

# SENATE BILL 840

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By: **Senator Reilly**

Introduced and read first time: February 11, 2010

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Budget Reduction Act**

3 FOR the purpose of repealing certain State horse racing impact aid grants to certain  
4 local jurisdictions; repealing certain grants to certain film production entities;  
5 altering certain State aid provided to certain nonpublic institutions of higher  
6 education; repealing certain State grants to certain institutions; repealing a  
7 certain income tax credit for certain research and development expenses;  
8 altering a certain limit on the amount of certain distributions required to be  
9 made to certain counties and Baltimore City based on per capita yield of county  
10 income taxes; altering certain State aid to local jurisdictions for local  
11 expenditures for police protection; providing for the distribution of certain  
12 amounts to the General Fund of the State from a certain special fund; altering  
13 or repealing certain required appropriations; prohibiting the use of State  
14 general funds for certain purposes; limiting certain rates established under  
15 certain programs; altering the calculation of certain State aid to community  
16 colleges; altering a certain scholarship program; altering certain State funding  
17 requirements for local health services; altering the distribution of certain motor  
18 fuel tax revenue; altering the distribution of certain sales and use tax revenue  
19 from short-term rental vehicles; altering a certain limit on the maximum  
20 aggregate initial tax credit certificates that may be issued for any fiscal year  
21 under a certain tax credit for certain investments in certain biotechnology  
22 companies; altering a requirement that the State reimburse certain amounts to  
23 certain local jurisdictions for a certain property tax credit; altering the  
24 distribution of certain highway user revenues; stating certain intent of the  
25 General Assembly regarding restraining spending in the State budget by  
26 implementation of certain actions; making the provisions of this Act severable;  
27 providing for the application of this Act; providing for a delayed effective date  
28 for certain provisions of this Act; and generally relating to the financing of State  
29 government.

30 BY repealing

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Article 41 – Governor – Executive and Administrative Departments  
2 Section 4–401, 4–402, and 4–405  
3 Annotated Code of Maryland  
4 (2003 Replacement Volume and 2009 Supplement)
- 5 BY repealing  
6 Article – Business Regulation  
7 Section 11–404 and 11–405  
8 Annotated Code of Maryland  
9 (2004 Replacement Volume and 2009 Supplement)
- 10 BY repealing  
11 Article – Economic Development  
12 Section 4–401 through 4–407 and the subtitle “Subtitle 4. Film Production  
13 Rebate Fund”  
14 Annotated Code of Maryland  
15 (2008 Volume and 2009 Supplement)
- 16 BY repealing  
17 Article – Education  
18 Section 17–104  
19 Annotated Code of Maryland  
20 (2008 Replacement Volume and 2009 Supplement)
- 21 BY repealing  
22 Article – Health – General  
23 Section 13–1015 and 13–1116 through 13–1118  
24 Annotated Code of Maryland  
25 (2009 Replacement Volume)
- 26 BY repealing  
27 Article – Tax – General  
28 Section 10–721  
29 Annotated Code of Maryland  
30 (2004 Replacement Volume and 2009 Supplement)
- 31 BY repealing and reenacting, without amendments,  
32 Article 24 – Political Subdivisions – Miscellaneous Provisions  
33 Section 9–1101(a)(1)  
34 Annotated Code of Maryland  
35 (2005 Replacement Volume and 2009 Supplement)
- 36 BY repealing and reenacting, with amendments,  
37 Article 24 – Political Subdivisions – Miscellaneous Provisions  
38 Section 9–1101(d)  
39 Annotated Code of Maryland  
40 (2005 Replacement Volume and 2009 Supplement)

- 1 BY repealing and reenacting, with amendments,  
2 Article 41 – Governor – Executive and Administrative Departments  
3 Section 4–403 and 4–406(d)  
4 Annotated Code of Maryland  
5 (2003 Replacement Volume and 2009 Supplement)
- 6 BY repealing and reenacting, with amendments,  
7 Article – Business Regulation  
8 Section 11–403, 11–404.1, and 11–406  
9 Annotated Code of Maryland  
10 (2004 Replacement Volume and 2009 Supplement)
- 11 BY repealing and reenacting, with amendments,  
12 Article – Economic Development  
13 Section 4–216(b) and 10–523(a)(3)(i)  
14 Annotated Code of Maryland  
15 (2008 Volume and 2009 Supplement)
- 16 BY adding to  
17 Article – Economic Development  
18 Section 10–640(g) and 10–643(g)  
19 Annotated Code of Maryland  
20 (2008 Volume and 2009 Supplement)
- 21 BY repealing and reenacting, with amendments,  
22 Article – Education  
23 Section 8–417, 16–305(c)(1), 18–1101, 18–1102(a) and (b), and 18–1103  
24 Annotated Code of Maryland  
25 (2008 Replacement Volume and 2009 Supplement)
- 26 BY adding to  
27 Article – Education  
28 Section 17–104  
29 Annotated Code of Maryland  
30 (2008 Replacement Volume and 2009 Supplement)
- 31 BY repealing and reenacting, with amendments,  
32 Article – Health – General  
33 Section 2–302  
34 Annotated Code of Maryland  
35 (2009 Replacement Volume)
- 36 BY repealing and reenacting, with amendments,  
37 Article – Human Services  
38 Section 11–401 and 11–402(d)  
39 Annotated Code of Maryland  
40 (2007 Volume and 2009 Supplement)

