributed to Program Open Space under § 13-209 of~~
 16 ~~the Tax Property Article, up to \$3,000,000 may be transferred by an appropriation in~~
 17 ~~the State budget, or by an amendment to the State budget under Title 7, Subtitle 2 of~~
 18 ~~the State Finance and Procurement Article, to the Maryland Heritage Areas Authority~~
 19 ~~Financing Fund established under Title 13, Subtitle 11 of the Financial Institutions~~
 20 ~~Article to be used for the purposes provided in that subtitle.~~

21 ~~(2) (i) Of the remaining funds not appropriated under paragraph~~
 22 ~~(1) of this subsection, one half of the funds shall be used for recreation and open space~~
 23 ~~purposes by the Department and the Historic St. Mary's City Commission. Except as~~
 24 ~~otherwise provided in this section, any funds the General Assembly appropriates to~~
 25 ~~the State under this subsection shall be used only for land acquisition projects.~~

26 ~~(ii) At least \$1,500,000 of the State's share of funds available~~
 27 ~~under this program shall be utilized to make grants to Baltimore City for projects~~
 28 ~~which meet park purposes. The grants shall be in addition to any funds Baltimore City~~
 29 ~~is eligible to receive under subsection (b) of this section, and may be used for~~
 30 ~~acquisition or development. In order for Baltimore City to be eligible for a State grant,~~
 31 ~~the Department shall review projects or land to be acquired within Baltimore City,~~
 32 ~~and upon the Department's recommendation, the Board of Public Works may approve~~
 33 ~~projects and land including the cost. Title to the land shall be in the name of the~~
 34 ~~Mayor and City Council of Baltimore City. The State is not responsible for costs~~
 35 ~~involved in the development or maintenance of the land.~~

1 (iii) 1. ~~A portion of the State's share of funds available under~~
 2 ~~this Program not to exceed the amounts specified below may be transferred by an~~
 3 ~~appropriation in the State budget to the Rural Legacy Program under Subtitle 9A of~~
 4 ~~this title:~~

5 A. ~~In fiscal year 1998, \$4 million;~~

6 B. ~~In fiscal year 1999, \$5 million;~~

7 C. ~~In fiscal year 2000, \$6 million;~~

8 D. ~~In fiscal year 2001, \$7 million; and~~

9 E. ~~In fiscal year 2002 and each fiscal year thereafter, \$8~~
 10 ~~million.~~

11 2. ~~In each fiscal year, up to \$2 million of the funds~~
 12 ~~transferred under this subparagraph to the Rural Legacy Program may be used to~~
 13 ~~purchase zero coupon bonds for easements.~~

14 3. ~~Sums allocated to the Rural Legacy Program may not~~
 15 ~~revert to the General Fund of the State.~~

16 (b) ~~Of the remaining funds not appropriated under subsection (a)(1) of this~~
 17 ~~section, the General Assembly shall appropriate the other half of the funds AS~~
 18 ~~FOLLOWS:~~

19 (1) ~~\$21,000,000 TO THE FOREST AND PARK SERVICE IN THE~~
 20 ~~DEPARTMENT TO OPERATE STATE FORESTS AND PARKS; AND~~

21 (2) ~~THE REMAINDER to assist local governing bodies in acquisition~~
 22 ~~and development of land for recreation and open space purposes.~~

23 (g) (1) For [the fiscal year commencing July 1, 1990, any amount
 24 appropriated in the State budget, and for] each [subsequent] fiscal year, up to [25] 32
 25 percent of the State's share of funds that would be available under the program if 100
 26 percent of the funds not required under § 13-209(b) of the Tax – Property Article were
 27 available for distribution as provided in § 13-209(d)(3) of the Tax – Property Article
 28 may be used for capital improvements on land owned by the State for the use of the
 29 Department if the improvements are:

30 (i) Approved in the State budget; and

31 (ii) Compatible with:

32 1. Any master plan developed for the land; and

1 2. The natural features of the land.

2 (2) (i) [For the fiscal year commencing July 1, 1996, up to 12.5% of
3 the State's share of funds available for capital improvements may be used to operate
4 State forests and parks, but only if the funds expended for operating costs do not
5 exceed the portion of the State allocation available under this subsection that is
6 derived from current revenues, as distinguished from proceeds of bond issues.

