

HOUSE BILL 1094

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9lr1874
CF 9lr1284

By: **Delegates Ross, Levi, Braveboy, Holmes, and Vaughn**

Introduced and read first time: February 13, 2009

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Equity in Education Funding Act of 2009**

3 FOR the purpose of providing for the calculation of net taxable income for the
4 calculation of certain State aid for education beginning in a certain fiscal year;
5 providing for the allocation of funds for State aid for education resulting from
6 certain calculations; providing for the allocation of federal funds under certain
7 circumstances; providing for the application of this Act; and generally relating
8 to the determination of net taxable income for purposes of certain State aid for
9 education funding.

10 BY repealing and reenacting, without amendments,
11 Article – Education
12 Section 5–202(a)(9)
13 Annotated Code of Maryland
14 (2008 Replacement Volume)

15 BY adding to
16 Article – Education
17 Section 5–202(a–1)
18 Annotated Code of Maryland
19 (2008 Replacement Volume)

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

22 **Article – Education**

23 5–202.

24 (a) (9) “Net taxable income” means the amount certified by the State
25 Comptroller for the second completed calendar year before the school year for which

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the calculation of State aid under this section is made, based on tax returns filed on or
2 before September 1 after this calendar year.

3 **(A-1) (1) NOTWITHSTANDING THE DEFINITION OF NET TAXABLE**
4 **INCOME SET FORTH IN SUBSECTION (A)(9) OF THIS SECTION, FOR FISCAL YEAR**
5 **2011 AND EACH YEAR THEREAFTER, NET TAXABLE INCOME SHALL BE**
6 **CALCULATED BASED ON TAX RETURNS FILED ON OR BEFORE SEPTEMBER 1 AND**
7 **NOVEMBER 1.**

8 **(2) THE CALCULATION THAT RESULTS IN THE GREATER AMOUNT**
9 **OF STATE AID FOR EACH COUNTY SHALL BE USED TO CALCULATE STATE AID**
10 **FOR EDUCATION PROGRAMS THAT USE WEALTH TO CALCULATE THE FORMULAS.**

11 **(3) THE ALLOCATION OF ANY ADDITIONAL STATE AID THAT**
12 **RESULTS FROM THE DIFFERENCE BETWEEN THE TWO CALCULATIONS SHALL BE**
13 **PHASED-IN PROPORTIONALLY TO THE EXTENT FUNDS ARE PROVIDED IN THE**
14 **STATE BUDGET, PROVIDED THAT NO JURISDICTION SHALL RECEIVE LESS**
15 **STATE AID FOR EDUCATION PROGRAMS THAT USE WEALTH TO CALCULATE THE**
16 **FORMULAS THAN THE AMOUNT RECEIVED IN THE PRIOR FISCAL YEAR AS A**
17 **RESULT OF THE CALCULATIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That any additional federal
19 funds received for primary and secondary education under a federal stimulus package
20 should be applied to implementing the phase-in of the calculation of net taxable
21 income as provided in § 5-202(a)(9) of the Education Article, as enacted by Section 1 of
22 this Act, to the extent it is an eligible use of the federal funds.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2009, and shall be applicable to the calculation of payments of State aid for
25 education for fiscal years beginning after June 30, 2010.