- 1 BY repealing and reenacting, with amendments,  
 2 Article – State Finance and Procurement  
 3 Section 7–325(a)  
 4 Annotated Code of Maryland  
 5 (2009 Replacement Volume)
- 6 BY repealing and reenacting, with amendments,  
 7 Article – Tax – General  
 8 Section 2–1104, 2–1302.1, and 10–725(e)(3)(iii)  
 9 Annotated Code of Maryland  
 10 (2004 Replacement Volume and 2009 Supplement)
- 11 BY repealing and reenacting, with amendments,  
 12 Article – Tax – Property  
 13 Section 9–103(h)  
 14 Annotated Code of Maryland  
 15 (2007 Replacement Volume and 2009 Supplement)
- 16 BY repealing and reenacting, with amendments,  
 17 Article – Transportation  
 18 Section 8–402(c) and 8–403  
 19 Annotated Code of Maryland  
 20 (2008 Replacement Volume and 2009 Supplement)
- 21 BY repealing and reenacting, with amendments,  
 22 Chapter 487 of the Acts of the General Assembly of 2009  
 23 Section 44
- 24 BY repealing and reenacting, with amendments,  
 25 Article – Transportation  
 26 Section 8–403  
 27 Annotated Code of Maryland  
 28 (2008 Replacement Volume and 2009 Supplement)  
 29 (As enacted by Chapter 487 of the Acts of the General Assembly of 2009)
- 30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 31 MARYLAND, That Section(s) 4–401, 4–402, and 4–405 of Article 41 – Governor –  
 32 Executive and Administrative Departments of the Annotated Code of Maryland be  
 33 repealed.
- 34 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 11–404 and  
 35 11–405 of Article – Business Regulation of the Annotated Code of Maryland be  
 36 repealed.
- 37 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 4–401 through  
 38 4–407 and the subtitle “Subtitle 4. Film Production Rebate Fund” of Article –  
 39 Economic Development of the Annotated Code of Maryland be repealed.

1 SECTION 4. AND BE IT FURTHER ENACTED, That Section(s) 17–104 of  
2 Article – Education of the Annotated Code of Maryland be repealed.

3 SECTION 5. AND BE IT FURTHER ENACTED, That Section(s) 13–1015 and  
4 13–1116 through 13–1118 of Article – Health – General of the Annotated Code of  
5 Maryland be repealed.

6 SECTION 6. AND BE IT FURTHER ENACTED, That Section(s) 10–721 of  
7 Article – Tax – General of the Annotated Code of Maryland be repealed.

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

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

11 9–1101.

12 (a) (1) Subject to subsection (d) of this section, for each fiscal year, the  
13 Comptroller shall distribute to a county the amount determined for each county under  
14 this section.

15 (d) For fiscal year 2011 and each subsequent fiscal year, the distribution  
16 provided to any county or Baltimore City under this section may not exceed AN  
17 **AMOUNT EQUAL TO 60% OF** the amount distributed to the county or Baltimore City  
18 for fiscal year 2010.

19 **Article 41 – Governor – Executive and Administrative Departments**

20 4–403.

21 (a) As used in this subtitle:

22 (1) “Subdivision” means any county of Maryland but does not include  
23 Baltimore City; or where the context requires, the governing body thereof.

24 (2) “Municipality” means any incorporated city or town, except  
25 Baltimore City, within Maryland; or where the context requires, the governing body  
26 thereof.

27 (3) “Expenditures for police protection” shall be those for the fiscal  
28 year immediately preceding the fiscal year for which the calculation of State aid is to  
29 be made. Thus, State aid for the first year of this grant (1968–1969) shall be based on  
30 “expenditures for police protection” in the fiscal year ending June 30, 1968; State aid  
31 for the second year of this grant (1969–1970) shall be based on expenditures in the  
32 fiscal year ending June 30, 1969, and so forth. “Expenditures for police protection”  
33 means salaries and wages, other operating expenses, capital outlays from current  
34 operating funds, and properly identifiable debt service, paid for police protection.

1 Expenditures for sheriffs and constables are included only to the extent that such  
 2 officers perform police protection functions. Expenditures for traffic control, park  
 3 police, and a share of the cost of a central alarm system proportionate to its police use,  
 4 are included. No part of expenditures for collecting from or servicing parking meters,  
 5 nor of constructing or operating jails, is included.

6 [(4) “Adjusted assessed valuation of real property” means 100% of the  
 7 assessed valuation of the operating real property of public utilities, plus 40% of the  
 8 assessed valuation of all other real property for State purposes, as reported by the  
 9 State Department of Assessments and Taxation as of July 1 of the second fiscal year  
 10 preceding the fiscal year for which the calculation of State aid is to be made, plus 20%  
 11 of new property assessed between July 1 and December 31 of the second preceding  
 12 fiscal year. “Real property” means all property classified as real property under §  
 13 8–101(b) of the Tax – Property Article.

14 (5) “Net taxable income” shall be the taxable income of individuals  
 15 under Title 10 of the Tax – General Article, as certified by the Comptroller of the  
 16 Treasury for the third completed calendar year preceding the fiscal year for which the  
 17 calculation of State aid is to be made. Thus, State aid for the first year of this grant  
 18 shall be based on taxable income in calendar year 1965, and State aid in succeeding  
 19 years on taxable income in corresponding succeeding calendar years.

20 (6) Population figures for total number of people in a subdivision, i.e.  
 21 figures used in per capita and density determinations, shall be those estimated by the  
 22 State Department of Health and Mental Hygiene, as of July 1 of each year. Percentage  
 23 of population residing in municipalities shall be determined from time to time by the  
 24 most recently published federal decennial census data.]

