

SENATE BILL 167

B1, P1, Q7
SB 377/16 – B&T

3lr1086

By: **Senators Elfreth, Beidle, Gile, Griffith, Guzzone, ~~and Hettleman~~ Hettleman, Benson, Jackson, King, McCray, Rosapepe, and Zucker**

Introduced and read first time: January 19, 2023

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 22, 2023

CHAPTER _____

1 AN ACT concerning

2 **Maryland State Arts Council – Funding**

3 FOR the purpose of ~~altering~~ clarifying the calculation for certain funding for the Maryland
4 State Arts Council for certain fiscal years; repealing a certain requirement for
5 certain funds distributed to the Maryland State Arts Council to be included in the
6 Council’s prior fiscal year appropriation; and generally relating to the Maryland
7 State Arts Council and the State admissions and amusement tax.

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 7–325
11 Annotated Code of Maryland
12 (2021 Replacement Volume and 2022 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 2–202
16 Annotated Code of Maryland
17 (2022 Replacement Volume)

18 BY repealing
19 Chapter 145 of the Acts of the General Assembly of 2016, as amended by Chapter 23
20 of the Acts of the General Assembly of 2017
21 Section 2

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



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

3 **Article – State Finance and Procurement**

4 7–325.

5 (a) **(1) IN THIS SECTION, ~~“COUNCIL” MEANS THE MARYLAND STATE~~**
6 **~~ARTS COUNCIL~~ THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

7 **(2) “COUNCIL” MEANS THE MARYLAND STATE ARTS COUNCIL.**

8 **(3) “GENERAL FUND GROWTH ADJUSTMENT” MEANS THE**
9 **PERCENTAGE BY WHICH THE PROJECTED TOTAL GENERAL FUND REVENUES FOR**
10 **THE UPCOMING FISCAL YEAR EXCEED THE REVISED ESTIMATE OF TOTAL GENERAL**
11 **FUND REVENUES FOR THE CURRENT FISCAL YEAR, AS CONTAINED IN THE REPORT**
12 **OF ESTIMATED STATE REVENUES SUBMITTED BY THE BOARD OF REVENUE**
13 **ESTIMATES TO THE GOVERNOR UNDER § 6–106(B) OF THIS ARTICLE.**

14 **(B) (1)** [In each of fiscal years 2011 and 2012, the Governor shall include in the
15 annual budget bill submitted to the General Assembly a General Fund appropriation for
16 the Maryland State Arts Council of not less than \$13,298,434.

17 (2) For] ~~SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR~~ **FOR**
18 fiscal [year 2013 and each fiscal year thereafter] **YEARS 2013 THROUGH 2024**, the
19 Governor shall include in the annual budget bill [submitted to the General Assembly] a
20 General Fund appropriation for the [Maryland State Arts] Council in an amount not less
21 than the amount of the General Fund appropriation for the Council [as approved in the
22 State budget as enacted by the General Assembly] for the [prior] **IMMEDIATELY**
23 **PRECEDING** fiscal year **INCREASED BY THE GENERAL FUND GROWTH ADJUSTMENT**[,].

24 **(2) ~~SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR~~ **FOR****
25 **FISCAL YEAR 2025 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL**
26 **INCLUDE IN THE ANNUAL BUDGET BILL A GENERAL FUND APPROPRIATION FOR THE**
27 **COUNCIL IN AN AMOUNT NOT LESS THAN THE ~~SUM OF~~ RESULT OF THE FOLLOWING**
28 **CALCULATION:**

29 **(1) ANY FUNDS DISTRIBUTED TO THE COUNCIL IN THE**
30 **IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH § 2–202 OF THE TAX**
31 **– GENERAL ARTICLE; ~~AND~~ INCREASED BY THE GENERAL FUND GROWTH**
32 **ADJUSTMENT; PLUS**

1 (II) THE AMOUNT OF THE GENERAL FUND APPROPRIATION FOR
 2 THE COUNCIL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR INCREASED BY THE
 3 GENERAL FUND GROWTH ADJUSTMENT; MINUS

4 (III) THE AMOUNT OF FUNDS DISTRIBUTED TO THE COUNCIL IN
 5 THE IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH § 2-202 OF THE
 6 TAX – GENERAL ARTICLE.