7 (ii) For the fiscal year commencing July 1, 1997, up to
8 \$1,000,000 of the State's share of funds available for capital improvements may be
9 used to operate State forests and parks, but only if the funds expended for operating
10 costs do not exceed the portion of the State allocation available under this subsection
11 that is derived from current revenues, as distinguished from proceeds of bond issues.

12 (iii)] For the fiscal year commencing July 1, 1998, and all
13 subsequent fiscal years, up to \$1,200,000 of the State's share of funds available for
14 capital improvements may be used to operate State forests and parks, but only if the
15 funds expended for operating costs do not exceed the portion of the State allocation
16 available under this subsection that is derived from current revenues, as distinguished
17 from proceeds of bond issues.

18 (iv)] (II) The only wages that can be paid with the portion of
19 the State's share of funds authorized under [subparagraphs (ii) and (iii)]
20 SUBPARAGRAPH (I) of this paragraph are the wages of employees in the State forests
21 and parks.

22 (III) **FOR FISCAL YEAR 2009, AND EACH SUBSEQUENT**
23 **FISCAL YEAR, AT LEAST \$8,000,000 OF THE STATE'S SHARE OF FUNDS**
24 **AVAILABLE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE USED TO**
25 **REDUCE THE BACKLOG OF CRITICAL MAINTENANCE AND REHABILITATION OR**
26 **REPLACEMENT CAPITAL IMPROVEMENT PROJECTS IN STATE PARKS.**

27 (3) If the General Assembly amends the Budget Bill to strike out an
28 improvement or operating costs under this subsection submitted by the Governor, the
29 Governor may consider reallocating the funds through a supplemental budget for the
30 same fiscal year:

31 (i) To finance specific alternative land acquisition, development
32 projects, or operating costs; or

33 (ii) To the Advance Option and Purchase Fund established
34 under § 5-904(b) of this subtitle.

35 SECTION 6. ~~AND BE IT FURTHER ENACTED, That the laws of Maryland~~
36 ~~read as follows:~~

37 ~~Article — Courts and Judicial Proceedings~~

1 ~~12-301.1.~~

2 ~~(A) IN THIS SECTION, "MASTER SETTLEMENT AGREEMENT" MEANS~~
 3 ~~THE MASTER SETTLEMENT AGREEMENT EXECUTED BY THE STATE AND~~
 4 ~~PARTICIPATING TOBACCO MANUFACTURERS.~~

5 ~~(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PRESERVE~~
 6 ~~STATE REVENUE AS IT PERTAINS TO THE CIGARETTE RESTITUTION FUND.~~

7 ~~(C) NOTWITHSTANDING ANY OTHER LAW OR COURT RULE AND EXCEPT~~
 8 ~~AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IN AN APPEAL FROM A~~
 9 ~~JUDGMENT ENTERED IN FAVOR OF THE PLAINTIFFS IN AN ACTION CERTIFIED AS~~
 10 ~~A CLASS ACTION OR IN AN ACTION BY MULTIPLE PLAINTIFFS IN WHICH~~
 11 ~~DAMAGES ARE NOT PROVED FOR EACH PLAINTIFF INDIVIDUALLY, THE AMOUNT~~
 12 ~~OF THE SUPERSEDEAS BOND REQUIRED COLLECTIVELY OF ALL APPELLANTS~~
 13 ~~THAT ARE PARTICIPANTS IN THE MASTER SETTLEMENT AGREEMENT TO STAY~~
 14 ~~ENFORCEMENT OF A JUDGMENT MAY NOT EXCEED \$200,000,000, REGARDLESS~~
 15 ~~OF THE AMOUNT OF THE JUDGMENT.~~

16 ~~(D) IF AN APPELLEE PROVES BY A PREPONDERANCE OF THE EVIDENCE~~
 17 ~~THAT AN APPELLANT IS DISSIPATING ASSETS OUTSIDE THE ORDINARY COURSE~~
 18 ~~OF BUSINESS TO AVOID THE PAYMENT OF A JUDGMENT, THE COURT MAY~~
 19 ~~REQUIRE THE APPELLANT TO POST A BOND IN AN AMOUNT UP TO THE FULL~~
 20 ~~AMOUNT OF THE JUDGMENT RESERVED.~~

21 SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 22 read as follows:

23 Article - Courts and Judicial Proceedings

24 13-602.