25 [(7) (4) “Executive director” means the executive director of the  
 26 Governor’s Office of Crime Control and Prevention.

27 [(8) (5) “Qualifying municipality” means a municipality:

28 (i) 1. Whose “expenditures for police protection”, as defined  
 29 above, exceed \$5,000; and

30 2. That employs at least one qualified full–time police  
 31 officer, as determined by the executive director; or

32 (ii) 1. Whose “expenditures for police protection”, as defined  
 33 above, exceed \$80,000; and

34 2. That employs at least two qualified part–time police  
 35 officers, as determined by the executive director, from a county police department or  
 36 county sheriff’s department.

1           [(9) “Wealth base” of a subdivision means the sum of the “adjusted  
2 assessed valuation of real property” and “net taxable income”.

3           (10) “Aggregate expenditures for police protection” for a subdivision  
4 means the sum of “expenditures for police protection”, as defined above, of that  
5 subdivision and of every qualifying municipality in that subdivision.

6           (11) “Equivalent of X dollars per capita” means an amount of money  
7 equal to the product of X times the number of people in the particular subdivision.]

8           [(12)] **(6)** “Sworn officer” means:

9                           (i) A law enforcement officer certified by the Police Training  
10 Commission; or

11                           (ii) A full-time probationary employee of a local government  
12 who:

13                                       1. Is hired to attend a police training academy to become  
14 a certified law enforcement officer; and

15                                       2. Is in training or is functioning as a law enforcement  
16 officer pending training.

17           (b) [Subject to subsection (d) of this section, for the fiscal year beginning July  
18 1, 2004, and thereafter] **FOR EACH FISCAL YEAR**, the State shall pay to each  
19 subdivision, and to each qualifying municipality, each year in the manner and subject  
20 to the limitations and requirements hereinafter provided, an amount [determined as  
21 follows:

22                           (1) Share in Basic Expenditure. If the aggregate expenditures for  
23 police protection in a subdivision equal or exceed \$6.00 per capita, the State shall pay  
24 to the subdivision the amount, if any, by which the equivalent of \$6.00 per capita  
25 exceeds 0.09% of the wealth base. If the aggregate expenditures for police protection in  
26 a subdivision are less than \$6.00 per capita, the State shall pay to the subdivision the  
27 amount, if any, by which aggregate expenditures for police protection exceed that  
28 proportion of 0.09 percent of the wealth base which aggregate expenditures for police  
29 protection bear to the equivalent of \$6.00 per capita.

30                           (2) Share Over the Basic Expenditure. In addition to the amount, if  
31 any, payable under paragraph (1) of this subsection, the State shall pay to each  
32 subdivision an amount equal to 25% of the amount, if any, by which aggregate  
33 expenditures for police protection exceed the equivalent of \$6.00 per capita. Provided  
34 however:

1 (i) For subdivisions with a population density less than 100 per  
2 square mile, and less than 30% of total population residing in municipalities, there  
3 shall be no payment under this paragraph.

4 (ii) For subdivisions with population density 100 or more but  
5 less than 500 per square mile, and for subdivisions with population density less than  
6 100 per square mile but with 30% or more of total population residing in  
7 municipalities, payment under this paragraph shall not exceed the equivalent of \$3.50  
8 per capita.

9 (iii) For subdivisions with population density 500 or more but  
10 less than 900 per square mile, payment under this paragraph shall not exceed the  
11 equivalent of \$7.50 per capita.

12 (iv) For subdivisions with population density 900 or more but  
13 less than 1,100 per square mile, payment under this paragraph shall not exceed the  
14 equivalent of \$8.00 per capita.

15 (v) For subdivisions with population density 1,100 or more but  
16 less than 1,300 per square mile, payment under this paragraph shall not exceed the  
17 equivalent of \$9.25 per capita.

18 (vi) For subdivisions with population density 1,300 or more but  
19 less than 8,000 per square mile, payment under this paragraph shall be 25% of the  
20 amount by which aggregate expenditures for police protection exceed the equivalent of  
21 \$6.00 per capita but do not exceed the equivalent of \$36.00 per capita and 50% of the  
22 amount by which aggregate expenditures for police protection exceed the equivalent of  
23 \$36.00 per capita but do not exceed the equivalent of \$45.50 per capita.

24 (vii) For subdivisions with population density 8,000 or more per  
25 square mile, payment under this paragraph shall be 25% of the amount by which  
26 aggregate expenditures for police protection exceed the equivalent of \$6.00 per capita  
27 but do not exceed the equivalent of \$36.00 per capita and 50% of the amount by which  
28 aggregate expenditures for police protection exceed the equivalent of \$36.00 per capita  
29 but do not exceed the equivalent of \$101.50 per capita.

30 (3) Minimum Grant. The State shall pay to each subdivision the  
31 amount, if any, by which the equivalent of \$2.50 per capita exceeds the total payments  
32 determined under paragraphs (1) and (2) of this subsection. No subdivision for which  
33 the population estimate is less than the population estimated for the first year of this  
34 grant shall receive in any year a smaller amount of State aid for police protection than  
35 it received in any previous year, provided it has not reduced the level of expenditure  
36 for police protection which entitled it to the amount of that previous year's grant.

37 (4) Incentive Grant. In addition to the payments made under  
38 paragraphs (1), (2), and (3) of this subsection, the State shall pay to each subdivision  
39 with a population density of less than 500 per square mile, an amount the equivalent  
40 of \$2.00 per capita.



