SENATE BILL 377

C7, Q7 6lr0141 CF HB 451

By: The President (By Request - Administration)

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2016

CHAPTER

1 AN ACT concerning

2 Admissions and Amusement Tax – Revenue Distribution – Maryland State Arts Council

FOR the purpose of altering a certain distribution of revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars; repealing a certain special fund; providing that the Maryland State Arts Council is entitled to certain revenue distributed from the State admissions and amusement tax on electronic bingo and electronic tip jars; requiring that certain funds distributed to the Council be included in the Council's prior fiscal year appropriation for purposes of a certain calculation; and generally relating to the distribution of revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars.

12 BY repealing

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- 13 Article Economic Development
- 14 Section 4-801 and the subtitle "Subtitle 8. Special Fund for Preservation of Cultural
- 15 Arts in Maryland"
- 16 Annotated Code of Maryland
- 17 (2008 Volume and 2015 Supplement)
- 18 BY repealing and reenacting, without amendments,
- 19 Article Economic Development
- 20 Section 4–501(a) and (c)
- 21 Annotated Code of Maryland
- 22 (2008 Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

1	BY repealing and reenacting, with amendments,
2	Article – Economic Development
3	Section 4–512(a) and 4–801
4	Annotated Code of Maryland
5	(2008 Volume and 2015 Supplement)
6	BY repealing and reenacting, with amendments,
7	Article – Tax – General
8	Section 2–202(a)(1)
9	Annotated Code of Maryland
10	(2010 Replacement Volume and 2015 Supplement)
1	BY repealing and reenacting, without amendments,
12	<u>Article – State Finance and Procurement</u>
3	$\frac{\text{Section } 7-325(a)(2)}{2}$
4	Annotated Code of Maryland
15	(2015 Replacement Volume)
16	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7	That Section(s) 4-801 and the subtitle "Subtitle 8. Special Fund for Preservation of
18	Cultural Arts in Maryland" of Article - Economic Development of the Annotated Code of
9	Maryland be repealed.
20	SECTION 2. 1. AND IT BE FURTHER ENACTED BE IT ENACTED BY THE
21	GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
22	Article – Economic Development
23	4-501.
10	4-901.
24	(a) In this subtitle the following words have the meanings indicated.
25	(c) "Council" means the Maryland State Arts Council.
26	4-512.
27	(a) The Council is entitled to:
28	(1) REVENUE DISTRIBUTED UNDER $\frac{\$-2-202(A)(1)(H)}{\$}$
29	2-202(A)(1)(II)2 OF THE TAX – GENERAL ARTICLE; AND
30	(2) funding in accordance with the State budget.
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31	<u>4–801.</u>
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32 33	(a) In this section, "Fund" means the Special Fund for Preservation of Cultural Arts in Maryland.
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1	<u>(b)</u>	There is a Special Fund for Preservation of Cultural Arts in Maryland.
2 3 4		The purpose of the Fund is to provide supplemental grants to cultural arts as in the State that qualify for general operating support grants from the tate Arts Council.
5	<u>(d)</u>	The Secretary of Commerce shall administer the Fund.
6 7	(e) the State Fi	(1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of nance and Procurement Article.
8	Comptroller	(2) The State Treasurer shall hold the Fund separately, and the shall account for the Fund.
10	<u>(f)</u>	The Fund consists of:
11 12	2-202(A)(1)	(1) revenue distributed to the Fund under [§ 2–202(a)(1)(ii)] § (II)1 of the Tax – General Article; and
13 14	Fund.	(2) any other money from any other source accepted for the benefit of the
15 16 17 18	stability of	The Fund shall be used to provide supplemental grants for operating and tic improvements that strengthen the organizational capacity and financial cultural arts organizations in the State that qualify for general operating nts from the Maryland State Arts Council.
19 20	(h) manner as c	(1) The State Treasurer shall invest the money of the Fund in the same other State money may be invested.
21 22	Fund of the	(2) Any investment earnings of the Fund shall be credited to the General State.
23	<u>(i)</u>	For each appropriation to the Fund, the Governor may:
24 25	General Ass	(1) include the funds in the State budget subject to appropriation by the sembly; or
26 27	expenditure	(2) transfer the funds by budget amendment from the Fund to the account of the Maryland State Arts Council.
28 29	<u>(j)</u> take the pla	Supplemental grants made from the Fund are supplemental to and may not ce of funding that otherwise would be appropriated for qualifying organizations.

1 2–202.

- 2 (a) After making the distribution required under § 2–201 of this subtitle, within 3 20 days after the end of each quarter, the Comptroller shall distribute:
- 4 (1) except as provided in subsection (b) of this section, from the revenue 5 from the State admissions and amusement tax on electronic bingo and electronic tip jars 6 under § 4–102(e) of this article:
- 7 (i) 1. for fiscal years 2016 through 2021, the revenue 8 attributable to a tax rate of 20% to the Maryland E–Nnovation Initiative Fund under § 9 6–604 of the Economic Development Article;
- 10 2. in fiscal year 2022 and in each fiscal year thereafter, the 11 revenue attributable to a tax rate of 20% to the General Fund of the State; and
- 12 (ii) the revenue attributable to a tax rate of 5% AS FOLLOWS:
- 13 <u>1.</u> \$1,000,000 to the {Special Fund for Preservation of Cultural Arts in Maryland, as provided in § 4–801 of the Economic Development Article};
- 15 <u>AND</u>
- 16 <u>2.</u> <u>THE REMAINDER TO THE MARYLAND STATE ARTS</u> 17 COUNCIL, AS PROVIDED IN § 4–512 OF THE ECONOMIC DEVELOPMENT ARTICLE;
- 18 and

19 Article – State Finance and Procurement

- 20 <u>7–325.</u>
- 21 For fiscal year 2013 and each fiscal year thereafter, the Governor shall (a) **(2)** 22include in the annual budget bill submitted to the General Assembly a General Fund 23appropriation for the Maryland State Arts Council in an amount not less than the amount 24of the General Fund appropriation for the Council as approved in the State budget as 25 enacted by the General Assembly for the prior fiscal year, increased by not less than the 26percentage by which the projected total General Fund revenues for the upcoming fiscal year 27 exceed the revised estimate of total General Fund revenues for the current fiscal year, as 28 contained in the report of estimated State revenues submitted by the Board of Revenue 29 Estimates to the Governor under § 6–106(b) of this article.
- SECTION 2. AND BE IT FURTHER ENACTED, That any funds distributed to the
 Maryland State Arts Council in accordance with § 2–202 of the Tax General Article as
 enacted in this Act shall be included in the Maryland State Arts Council's prior fiscal year
 appropriation for purposes of calculating the required appropriation under § 7–325 of the
- 34 State Finance and Procurement Article.

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SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July

	Speaker of the House of Delegates.
	Governor. President of the Senate.
pproved:	
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