25 (a) (1) There is a Circuit Court Real Property Records Improvement
 26 Fund.

27 13-603.

28 (c) The Fund shall be used to pay [the]:

29 (1) THE operating expenses of the land records offices of the clerks of
 30 the circuit courts and to repair, replace, improve, modernize, and update office
 31 equipment and equipment related services in the land records office of the clerk of the
 32 circuit court for each county, as the Administrator considers appropriate, with advice
 33 from the oversight committee; AND

1 **(2) FOR INFORMATION TECHNOLOGY PROJECTS OF THE**
2 **JUDICIARY DEPARTMENT.**

3 ~~§13-607.~~

4 This subtitle shall terminate and be of no effect after June 30, 2009.

5 SECTION 8. AND BE IT FURTHER ENACTED, That the Laws of Maryland
6 read as follows:

7 **Article – State Finance and Procurement**

8 6-103.

9 (a) There is a Bureau of Revenue Estimates in the Office of the Comptroller.

10 (b) (1) The head of the Bureau is the Chief.

11 (2) Subject to the supervision of the Comptroller, the Chief has
12 administrative control of the Bureau.

13 **(3) UNLESS THE COMPTROLLER, WITH THE APPROVAL OF THE**
14 **BOARD, DETERMINES THAT AN ALTERNATIVE STRUCTURE IS APPROPRIATE,**
15 **THE CHIEF SHALL BE SUBJECT TO THE SUPERVISION OF THE DEPUTY**
16 **COMPTROLLER WITH RESPONSIBILITY FOR TAX ADMINISTRATION.**

17 (c) (1) Except as otherwise provided by law, SUBJECT TO THE
18 APPROVAL OF THE BOARD, the Comptroller shall appoint the Chief [and].

19 **(2) THE CHIEF MAY BE REMOVED ONLY BY A MAJORITY OF THE**
20 **BOARD FOR INCOMPETENCE OR OTHER GOOD CAUSE.**

21 **(3) THE CHIEF SHALL APPOINT other employees of the Bureau in**
22 **accordance with the provisions of the State Personnel and Pensions Article.**

23 6-104.

24 (a) (1) After the end of each fiscal year, the Bureau shall submit to the
25 Board a report that:

26 (i) contains an itemized statement of the State revenues from
27 all sources for that fiscal year; and

28 (ii) includes any recommendations of the Bureau.

1 (2) [Before each regular session of the General Assembly] IN
2 DECEMBER, MARCH, AND SEPTEMBER OF EACH YEAR, the Bureau shall submit to
3 the Board a report that contains an itemized statement of the estimated State
4 revenues from all sources for the fiscal year following [the session] THE FISCAL YEAR
5 IN WHICH THE REPORT IS MADE.

6 (3) The Bureau shall provide to the Board any other information that
7 the Board requests.

8 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
9 REPORTS REQUIRED UNDER PARAGRAPHS (1) AND (2) OF THIS SUBSECTION
10 SHALL INCLUDE AN ITEMIZED STATEMENT OF:

11 (I) REVENUES OR ESTIMATED REVENUES DISTRIBUTED TO
12 THE TRANSPORTATION TRUST FUND, INCLUDING THE MOTOR FUEL TAXES
13 IMPOSED UNDER TITLE 9, SUBTITLE 3 OF THE TAX – GENERAL ARTICLE AND
14 MOTOR VEHICLE TITLING TAXES IMPOSED UNDER TITLE 13, SUBTITLE 8 OF THE
15 TRANSPORTATION ARTICLE; AND

16 (II) REVENUES FROM THE STATE TRANSFER TAX IMPOSED
17 UNDER TITLE 13, SUBTITLE 2 OF THE TAX – PROPERTY ARTICLE.

18 (b) In addition to these reports, the Bureau shall continually conduct studies
19 of State revenue sources to:

20 (1) determine the amount of revenue produced; and

21 (2) devise and recommend new methods and sources for improved
22 efficiency, equity, and economy in production [and], collection, AND ESTIMATION of
23 revenue.