7 ~~(3) THE AMOUNTS CALCULATED UNDER PARAGRAPHS (1) AND (2) OF~~
 8 ~~THIS SUBSECTION SHALL BE~~ increased by not less than the percentage by which the
 9 projected total General Fund revenues for the upcoming fiscal year exceed the revised
 10 estimate of total General Fund revenues for the current fiscal year, as contained in the
 11 report of estimated State revenues submitted by the Board of Revenue Estimates to the
 12 Governor under § 6-106(b) of this article.

13 [(b)] (C) The Legislative Auditor has the authority to conduct a review or audit
 14 of any recipient of a grant from the [Maryland State Arts] Council.

15 Article – Tax – General

16 2-202.

17 (a) After making the distribution required under § 2-201 of this subtitle, within
 18 20 days after the end of each quarter, the Comptroller shall distribute:

19 (1) except as provided in subsections (b) and (c) of this section, from the
 20 revenue from the State admissions and amusement tax on electronic bingo and electronic
 21 tip jars under § 4-102(e) of this article:

22 (i) for fiscal year 2021 and each fiscal year thereafter, the revenue
 23 attributable to a tax rate of 20% to the Maryland E–Nnovation Initiative Fund under §
 24 6-604 of the Economic Development Article; and

25 (ii) for fiscal year 2021 and each fiscal year thereafter, the revenue
 26 attributable to a tax rate of 5% as follows:

27 1. to the Maryland State Arts Council, as provided in § 4-512
 28 of the Economic Development Article, \$1,000,000 in each fiscal year;

29 2. to the Town of Chesapeake Beach, \$300,000 in each fiscal
 30 year;

31 3. to the Michael Erin Busch Sports Fund established under
 32 § 10-612.2 of the Economic Development Article, \$500,000 in each fiscal year; and

1 4. the remainder to the Special Fund for Preservation of
2 Cultural Arts in Maryland, as provided in § 4–801 of the Economic Development Article;
3 and

4 (2) the remaining admissions and amusement tax revenue:

5 (i) to the Maryland Stadium Authority, county, or municipal
6 corporation that is the source of the revenue; or

7 (ii) if the Maryland Stadium Authority and also a county or
8 municipal corporation tax a reduced charge or free admission:

9 1. 80% of that revenue to the Authority; and

10 2. 20% to the county or municipal corporation.

11 (b) (1) Subject to paragraph (2) of this subsection, from the revenue from the
12 State admissions and amusement tax on electronic bingo and electronic tip jars in Calvert
13 County under § 4–102(e) of this article, the Comptroller shall distribute from:

14 (i) the revenue attributable to a tax rate of 1.5%:

15 1. \$50,000 to the Boys and Girls Club of the Town of North
16 Beach; and

17 2. the remainder to the Town of North Beach;

18 (ii) the revenue attributable to a tax rate of 2.5% to the Town of
19 Chesapeake Beach; and

20 (iii) the revenue attributable to a tax rate of 4% to the Calvert County
21 Youth Recreational Opportunities Fund under Title 5, Subtitle 19 of the Natural Resources
22 Article.

23 (2) Funds required to be distributed to the entities in paragraph (1) of this
24 subsection shall be provided through an appropriation in the annual State budget under
25 budget code A15O00.03 Payments to Civil Divisions of the State.

26 (c) From the revenue attributable to a tax rate of 5% to be distributed to the
27 Special Fund for Preservation of Cultural Arts in Maryland or the Maryland State Arts
28 Council under subsection (a)(1)(ii) of this section, the Comptroller shall distribute:

29 (1) for fiscal year 2019 and each fiscal year thereafter, \$250,000 to the Arts
30 Council of Anne Arundel County; and

31 (2) for fiscal year 2020 and each fiscal year thereafter, \$250,000 to the
32 Maryland Historical Society.

1 Chapter 145 of the Acts of 2016, as amended by Chapter 23 of the Acts of 2017

2 [SECTION 2. AND BE IT FURTHER ENACTED, That any funds distributed to the
3 Maryland State Arts Council in accordance with § 2–202 of the Tax – General Article as
4 enacted in this Act shall be included in the Maryland State Arts Council’s prior fiscal year
5 appropriation in addition to the amount of the General Fund appropriation for the prior
6 fiscal year and the sum shall be used for purposes of calculating the required appropriation
7 under § 7–325 of the State Finance and Procurement Article.]

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.