

HOUSE BILL 529

B1

8lr1550

By: **Delegates Bates, Beitzel, Eckardt, Elliott, Frank, George, Kelly, Krebs, McComas, Miller, Shank, and Stocksdale**

Introduced and read first time: January 31, 2008

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Operating Budget – Revenue Stabilization Account – Use**

3 FOR the purpose of altering a requirement that certain funds be appropriated to the
4 Revenue Stabilization Account under certain circumstances; restricting the use
5 of certain funds from the Account to certain expenditures; prohibiting the
6 transfer of certain funds from the Account to General Fund revenues; defining a
7 certain term; providing for the effective date of this Act; and generally relating
8 to the Revenue Stabilization Account.

9 BY repealing and reenacting, with amendments,
10 Article – State Finance and Procurement
11 Section 7–311
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2007 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 7–311.

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

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

20 (3) “Estimated General Fund revenues” means the estimated General
21 Fund revenues stated in the annual report of the Board of Revenue Estimates
22 submitted to the Governor under § 6–106 of this article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) **“ONE-TIME CAPITAL EXPENDITURE” MEANS A CAPITAL**
2 **EXPENDITURE FOR WHICH ANNUAL STATE APPROPRIATIONS ARE NOT**
3 **ROUTINELY MADE IN THE STATE OPERATING BUDGET.**

4 (b) The Revenue Stabilization Account is established to retain State
5 revenues for future needs and reduce the need for future tax increases by moderating
6 revenue growth.

7 (c) The Account is a continuing, nonlapsing fund which is not subject to §
8 7–302 of this subtitle.

9 (d) The Account consists of:

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

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

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

14 (1) if the Account balance is below 3% of the estimated General Fund
15 revenues for that fiscal year, the Governor shall include in the budget bill an
16 appropriation to the Account equal to at least \$100,000,000; and

17 (2) if the Account balance is at least 3% but less than 7.5% of the
18 estimated General Fund revenues for that fiscal year, the Governor shall include in
19 the budget bill an appropriation to the Account equal to at least the lesser of
20 \$50,000,000 or whatever amount is required for the Account balance to exceed 7.5% of
21 the estimated General Fund revenues for that fiscal year.

22 (f) The appropriations required by subsection (e) of this section are not
23 required when the Account balance exceeds 7.5% of the estimated General Fund
24 revenues.

25 (g) (1) Unless the transfer would result in an Account balance below 5% of
26 the estimated General Fund revenues for the fiscal year in which the transfer is made
27 **AND EXCEPT AS PROVIDED IN SUBSECTION (J)(3) OF THIS SECTION**, if authorized
28 by an act of the General Assembly or specifically authorized in the State budget bill as
29 enacted, the Governor may transfer funds from the Account to General Fund revenues
30 as necessary to support the operation of State government on a temporary basis.

31 (2) If the transfer would result in an Account balance below 5% of the
32 estimated General Fund revenues for the fiscal year in which the transfer is made, the
33 Governor may transfer funds from the Account to General Fund revenues only if the
34 transfer is authorized by an act of the General Assembly other than the State budget
35 bill.

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

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

8 (j) (1) Except as provided in paragraph (2) of this subsection and §
9 13-209(g) of the Tax – Property Article, for fiscal year 2007 and for each subsequent
10 fiscal year, the Governor shall include in the budget bill an appropriation to the
11 Account equal to the amount [by which the] **OF ANY** unappropriated General Fund
12 surplus as of June 30 of the second preceding fiscal year [exceeds \$10,000,000].

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

16 (3) **AMOUNTS APPROPRIATED TO THE ACCOUNT UNDER THIS**
17 **SUBSECTION:**

18 (I) **MAY NOT BE TRANSFERRED TO THE GENERAL FUND;**
19 **AND**

20 (II) **MAY BE APPROPRIATED ONLY FOR ONE-TIME CAPITAL**
21 **EXPENDITURES.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2008.