24 (c) (1) ON OR BEFORE DECEMBER 1, 2008, AND DECEMBER 1 OF
25 EVERY THIRD YEAR THEREAFTER, THE BUREAU SHALL SUBMIT TO THE
26 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE,
27 TO THE GENERAL ASSEMBLY A TAX INCIDENCE STUDY MEASURING THE
28 BURDEN OF ALL THE MAJOR TAXES IMPOSED BY THE STATE AND HOW THAT
29 BURDEN IS SHARED AMONG TAXPAYERS OF DIFFERENT INCOME LEVELS.

30 (2) THE BUREAU SHALL PREPARE AND SUBMIT THE STATISTICS
31 OF INCOME REPORT REQUIRED UNDER § 10-223 OF THE TAX – GENERAL
32 ARTICLE.

33 6-105.

1 **(A) IN THIS SECTION, "GROUP" MEANS THE CONSENSUS REVENUE**
2 **MONITORING AND FORECASTING GROUP ESTABLISHED UNDER THIS SECTION.**

3 **(B) THERE IS A CONSENSUS REVENUE MONITORING AND**
4 **FORECASTING GROUP.**

5 **(C) THE GROUP CONSISTS OF:**

6 **(1) THE CHIEF AND STAFF OF THE BUREAU AS DESIGNATED BY**
7 **THE CHIEF;**

8 **(2) THE DEPUTY COMPTROLLER WITH RESPONSIBILITY FOR TAX**
9 **ADMINISTRATION AND STAFF AS DESIGNATED BY THE DEPUTY COMPTROLLER**
10 **WITH RESPONSIBILITY FOR TAX ADMINISTRATION;**

11 **(3) STAFF OF THE OFFICE OF THE TREASURER AS DESIGNATED**
12 **BY THE TREASURER;**

13 **(4) STAFF OF THE DEPARTMENT OF BUDGET AND MANAGEMENT**
14 **AS DESIGNATED BY THE SECRETARY OF BUDGET AND MANAGEMENT;**

15 **(5) STAFF OF THE DEPARTMENT OF TRANSPORTATION AS**
16 **DESIGNATED BY THE SECRETARY OF TRANSPORTATION; AND**

17 **(6) STAFF OF THE OFFICE OF POLICY ANALYSIS OF THE**
18 **DEPARTMENT OF LEGISLATIVE SERVICES AS DESIGNATED BY THE DIRECTOR**
19 **OF THE OFFICE.**

20 **(D) THE CHIEF SHALL CHAIR THE GROUP.**

21 **(E) THE GROUP AND ITS CONSTITUENT UNITS SHALL:**

22 **(1) REVIEW AND ANALYZE ATTAINMENT OF REVENUES ON A**
23 **MONTHLY BASIS; AND**

24 **(2) ADVISE AND COLLABORATE WITH THE BUREAU:**

25 **(I) IN THE DEVELOPMENT OF REVENUE FORECASTS AND**
26 **ANY NECESSARY REVISIONS TO THOSE FORECASTS; AND**

27 **(II) IN THE PERFORMANCE OF ANY PERTINENT STUDIES OR**
28 **ANALYSES AS REQUESTED BY THE CHIEF OR AS DIRECTED BY THE BOARD.**

29 **(F) TO ASSIST THE GROUP IN PERFORMING ITS FUNCTION, THE**
30 **COMPTROLLER AND THE BUREAU SHALL:**

1 **(1) WITHIN 7 CALENDAR DAYS AFTER THE END OF EACH MONTH,**
2 **PROVIDE TO MEMBERS OF THE GROUP DETAILED DATA ON REVENUE**
3 **COLLECTIONS; AND**

4 **(2) BEFORE ANY DOCUMENT RELATING TO THE WORK OF THE**
5 **BUREAU IS PUBLISHED, PROVIDE A DRAFT OF THE DOCUMENT TO THE**
6 **MEMBERS OF THE GROUP FOR REVIEW AND COMMENT.**

7 6-106.

8 (a) The Board shall:

9 (1) study the information that the Bureau provides; and

10 (2) consider the recommendations of the Bureau.

