

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 120
Appropriations

(Delegate Krimm, *et al.*)

Budget and Taxation

State Budget - Department of Budget and Management - Statement of Dedicated
State Funds

This bill requires the Secretary of Budget and Management to publish on the Department of Budget and Management's (DBM) website, in a machine-readable format, an itemized statement, linked to the proposed State budget, of revenues collected by the State that are dedicated by law to a special fund. The statement must include the name, purpose, and source of revenue of each special fund, along with the amount deposited into the special fund in the previous fiscal year and the revenue balance in the special fund at the close of the previous fiscal year.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: DBM and other affected agencies can handle the bill's requirements with existing budgeted resources, as discussed below.

Local Effect: None.

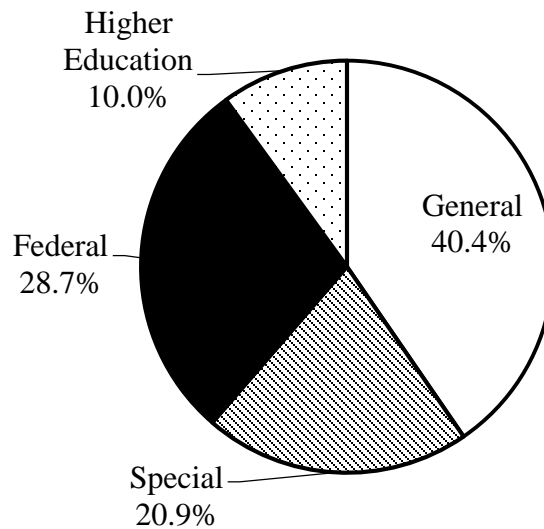
Small Business Effect: None.

Analysis

Current Law/Background: The budget books for a fiscal year must state each source of State revenues for the year from which the proposed appropriations are to be paid and the amount the Governor estimates will be collected from each source.

Dedicated State funds, known as special funds, consist of revenues collected by the State, the use of which is statutorily limited to certain purposes. Special funds may be derived from fees (*e.g.*, car and boat registration and child support applications), taxes levied for a specific purpose (*e.g.*, State property taxes, motor fuel and vehicle taxes, and property transfer taxes), local government payments for services, and gifts or donations. The largest special fund, by a significant margin, is the Transportation Trust Fund (TTF). State special fund revenues in fiscal 2016 totaled \$8.4 billion, of which \$3.6 billion is from TTF, and the Governor’s budget books for the fiscal 2017 State budget estimate \$8.8 billion in special fund revenues. **Exhibit 1** shows the fiscal 2017 estimated State revenues of \$42.2 billion by fund source.

Exhibit 1
Fiscal 2017 State Estimated Revenues by Fund Source



Source: Department of Budget and Management

State Expenditures: DBM advises that there are thousands of special fund lines in the budget but only 815 distinct special fund codes. DBM currently evaluates the status and use of each special fund annually when creating the Governor’s budget books. It does not have access to most special fund revenues and balances held by various agencies though, so DBM would have to collaborate with the various agencies to track that information. While some special fund revenues and balances may be time-consuming to track, DBM and the multiple State agencies that manage special funds can handle those additional responsibilities and publish findings on the DBM website with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2016
kb/mcr Revised - Enrolled Bill - May 10, 2016

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