

HB1412/465067/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1412
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after the second “purpose” insert “and”; in line 7, strike “a” and substitute “the”; strike beginning with “requiring” in line 11 down through “law;” in line 15; and in line 27, after “request;” insert “requiring the Department to consult with certain State agencies when making certain calculations.”.

On page 2, in line 2, after “waiver;” insert “requiring the Comptroller to withhold from a county a certain amount under certain circumstances and distribute the amount to the county board;”; strike beginning with “requiring” in line 4 down through “circumstances” in line 7 and substitute “waiving the penalty for not meeting the maintenance of effort requirement in a certain year”; in line 8, after “year” insert “for certain counties”; strike beginning with “establishing” in line 9 down through “year;” in line 10 and substitute “requiring the Superintendent to make a certain report annually;”; after line 18, insert:

“BY adding to

Article - Education

Section 5-213.1

Annotated Code of Maryland

(2008 Replacement Volume and 2011 Supplement)”;

in line 26, strike “and 10-106”; strike in their entirety lines 29 through 33, inclusive; and in line 39, strike “3” and substitute “2”.

AMENDMENT NO. 2

On page 4, in line 9, strike “**A COUNTY THAT USES THE AUTHORITY**” and substitute “**ON OR BEFORE DECEMBER 31 OF ANY YEAR IN WHICH A COUNTY**”

(Over)

SETS A PROPERTY TAX RATE AS"; in line 10, after "SUBSECTION" insert ", THE COUNTY"; strike beginning with "ON" in line 11 down through "USED" in line 12; in line 13, after the first "THE" insert "ADDITIONAL"; in the same line, after "GENERATED" insert a comma; strike beginning with "BY" in line 13 down through "TAX" in line 14; and in lines 14 and 15, strike "FUNDS IN ACCORDANCE WITH THIS SUBSECTION" and substitute "ADDITIONAL REVENUES".

On pages 4 through 7, strike in their entirety the lines beginning with line 18 on page 4 through line 20 on page 7, inclusive.

On page 9, in line 13, after the second "county" insert "REQUESTS AND".

On page 13, in line 30, strike "BOARD" and substitute "BOARD".

On page 14, in line 5, strike "PARAGRAPHS (8) OR" and substitute "PARAGRAPH".

On page 15, after line 34, insert:

"Article – Tax – General

2-604.

From the income tax revenue from individuals, the Comptroller shall distribute the amount necessary to pay refunds relating to income tax from individuals to the income tax refund account.

2-605.

(a) After making the distribution required under § 2-604 of this subtitle, from the remaining income tax revenue from individuals, the Comptroller shall

distribute the cost of administering the income tax laws to an administrative cost account.

2-606.

(a) After making the distributions required under §§ 2-604 and 2-605 of this subtitle, from the remaining income tax revenue from individuals, the Comptroller shall distribute to an unallocated individual revenue account the income tax revenue:

(1) with respect to which an income tax return is not filed; and

(2) that is attributable to:

(i) income tax withheld from salary, wages, or other compensation for personal services under Title 10 of this article; or

(ii) estimated income tax payments by individuals.

2-607.

(a) After making the distributions required under §§ 2-604 through 2-606 of this subtitle, from the remaining income tax revenue from individuals, the Comptroller shall distribute to each special taxing district that received an income tax revenue distribution in fiscal year 1977 and to each municipal corporation an amount that, based on the certification of the Comptroller as to State income tax liability and county income tax liability of the residents of the district or municipal corporation, equals the greater of:

(1) subject to subsection (b) of this section, 17% of the county income tax liability of those residents; or

(2) 0.37% of the Maryland taxable income of those residents.

(Over)

2-608.

(a) **(1) AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-604 THROUGH 2-607 OF THIS SUBTITLE, IF IT IS DETERMINED THAT A COUNTY HAS NOT MET THE LOCAL FUNDING REQUIREMENTS FOR EDUCATION UNDER § 5-202(D) OF THE EDUCATION ARTICLE, THE COMPTROLLER SHALL DISTRIBUTE TO THE COUNTY BOARD OF EDUCATION AN AMOUNT EQUAL TO THE AMOUNT CALCULATED UNDER § 5-213 OR § 5-213.1 OF THE EDUCATION ARTICLE.**

(2) After making the distributions required under §§ 2-604 through 2-607 of this subtitle AND PARAGRAPH (1) OF THIS SUBSECTION, the Comptroller shall distribute to each county the remaining income tax revenue from individuals attributable to the county income tax for that county.