11 (b) (1) [Annually] IN DECEMBER, MARCH, AND SEPTEMBER OF EACH
12 YEAR, the Board shall submit to the Governor AND, SUBJECT TO § 2-1246 OF THE
13 STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, a report that:

14 (i) contains an itemized statement of the estimated State
15 revenues from all sources for the fiscal year following the fiscal year in which the
16 report is made; and

17 (ii) includes any recommendations of the Board.

18 (2) (I) [The] SUBJECT TO SUBPARAGRAPH (II) OF THIS
19 PARAGRAPH, THE Governor shall [send the report of the Board, subject to §
20 2-1246 of the State Government Article, to the General Assembly] INCORPORATE
21 THE MOST RECENT ESTIMATES OF REVENUES REPORTED BY THE BOARD IN THE
22 STATE BUDGET AND ANY SUPPLEMENTAL BUDGET SUBMITTED TO THE
23 GENERAL ASSEMBLY.

24 (II) IF THE GOVERNOR USES DIFFERENT ESTIMATES OF
25 REVENUES IN THE FORMULATION OF THE STATE BUDGET AND ANY
26 SUPPLEMENTAL BUDGET SUBMITTED TO THE GENERAL ASSEMBLY THAN THOSE
27 REPORTED BY THE BOARD, A STATEMENT PROVIDING AN EXPLANATION AS TO
28 THE DIFFERENCES SHALL BE INCLUDED TOGETHER WITH THOSE SUBMISSIONS.

29 7-311.

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

31 (2) “Account” means the Revenue Stabilization Account.

1 insurance costs of employees and retirees in fiscal year 2009 so as to reduce the cost to
2 the General Fund of providing the benefit by at least \$82,000,000.

3 SECTION 10. AND BE IT FURTHER ENACTED, That:

4 (a) (1) In this section, “Executive Branch agencies” includes:

5 (i) University System of Maryland;

6 (ii) St. Mary’s College of Maryland;

7 (iii) Morgan State University; and

8 (iv) Baltimore City Community College.

9 (2) In this section, “Executive Branch agencies” does not include the
10 Department of Public Safety and Correctional Services.

11 (b) (1) As of January 1, 2008, the number of full-time equivalent (FTE)
12 regular positions in Executive Branch agencies shall be reduced by 1,000 FTEs.

13 (2) It is the intent of the General Assembly that these reductions be
14 made from vacant positions.

15 (c) On or before December 15, 2007, the Governor shall submit to the Board
16 of Public Works a schedule for realigning the authorizations made under Chapter 487
17 of the Acts of 2007 to reflect the reduction made in subsection (b) of this section and
18 shall take the actions necessary to implement the reductions.

19 (d) The schedule submitted by the Governor to the Board of Public Works
20 shall identify savings of at least \$13,800,000 in general funds plus any special or
21 federal funds from salaries and wages in Comptroller objects other than 0152 (Health
22 Insurance) and 0154 (Retiree Health Insurance) associated with the abolished
23 positions.

24 SECTION 11. AND BE IT FURTHER ENACTED, That it is the intent of the
25 General Assembly that in developing the fiscal 2009 budget, the Governor make
26 reductions of at least ~~\$470,000,000~~ \$515,000,000 in general funds from the fiscal 2009
27 current services baseline budget after the reductions made by the Board of Public
28 Works in July 2007.

29 SECTION 12. AND BE IT FURTHER ENACTED, That:

30 (a) The Geographic Cost of Education Index (GCEI) Adjustment established
31 in § 5-202(f) of the Education Article shall be updated every 3 years beginning in
32 September 2009 using the most current data available and the same methodology set
33 forth in the report entitled “Adjusting for Geographic Differences in the Cost of
34 Education Provision in Maryland (December 31, 2003).”