1           (5) Supplemental Grant.

2                   (i) In addition to the payments made under paragraphs  
3 (1), (2), (3), and (4) of this subsection, the State shall pay:

4                   1. To each subdivision, subject to subparagraph (ii) of  
5 this paragraph, an amount the equivalent of \$2.50 per capita;

6                   2. To Baltimore City, an amount the equivalent of fifty  
7 cents per capita; and

8                   3. To each subdivision that borders the District of  
9 Columbia, in addition to the amount required under item 1 of this subparagraph, an  
10 amount the equivalent of fifty cents per capita living in this State within 1 mile of the  
11 border.

12                   (ii) The State shall allocate and distribute the supplemental  
13 grant to each subdivision among the subdivisions and the qualifying municipalities in  
14 those subdivisions on a per capita basis.

15           (6) Additional Grant. For the fiscal year ending June 30, 1981, and for  
16 each fiscal year thereafter, an additional grant equal to 10 percent of the total of the  
17 payments determined under paragraphs (1), (2), (3) and (4) of this subsection, or an  
18 amount which shall not exceed the equivalent of \$1 per capita, whichever is the larger,  
19 shall be paid to the subdivisions.

20           (7) Minimum Payment in Certain Years. Each subdivision shall be  
21 paid that amount, if any, by which the grant paid to the subdivision in the fiscal year  
22 ending June 30, 1984 exceeds the total payments determined under paragraphs  
23 (1), (2), (3), (4), (5) and (6) of this subsection.

24           (8) Municipal Sworn Officer Allocation. For fiscal year 2009 and each  
25 fiscal year thereafter, the State shall pay to each qualifying municipality, in addition  
26 to the payments made under paragraphs (1) through (7) of this subsection an amount]  
27 equal to \$1,950 for each sworn police officer actually employed on a full-time basis by  
28 the **SUBDIVISION OR** qualifying municipality, as determined by the executive  
29 director.

30           [(c) The payment received by each subdivision under subsection (b)(1), (2),  
31 (3), (4), (6) and (7) of this section shall be paid to each subdivision and qualifying  
32 municipality, in the exact proportion which the expenditures for police protection of  
33 the subdivision and of each qualifying municipality bear to aggregate expenditures for  
34 police protection.

35           (d) (1) (i) In this subsection the following words have the meanings  
36 indicated.

1 (ii) "Crime assessment" means an amount obtained for each  
 2 subdivision or Baltimore City by multiplying the percent of total Part I Crimes in the  
 3 State that were committed in the subdivision or Baltimore City by 10% of the costs for  
 4 the crime laboratory of the State Police as provided in the State budget for the fiscal  
 5 year of the assessment.

6 (iii) "Part I Crimes" means the crimes reported by the State  
 7 Police as Part I Crimes in the annual uniform crime report for the second completed  
 8 calendar year preceding the fiscal year of the crime assessment.

9 (iv) "Wealth assessment" means an amount obtained for each  
 10 subdivision or Baltimore City by multiplying the percent of the total wealth base of the  
 11 State that is attributable to the wealth base of the subdivision or Baltimore City by  
 12 20% of the costs for the crime laboratory of the State Police as provided in the State  
 13 budget for the fiscal year of the assessment.

14 (2) For the fiscal year beginning July 1, 2004, and for each fiscal year  
 15 thereafter, the amount determined under subsection (b) of this section for each  
 16 subdivision or Baltimore City shall be reduced by the sum of the crime assessment and  
 17 the wealth assessment for the subdivision or Baltimore City.]

18 4-406.

19 (d) In determining qualification under [§ 4-403(a)(8)] **§ 4-403(A)(5)** of this  
 20 subtitle, the minimum standards determined by the Police Training Commission  
 21 under authority of Title 3, Subtitle 2 of the Public Safety Article shall be applied.

## 22 Article – Business Regulation

23 11-403.

24 (a) **FOR EACH FISCAL YEAR, THE COMPTROLLER SHALL DISTRIBUTE**  
 25 **\$1,200,000 FROM THE SPECIAL FUND TO THE GENERAL FUND OF THE STATE.**

26 (B) The Comptroller shall pay from the Special Fund an annual grant of:

27 (1) \$825,000 to the Maryland Agricultural Fair Board to promote  
 28 State and county agricultural fairs and exhibits;

29 (2) [§100,000 to Prince George's County to replace money formerly  
 30 received from the admissions and amusement tax;

31 (3)] \$40,000 to the Great Frederick Fair to support exhibition harness  
 32 racing with money for construction and maintenance of new stalls, track maintenance,  
 33 and purses;

1            [(4) \$50 to the City of Bowie for each day that the training facilities are  
2 open at the Bowie Race Course Training Center;

3            (5) (3) \$75,000 to the Maryland Agricultural Education  
4 Foundation, Inc., to promote and enhance statewide agricultural education;

5            [(6) (4) an amount not to exceed \$30,000 in fiscal year 1998 and  
6 \$20,000 in each fiscal year thereafter to the Great Pocomoke Fair, Inc. to support  
7 exhibition harness racing with money for construction and maintenance of new stalls,  
8 track maintenance, and purses;

9            [(7) (5) \$500,000 to the Maryland Million, Ltd. to support and  
10 promote the running of Maryland Million races; and

11            [(8) (6) \$350,000 to the Maryland Standardbred Race Fund for the  
12 Sire Stakes Program.