On page 16, in line 1, strike “4.” and substitute “3.”; in line 9, strike “ITEM” and substitute “SUBSUBPARAGRAPH”; and in line 14, strike “IF” and substitute “IN EACH FISCAL YEAR IF”.

AMENDMENT NO. 3

On page 10, in line 22, strike “AND”; and in line 24, after “YEARS” insert “; AND”

9. THE HISTORY OF COMPENSATION ADJUSTMENTS FOR EMPLOYEES OF THE COUNTY BOARD AND COUNTY GOVERNMENT

AMENDMENT NO. 4

On page 11, in line 9, after “(II)” insert “1.”; in line 10, strike “A” and substitute “THE”; and after line 11, insert:

“2. IF THE REDUCTION IN RECURRING COSTS INCLUDES REDUCTIONS IN PERSONNEL OR PERSONNEL COSTS, THEN THE STATE BOARD SHALL GRANT A WAIVER REQUEST IN THE AMOUNT THAT HAS BEEN MUTUALLY AGREED ON BY THE COUNTY, COUNTY BOARD, AND EXCLUSIVE EMPLOYEE REPRESENTATIVE.”.

AMENDMENT NO. 5

On page 14, after line 6, insert:

“(11) IN MAKING THE CALCULATIONS REQUIRED UNDER THIS SUBSECTION, THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT AND THE DEPARTMENT OF LEGISLATIVE SERVICES.

(12) (I) A COUNTY SHALL SUBMIT TO THE SUPERINTENDENT THE COUNTY’S APPROVED BUDGET NO LATER THAN 7 DAYS AFTER APPROVAL OF THE BUDGET OR JUNE 30, WHICHEVER IS EARLIER.

(II) NO LATER THAN 15 DAYS AFTER RECEIPT OF THE COUNTY’S APPROVED BUDGET THE SUPERINTENDENT SHALL CERTIFY WHETHER THE COUNTY HAS MET THE FUNDING REQUIREMENTS ESTABLISHED UNDER THIS SUBSECTION AND SHALL NOTIFY THE COUNTY AND COUNTY BOARD OF THAT CERTIFICATION.

(13) ON OR BEFORE DECEMBER 31 OF EACH YEAR THE DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, ON ALL WAIVER REQUESTS, MAINTENANCE OF EFFORT CALCULATIONS MADE BY THE DEPARTMENT AND THE COUNTY, THE DEPARTMENT’S DECISIONS REGARDING WAIVER REQUESTS, THE DEPARTMENT’S CERTIFICATION OF

(Over)

WHETHER A COUNTY HAS MET THE REQUIREMENT, AND ANY OTHER INFORMATION RELATING TO A COUNTY'S REQUEST FOR A WAIVER AND THE DEPARTMENT'S MAINTENANCE OF EFFORT DECISIONS."

On page 15, in line 1, strike "30" and substitute "15"; in line 5, strike "ON" and substitute "WITHIN 15 DAYS OF"; in line 20, strike "30" and substitute "15"; and in line 24, strike "ON" and substitute "WITHIN 15 DAYS OF".

AMENDMENT NO. 6

On pages 16 and 17, strike in their entirety the lines beginning with line 24 on page 16 through line 7 on page 17, inclusive, and substitute:

"SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, no penalty shall be applied to any county that did not meet the maintenance of effort requirement in fiscal 2012.

SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for a county that does not meet the maintenance of effort funding requirement under § 5-202(d) of the Education Article in fiscal year 2012 and has a county income tax rate of 3.2%, the maintenance of effort funding requirement for fiscal year 2013 shall be based on the local funds appropriated to the school operating budget for fiscal year 2012.

SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, the required fiscal year 2013 maintenance of effort amount under § 5-202(d) of the Education Article for a county that did not meet the maintenance of effort requirement in fiscal year 2012 shall be calculated based on the per pupil amount required for the county to meet maintenance of effort in fiscal year 2012."

On page 17, in line 8, strike "8." and substitute "7."; strike in their entirety lines 10 and 11; in line 12, strike "10." and substitute "8."; in the same line, strike "4" and

substitute "3"; in line 14, strike "11." and substitute "9"; and in line 18, strike "10" and substitute "8".