

SENATE BILL 275

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CF 9lr0238

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

Introduced and read first time: January 23, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Higher Education Investment Fund – Funding**

3 FOR the purpose of requiring the Comptroller to continue to distribute certain income
4 tax revenue from corporations to the Higher Education Investment Fund; and
5 generally relating to funding of the Higher Education Investment Fund.

6 BY repealing and reenacting, without amendments,
7 Article – Education
8 Section 15–106.6(b)
9 Annotated Code of Maryland
10 (2008 Replacement Volume)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 2–613.1
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2008 Supplement)

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

18 **Article – Education**

19 15–106.6.

20 (b) (1) There is a Higher Education Investment Fund.

21 (2) The purpose of the Fund is to:

22 (i) Invest in public higher education and workforce
23 development; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Keep tuition affordable for Maryland students and families.

2 (3) The Fund is a special, nonlapsing fund that is not subject to
3 § 7–302 of the State Finance and Procurement Article.

4 (4) The Treasurer shall hold the Fund and the Comptroller shall
5 account for the Fund.

6 (5) The proceeds of the Fund shall be invested and reinvested.

7 (6) Any investment earnings shall be paid into the Fund.

8 (7) The Fund consists of:

9 (i) Money appropriated in the State budget for the Fund; and

10 (ii) Any other money from any other source accepted for the
11 benefit of the Fund.

12 (8) The Commission shall administer the Fund.

13 (9) Money in the Fund may be expended only:

14 (i) To supplement General Fund appropriations to public senior
15 higher education institutions;

16 (ii) For public senior higher education capital projects;

17 (iii) For workforce development initiatives administered by the
18 Commission; and

19 (iv) For initiatives to address higher education needs related to
20 the United States Department of Defense Base Realignment and Closure process.

21 (10) Expenditures from the Fund may be made only in accordance with
22 an appropriation approved by the General Assembly in the annual State budget.

23 **Article – Tax – General**

24 2–613.1.

25 After making the distribution required under § 2–613 of this subtitle,[:

26 (1)] of the remaining income tax revenue from corporations, the
27 Comptroller shall distribute:

1 [(i) for fiscal year 2008 only:

2 1. \$16,000,000 to the Higher Education Investment
3 Fund established under § 15–106.6 of the Education Article; and

4 2. the amount by which 15.15% of the remaining income
5 tax revenue from corporations exceeds \$16,000,000 to the General Fund; and

6 (ii) for fiscal year 2009 only:

7 1.] (1) 6% to the Higher Education Investment Fund
8 established under § 15–106.6 of the Education Article; and

9 [2.] (2) 9.15% to the General Fund]; and

10 (2) for fiscal year 2010 and subsequent fiscal years, the Comptroller
11 shall distribute 15.15% of the remaining income tax revenue from corporations to the
12 General Fund of the State].

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2009.