13            [(b) (C) If the Maryland State Fair remains at the Timonium Fair  
14 Grounds, the Comptroller shall pay from the Special Fund an annual grant of[:

15            (1) \$500,000 to the Maryland State Fair and Agricultural Society, Inc.,  
16 to:

17                    [(i) (1) promote and enhance the Maryland State Fair; and

18                    [(ii) (2) maintain and develop youth programs, with premium  
19 money provided to organizations, such as 4-H Clubs and the Future Farmers of  
20 America, for recognition and awards]; and

21            (2) \$50,000 to Baltimore County to replace the money formerly  
22 received by the county under this subtitle].

23 [11-404.1.] **11-404.**

24            After all deductions from the Special Fund as required under [ §§ 11-403 and  
25 11-404] **§ 11-403** of this subtitle are made, the Comptroller shall pay from the  
26 Special Fund an annual grant of:

27            (1) \$300,000 to be allocated in the following way:

28                    (i) 70% to the Maryland-Bred Race Fund; and

29                    (ii) 30% to the Maryland Standardbred Race Fund, to be divided  
30 equally between the Sire Stakes Program and the Foaled Stakes Program; and

1 (2) \$260,000 to the Maryland Agricultural Education and Rural  
 2 Development Assistance Fund established under § 2–206 of the State Finance and  
 3 Procurement Article, with \$130,000 to be allocated to support the operations of the  
 4 Rural Maryland Council.

5 **[11–406.] 11–405.**

6 After all deductions from the Special Fund as required by §§ 11–403[,] AND  
 7 11–404[, and 11–404.1] of this subtitle are made, money that remains in the Special  
 8 Fund shall be allocated in the following way:

9 (1) 50% to the Maryland Agricultural Education and Rural  
 10 Development Assistance Fund established under § 2–206 of the State Finance and  
 11 Procurement Article, with one–third of these funds to be allocated to support the  
 12 operations of the Rural Maryland Council; and

13 (2) 50% to be allocated in the following way:

14 (i) 70% to the Maryland–Bred Race Fund; and

15 (ii) 30% to the Maryland Standardbred Race Fund, to be divided  
 16 equally between the Sire Stakes Program and the Foaled Stakes Program.

17 **Article – Economic Development**

18 4–216.

19 (b) For fiscal year 2011 and each fiscal year thereafter, the Governor shall  
 20 include in the annual budget bill a proposed General Fund appropriation to the Fund  
 21 in an amount not less than **[\$6,000,000] \$3,000,000** for each fiscal year.

22 10–523.

23 (a) (3) (i) To assist the Corporation in complying with subsection (c) of  
 24 this section, the Governor shall include each year in the State budget bill an  
 25 appropriation to the Corporation for rural business development and assistance for  
 26 **[each of fiscal years] FISCAL YEAR 2010 [and 2011]** in the amount of \$2,750,000 and  
 27 for each of fiscal years **[2012] 2011** through 2020, in the amount of **[\$4,000,000]**  
 28 **\$850,000.**

29 10–640.

30 **(G) GENERAL FUNDS OF THE STATE MAY NOT BE USED TO PAY ANY**  
 31 **OBLIGATION OF THE AUTHORITY UNDER SUBSECTION (F) OF THIS SECTION.**

32 10–643.



1 (c) (1) A decision as to the amount or implementation of rates established  
2 under this section may be appealed by sending a written request for appeal to the  
3 Children's Cabinet.

4 (2) The request shall set forth the specific objections to the decision as  
5 to the amount or implementation of rates established under this section.

6 (3) The Children's Cabinet or designees shall issue a final, binding  
7 opinion upholding, reversing, or modifying the rates set by the Interagency Rates  
8 Committee within 30 days after receipt of the request for appeal.

9 **(D) FOR FISCAL YEAR 2011 OR ANY FISCAL YEAR THEREAFTER, ANY**  
10 **RATE ESTABLISHED UNDER THIS SECTION MAY NOT EXCEED A RATE EQUAL TO**  
11 **3% LESS THAN THE RATE IN EFFECT ON JANUARY 20, 2010.**

12 16-305.

13 (c) (1) (i) **[The] FOR EACH FISCAL YEAR, THE** total State operating  
14 fund per full-time equivalent student to the community colleges for each fiscal year as  
15 requested by the Governor shall be[:

16 1. In fiscal year 2009, not less than an amount equal to  
17 26.25% of the State's General Fund appropriation per full-time equivalent student to  
18 the 4-year public institutions of higher education in the State as designated by the  
19 Commission for the purpose of administering the Joseph A. Sellinger Program under  
20 Title 17 of this article in the previous fiscal year;

21 2. In fiscal year 2010, not less than an amount equal to  
22 23.6% of the State's General Fund appropriation per full-time equivalent student to  
23 the 4-year public institutions of higher education in the State as designated by the  
24 Commission for the purpose of administering the Joseph A. Sellinger Program under  
25 Title 17 of this article in the same fiscal year;

26 3. In fiscal year 2011, not less than an amount equal to  
27 24% of the State's General Fund appropriation per full-time equivalent student to the  
28 4-year public institutions of higher education in the State as designated by the  
29 Commission for the purpose of administering the Joseph A. Sellinger Program under  
30 Title 17 of this article in the same fiscal year;

31 4. In fiscal year 2012, not less than an amount equal to  
32 25% of the State's General Fund appropriation per full-time equivalent student to the  
33 4-year public institutions of higher education in the State as designated by the  
34 Commission for the purpose of administering the Joseph A. Sellinger Program under  
35 Title 17 of this article in the same fiscal year;

36 5. In fiscal year 2013, not less than an amount equal to  
37 27% of the State's General Fund appropriation per full-time equivalent student to the

1 4-year public institutions of higher education in the State as designated by the  
2 Commission for the purpose of administering the Joseph A. Sellinger Program under  
3 Title 17 of this article in the same fiscal year; and

4 6. In fiscal year 2014 and in each fiscal year thereafter,  
5 not less than an amount equal to ~~[29%]~~ **19.1%** of the State's General Fund  
6 appropriation per full-time equivalent student to the 4-year public institutions of  
7 higher education in the State as designated by the Commission for the purpose of  
8 administering the Joseph A. Sellinger Program under Title 17 of this article in the  
9 same fiscal year.