1 **(b) the State Department of Education shall:**

2 **(1) submit the proposed updated GCEI Adjustment to the Governor**
3 **and General Assembly, in accordance with § 2-1246 of the State Government Article,**
4 **by September 1 of the year in which it is updated; and**

5 **(2) recommend legislation in the first legislative session following**
6 **submission of the updated GCEI Adjustment that codifies the adjustment and requires**
7 **that the GCEI Adjustment be used to adjust State aid in the fiscal year that begins on**
8 **July 1 of that year.**

9 **SECTION 13. AND BE IT FURTHER ENACTED, That, notwithstanding any**
10 **other provision of law, by action of the governing body of a county, property tax**
11 **revenues in an amount equal to payments that a county would have been entitled to**
12 **receive under Article 24, § 9-1102 of the Code before its repeal under Section 1 of this**
13 **Act shall be excluded from the calculation of any limitation on the ability of a county to**
14 **impose property taxes.**

15 **SECTION 14. AND BE IT FURTHER ENACTED, That, notwithstanding any**
16 **other provision of law:**

17 **(a) For fiscal year 2008 only, up to \$20,000,000 may be transferred from the**
18 **Dedicated Purpose Account established under § 7-310 of the State Finance and**
19 **Procurement Article by budget amendment to the Department of Health and Mental**
20 **Hygiene for the purpose of providing a special fund operating grant to an independent**
21 **entity with authority over the facilities currently operated and health care services**
22 **currently provided by Dimensions Healthcare System until the facilities and**
23 **obligation to provide the services are transferred to a new owner or operator.**

24 **(b) (1) The Department of Health and Mental Hygiene may not provide a**
25 **special fund operating grant under this section until a long-term, comprehensive**
26 **solution to the control and operation of the facilities and provision of health care**
27 **services currently operated and provided by Dimensions Healthcare System is reached**
28 **through:**

29 **(i) an Act of the General Assembly; or**

30 **(ii) a memorandum of understanding between the State and**
31 **Prince George's County.**

32 **(2) The long-term, comprehensive solution required under paragraph**
33 **(1) of this subsection shall address issues related to health care needs in Prince**
34 **George's County and the surrounding region, including:**

35 **(i) the transfer to a new owner or operator of the facilities**
36 **currently operated and the obligation to provide the health care services currently**
37 **provided by Dimensions Healthcare System;**

1 (ii) a plan for the assets currently held by Prince George's
2 County related to the facilities currently operated by Dimensions Healthcare System;

3 (iii) a mechanism to provide a steady revenue stream to help
4 support ongoing operations of the facilities currently operated by Dimensions
5 Healthcare System and to retire the long-term bond indebtedness and satisfy the
6 unfunded pension liability of Dimensions Healthcare System; and

7 (iv) a mechanism to assure equitable and sustainable funding
8 from Prince George's County and the State.

9 SECTION ~~7, 14,~~ 15. AND BE IT FURTHER ENACTED, That ~~Sections 1 and 5~~
10 Section 1 of this Act shall be applicable to fiscal year 2009 and each fiscal year
11 thereafter.

12 ~~SECTION 8. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall~~
13 ~~be applicable to all taxable years beginning after June 30, 2008.~~

14 ~~SECTION 15, 16. AND BE IT FURTHER ENACTED, That Section 6 of this Act~~
15 ~~shall apply to all civil actions pending on or filed on or after the effective date of this~~
16 ~~Act~~ **RESERVED.**

17 SECTION ~~9, 16,~~ 17. AND BE IT FURTHER ENACTED, That Section 3 of this
18 Act shall take effect contingent on the taking effect of legislation passed during the
19 Special Session of 2007 establishing a Higher Education Investment Fund, and if
20 legislation establishing a Higher Education Investment Fund does not become
21 effective, Section 3 of this Act shall be null and void without the necessity of further
22 action by the General Assembly.

23 ~~SECTION 10. AND BE IT FURTHER ENACTED, That Section 5 of this Act~~
24 ~~shall take effect contingent on the taking effect of legislation passed during the Special~~
25 ~~Session of 2007 that imposes recordation and transfer taxes on the transfer of~~
26 ~~controlling interest in an entity that owns interests in real property in Maryland, and~~
27 ~~if legislation that imposes recordation and transfer taxes on the transfer of controlling~~
28 ~~interest in an entity that owns interests in real property in Maryland does not become~~
29 ~~effective, Section 5 of this Act shall be null and void without the necessity of further~~
30 ~~action by the General Assembly.~~

31 SECTION ~~11, 17,~~ 18. AND BE IT FURTHER ENACTED, That, subject to
32 Sections ~~7 through 10~~ 14 through 16 ~~15 through 17~~ of this Act, this Act shall take
33 effect January 1, 2008.