10 (ii) For purposes of this subsection, the State's General Fund  
11 appropriation per full-time equivalent student to the 4-year public institutions of  
12 higher education in the State for a fiscal year shall include noncapital appropriations  
13 from the Higher Education Investment Fund.

14 **17-104.**

15 (A) **FOR ANY FISCAL YEAR, THE TOTAL AMOUNT OF GRANTS AWARDED**  
16 **UNDER THIS SUBTITLE MAY NOT EXCEED \$5,000,000.**

17 (B) **THE MARYLAND HIGHER EDUCATION COMMISSION SHALL**  
18 **DEVELOP CRITERIA FOR THE AWARD OF GRANTS UNDER THIS SUBTITLE TO**  
19 **SELECTED INSTITUTIONS THAT DEMONSTRATE A FINANCIAL NEED FOR THE**  
20 **FUNDS IN ORDER FOR THE INSTITUTIONS TO REMAIN IN OPERATION OR IN**  
21 **ORDER TO PRESERVE ACCESS TO THE INSTITUTIONS FOR MARYLAND**  
22 **RESIDENTS.**

23 18-1101.

24 There is a Distinguished Scholar Program of ~~[350]~~ **260** scholarships to be  
25 awarded by the Office to residents of the State in the manner provided in this subtitle  
26 for use at postsecondary institutions of higher education in the State.

27 18-1102.

28 (a) The Office shall annually select the ~~[350]~~ **260** secondary school students  
29 who have the greatest potential for academic success in higher education as  
30 determined by criteria established by the Office and offer a scholarship to each of  
31 these students to be used at any Maryland postsecondary institution of the student's  
32 choice, if the student meets the following qualifications:

33 (1) Qualifies academically as follows:

1 (i) Has a secondary school transcript indicating an overall  
2 academic grade point average of at least 3.7 on a 4.0 scale or its equivalent grade point  
3 average;

4 (ii) Is a finalist of the National Merit Scholarship Program or  
5 the Achievement Scholarship Program administered by the National Merit  
6 Scholarship Corporation; or

7 (iii) Has a superior creative talent or skill in art, music, dance,  
8 or the theater, as determined by an audition or portfolio review process established by  
9 the Office;

10 (2) Has matriculated at a postsecondary educational institution in the  
11 State; and

12 (3) Qualifies as a Maryland resident.

13 (b) (1) At least [150] **110** of the [350] **260** awards shall be granted to  
14 superior academic achievers whose secondary school transcripts indicate after the first  
15 semester of the junior year an overall academic grade point average of at least 3.7 on a  
16 4.0 scale, or its equivalent grade point average.

17 (2) At least 2 recipients who meet the qualifications specified under  
18 this section shall be selected from each county of the State.

19 18–1103.

20 The Office shall annually select a number of alternate scholarship awards under  
21 this subtitle. In the event the annual number of awards is not made, as provided in §  
22 18–1101 of this subtitle, the Office may make an award from the alternate list as  
23 necessary to assure that [350] **260** awards are made annually.

## 24 Article – Health – General

25 2–302.

26 (a) The funding required in the State budget for local health services,  
27 exclusive of special fund and federal appropriations, shall be at least the amount set  
28 forth in subsection (b) of this section.

29 (b) [The] **FOR EACH FISCAL YEAR, THE** funding shall be[:

30 (1) \$41.0 million for fiscal year 1997] **\$37,283,484, TO BE**  
31 **DISTRIBUTED AS FOLLOWS:**

32 (1) **ALLEGANY COUNTY .....\$908,719;**



1	(2)	ANNE ARUNDEL COUNTY.....	\$3,141,951;
2	(3)	BALTIMORE CITY.....	\$6,675,053;
3	(4)	BALTIMORE COUNTY.....	\$4,302,255;
4	(5)	CALVERT COUNTY.....	\$369,812;
5	(6)	CAROLINE COUNTY.....	\$538,253;
6	(7)	CARROLL COUNTY.....	\$1,231,995;
7	(8)	CECIL COUNTY.....	\$806,392;
8	(9)	CHARLES COUNTY.....	\$994,528;
9	(10)	DORCHESTER COUNTY.....	\$428,709;
10	(11)	FREDERICK COUNTY.....	\$1,512,159;
11	(12)	GARRETT COUNTY.....	\$437,403;
12	(13)	HARFORD COUNTY.....	\$1,737,473;
13	(14)	HOWARD COUNTY.....	\$1,215,070;
14	(15)	KENT COUNTY.....	\$335,941;
15	(16)	MONTGOMERY COUNTY.....	\$3,014,680;
16	(17)	PRINCE GEORGE'S COUNTY.....	\$5,007,057;
17	(18)	QUEEN ANNE'S COUNTY.....	\$417,744;
18	(19)	ST. MARY'S COUNTY.....	\$808,576;
19	(20)	SOMERSET COUNTY.....	\$429,385;
20	(21)	TALBOT COUNTY.....	\$328,705;
21	(22)	WASHINGTON COUNTY.....	\$1,381,306;
22	(23)	WICOMICO COUNTY.....	\$947,374; AND



1 (c) Nonstate funds received by the Corporation shall be accounted for and  
2 reported as receipts and disbursements separate and distinct from State funds.

3 11-402.

4 (d) The Fund consists of:

5 (1) money deposited to the Fund from the surcharge assessed in civil  
6 cases under §§ 7-202 and 7-301 of the Courts Article;

7 (2) money appropriated to the Fund [under § 11-401 of this subtitle];

8 (3) interest on attorney trust accounts paid to the Fund under §  
9 10-303 of the Business Occupations and Professions Article; and

10 (4) investment earnings of the Fund.

#### 11 Article – State Finance and Procurement

12 7-325.

13 (a) For each fiscal year, the Governor shall include in the annual budget bill  
14 submitted to the General Assembly a General Fund appropriation for the Maryland  
15 State Arts Council in an amount not less than [the amount of the General Fund  
16 appropriation for the Council as approved in the State budget as enacted by the  
17 General Assembly for the prior fiscal year, increased by not less than the percentage  
18 by which the projected total General Fund revenues for the upcoming fiscal year  
19 exceed the revised estimate of total General Fund revenues for the current fiscal year,  
20 as contained in the report of estimated State revenues submitted by the Board of  
21 Revenue Estimates to the Governor under § 6-106(b) of this article] **\$6,500,000**.

#### 22 Article – Tax – General

23 2-1104.

24 [(a) Except as provided in subsections (b) and (c) of this section, after] **AFTER**  
25 making the distributions required under §§ 2-1101 through 2-1103 of this subtitle,  
26 from the remaining motor fuel tax revenue, the Comptroller shall distribute:

27 (1) 2.3% to the [Chesapeake Bay 2010 Trust Fund] **GENERAL FUND**  
28 **OF THE STATE**; and

29 (2) any remaining balance to the Gasoline and Motor Vehicle Revenue  
30 Account of the Transportation Trust Fund.

1           [(b) For the fiscal year beginning July 1, 2008, instead of the distribution  
2 required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3%  
3 of the remaining motor fuel tax revenue as follows:

4                   (1)     \$6,500,000 to the General Fund of the State; and

5                   (2)     the balance to the Chesapeake Bay 2010 Trust Fund.

6           (c) For the fiscal year beginning July 1, 2009, instead of the distribution  
7 required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3%  
8 of the remaining motor fuel tax revenue as follows:

9                   (1)     \$8,385,845 to the General Fund of the State; and

10                  (2)     the balance to the Chesapeake Bay 2010 Trust Fund.]

11    2-1302.1.

12           [(a) Except as provided in subsections (b) and (c) of this section, after] **AFTER**  
13 making the distributions required under §§ 2-1301 and 2-1302 of this subtitle, of the  
14 sales and use tax collected on short-term vehicle rentals under § 11-104(c) of this  
15 article the Comptroller shall distribute:

16                   (1)     45% to the Transportation Trust Fund established under § 3-216  
17 of the Transportation Article;

18                   **(2)     40% TO THE GENERAL FUND OF THE STATE;** and

19                   **[(2)] (3)**     the remainder to the Chesapeake Bay 2010 Trust Fund.

20           [(b) For the fiscal year beginning July 1, 2008, after the distribution required  
21 under subsection (a)(1) of this section, the Comptroller shall distribute the remainder  
22 of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of  
23 this article as follows:

24                   (1)     \$18,500,000 to the General Fund of the State; and

25                   (2)     the remainder to the Chesapeake Bay 2010 Trust Fund.

26           (c) For the fiscal year beginning July 1, 2009, after the distribution required  
27 under subsection (a)(1) of this section, the Comptroller shall distribute the remainder  
28 of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of  
29 this article as follows:

30                   (1)     \$13,100,711 to the General Fund of the State; and

31                   (2)     the remainder to the Chesapeake Bay 2010 Trust Fund.]

1 10-725.

2 (e) (3) (iii) 1. Except as otherwise provided in this subparagraph,  
3 for any fiscal year, the Secretary may not issue initial tax credit certificates for credit  
4 amounts in the aggregate totaling more than **THE LESSER OF:**

5 **A. \$3,000,000; OR**

6 **B.** the amount appropriated to the Reserve Fund for that  
7 fiscal year in the State budget as approved by the General Assembly.

8 2. If the aggregate credit amounts under initial tax  
9 credit certificates issued in a fiscal year total less than the [amount appropriated to  
10 the Reserve Fund] **MAXIMUM** for that fiscal year **UNDER SUBSUBPARAGRAPH 1 OF**  
11 **THIS SUBPARAGRAPH**, any excess amount shall remain in the Reserve Fund and may  
12 be issued under initial tax credit certificates for the next fiscal year.

13 3. For any fiscal year, if funds are transferred from the  
14 Reserve Fund under the authority of any provision of law other than under paragraph  
15 (4) of this subsection, the maximum credit amounts in the aggregate for which the  
16 Secretary may issue initial tax credit certificates shall be reduced by the amount  
17 transferred.

18 **Article – Tax – Property**

19 9-103.

20 (h) As provided in the State budget, the State shall remit to each county or  
21 municipal corporation an amount equal to [one-half] **25%** of the funds that would  
22 have been collected if the property tax credit under this section had not been granted.

23 **Article – Transportation**

24 8-402.

25 (c) [(1)] During each fiscal year[, the]:

26 (1) **A PORTION OF THE ACCOUNT SHALL BE DISTRIBUTED TO THE**  
27 **GENERAL FUND OF THE STATE AS PROVIDED IN § 8-403(A)(1) OF THIS**  
28 **SUBTITLE;**

29 (2) **THE** Account shall be used to pay the allocations of highway user  
30 revenues provided by this subtitle to the counties, municipalities, and Baltimore City;  
31 and



1 subsequent fiscal year that begins before July 1, 2007 may not exceed 12.25% of the  
2 total highway user revenues for the fiscal year for which the distribution is made.]

3 (3) The amount distributed under **PARAGRAPH (2) OF** this subsection  
4 shall be distributed in monthly installments.

5 (b) Subject to §§ 3–307 and 3–308 of this article, during each fiscal year, 30%  
6 of the total highway user revenues, less the [amount] **AMOUNTS** distributed to **THE**  
7 **GENERAL FUND OF THE STATE AND TO** Baltimore City under subsection (a) of this  
8 section, shall be distributed to the counties and municipalities of this State at the  
9 times specified in § 8–407 of this subtitle.

10 SECTION 9. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
11 read as follows:

### 12 Article – Transportation

13 8–403.

14 (a) (1) **FOR EACH FISCAL YEAR, AN AMOUNT EQUAL TO \$340,000,000**  
15 **SHALL BE DISTRIBUTED FROM THE HIGHWAY USER REVENUES TO THE**  
16 **GENERAL FUND OF THE STATE.**

17 (2) Subject to [the limitation under paragraph (2) of this subsection  
18 and subject to] §§ 3–307 and 3–308 of this article, during each fiscal year, of the total  
19 highway user revenues, an amount shall be distributed to Baltimore City equal to [the  
20 sum of:

21 (i) The greater of \$157,500,000 or 11.5% of the total highway  
22 user revenues for the fiscal year; and

23 (ii) 11.5%] **42%** of the amount by which:

24 [1.] **(I)** 28.5% of the total highway user revenues for  
25 the fiscal year [minus the greater of \$157,500,000 or 11.5% of total highway user  
26 revenues for the fiscal year]; exceeds

27 [2.] **(II)** [28.5% of the total highway user revenues for  
28 the fiscal year that began July 1, 1997 minus the greater of \$157,500,000 or 11.5% of  
29 the total highway user revenues for the fiscal year that began July 1, 1997] **THE**  
30 **AMOUNT DISTRIBUTED TO THE GENERAL FUND OF THE STATE UNDER**  
31 **PARAGRAPH (1) OF THIS SUBSECTION.**

32 **[(2)] (3)** The amount distributed under **PARAGRAPH (2) OF** this  
33 subsection shall be distributed in monthly installments.

1 (b) Subject to §§ 3–307 and 3–308 of this article, during each fiscal year,  
2 28.5% of the total highway user revenues, less the [amount] AMOUNTS distributed to  
3 **THE GENERAL FUND OF THE STATE AND TO** Baltimore City under subsection (a) of  
4 this section, shall be distributed to the counties and municipalities of this State at the  
5 times specified in § 8–407 of this subtitle.

6 SECTION 10. AND BE IT FURTHER ENACTED, That it is the intent of the  
7 General Assembly that spending be further restrained in the annual State budget for  
8 fiscal year 2011 and future fiscal years by implementation of the following actions:

9 (1) Limiting general fund appropriations for the State–operated  
10 institutions of higher education in the University System of Maryland and Morgan  
11 State University to an amount sufficient to provide general fund support at the same  
12 level per full–time equivalent student as was provided in fiscal year 2007;

13 (2) Eliminating State funding for the Head Start program; and

14 (3) Eliminating State funding for the Maryland Zoo in Baltimore.

15 SECTION 11. AND BE IT FURTHER ENACTED, That:

16 (a) Subject to subsection (b) of this section, the repeal of § 10–721 of the Tax  
17 – General Article under this Act shall be applicable to all taxable years beginning after  
18 December 31, 2009.

19 (b) If a taxpayer’s taxable year for income tax purposes is not the calendar  
20 year, for the taxable year that ends in calendar year 2010, the taxpayer may apply for  
21 only a prorated credit for research and development expenses paid or incurred in the  
22 taxable year for that part of the taxable year that falls in calendar year 2009.

23 SECTION 12. AND BE IT FURTHER ENACTED, That the changes to § 9–103  
24 of the Tax – Property Article under this Act shall be applicable to all taxable years  
25 beginning after June 30, 2010.

26 SECTION 13. AND BE IT FURTHER ENACTED, That Section 9 of this Act  
27 shall take effect July 1, 2011, the effective date of Section 30 of Chapter 487 of the  
28 Acts of the General Assembly of 2009. If the effective date of Section 30 of Chapter 487  
29 is amended, Section 9 of this Act shall take effect on the taking effect of Section 30 of  
30 Chapter 487. If Section 9 of this Act takes effect, Section 8 of this Act shall be  
31 abrogated and of no further force and effect.

32 SECTION 14. AND BE IT FURTHER ENACTED, That, except as provided in  
33 Sections 11 through 13 of this Act, this Act shall take effect June 1, 2010, and shall be  
34 applicable to all fiscal years beginning on or after July 1, 2011.