
Effect of the 1998 Legislative Program
on the
Financial Condition of the State

June 1998
Department of Legislative Services
Annapolis, Maryland

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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF THE EXECUTIVE DIRECTOR
MARYLAND GENERAL ASSEMBLY

June 1998

The Honorable Thomas V. "Mike" Miller, Jr., President of the Senate
The Honorable Casper R. Taylor, Jr. Speaker of the House of Delegates
The Honorable Members of the Maryland General Assembly

After each session of the General Assembly, the Department of Legislative Services is required by law to prepare a report summarizing the fiscal effect on State and local governments of that year's legislative program (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 1998 Legislative Program on the Financial Condition of the State*.

This document is divided into six chapters.

CHAPTER ONE highlights the major components of the fiscal 1999 operating budget (SB 125/ Ch. 109).

CHAPTER TWO summarizes the fiscal 1999 capital budget and the State's capital program (SB 217/Ch. 138).

CHAPTER THREE identifies legislation enacted in the 1998 session that has a fiscal impact on State revenues and expenditures. The total effect of legislation not funded in the State budget is summarized.

CHAPTER FOUR pertains to the fiscal effect of the 1998 legislative program on local government finances. Legislation is separated by subdivision and a net impact of enacted legislation on county revenues and expenditures is provided. This chapter also identifies State mandates on local governments.

CHAPTER FIVE provides a listing of legislation that includes a monetary or incarceration penalty provision.

CHAPTER SIX provides a listing of all bills passed by the 1998 General Assembly and vetoed by the Governor for policy reasons. The fiscal implications of those bills are noted.

Further information on issues considered during the 1998 session can be found in *The 90 Day Report - A Review of Legislation in the 1998 Session*, issued annually by the Department of Legislative Services following adjournment of the General Assembly.

This report was prepared by Claire Rooney of the Office of Policy Analysis, with input from other budget and fiscal note analysts. David Juppe, Steve McCulloch, John Rohrer, Greg Spengler, and Theresa Tuszynski assisted with research. John Rixey, Sarah Dickerson, and Hiram Burch served as review analysts. Laura Cook, Mary Dwyer, and Nancy Scaggs prepared the manuscript.

I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Respectfully submitted,

Karl S. Aro
Executive Director

KSA/mld

Contents

Transmittal Letter	iii
Table of Contents	v
Abbreviations	ix
Fiscal Effects of the 1998 Legislative Program	1
Chapter One - OPERATING BUDGET	3
Budget in Brief	5
Governor's Budget Proposal	6
Legislative Consideration of the Budget	6
Final Budget	7
Transportation Program	9
By the Numbers	9
State Reserve Fund	10
State Personnel	11
Outlook for Future Budgets	12
Chapter Two - STATE CAPITAL PROGRAM	25
Summary	27
Debt Affordability	42
Subject Discussions	42
Chapter Three - IMPACT OF LEGISLATION ON STATE REVENUES AND EXPENDITURES	47
Legislation Affecting State Revenues	49
Agriculture	49
All/Multiple Agencies	49
Assessments and Taxation	49
Budget and Management	50
Business and Economic Development	50
Canal Place	50
Comptroller	50
Executive	54

Health and Mental Hygiene	54
Human Resources	56
Judiciary	56
Juvenile Justice	57
Labor, Licensing, and Regulation	57
Lottery	58
Maryland Automobile Insurance Fund	59
Maryland Higher Education Commission	59
Maryland Insurance Administration	59
Maryland State Police	61
Natural Resources	61
Office of Administrative Hearings	62
Public Safety and Correctional Services	62
Transportation	62
University System of Maryland	64
Summary of Revenues	65
Legislation Affecting State Expenditures	67
Aging	67
Agriculture	67
All/Multiple Agencies	67
Assessments and Taxation	71
Attorney General	71
Baltimore City Community College	71
Board of Public Works	71
Budget and Management	72
Business and Economic Development	72
Comptroller	73
Education	74
Environment	75
Executive	76
Health and Mental Hygiene	76
Housing and Community Development	80
Human Resources	80
Judiciary	81
Juvenile Justice	82
Labor, Licensing, and Regulation	82
Lottery	83
Maryland Automobile Insurance Fund	83
Maryland Higher Education Commission	83
Maryland Insurance Administration	84
Maryland State Police	85
Military	86
Natural Resources	86

Public Broadcasting Commission	87
Public Defender	87
Public Safety and Correctional Services	87
Retirement Agency	88
State Board of Election Laws	88
Transportation	89
University System of Maryland	91
Summary of Expenditures	93
Chapter Four - LOCAL GOVERNMENT	95
Summary of State Assistance to Local Governments	97
Changes in State Aid	106
State Mandates on Local Governments	113
Impact of Legislation on Local Revenues	115
Legislation Affecting All/Multiple Local Jurisdictions	115
Legislation Affecting Local Governments by Subdivision	121
Allegany County	121
Baltimore City	121
Calvert County	122
Caroline County	122
Carroll County	122
Cecil County	123
Charles County	123
Dorchester County	123
Frederick County	124
Garrett County	124
Harford County	124
Howard County	125
Montgomery County	125
Prince George's County	126
Somerset County	126
St. Mary's County	126
Washington County	127
Washington Suburban Sanitary Commission	127
Wicomico County	127
Impact of Legislation on Local Expenditures	129
Legislation Affecting All/Multiple Local Jurisdictions	129
Legislation Affecting Local Governments by Subdivision	135
Allegany County	135
Baltimore City	135
Baltimore County	136
Calvert County	136

Caroline County	136
Carroll County	136
Cecil County	137
Charles County	138
Dorchester County	138
Frederick County	138
Garrett County	138
Harford County	139
Howard County	139
Kent County	140
Montgomery County	140
Prince George's County	141
Somerset County	142
St. Mary's County	142
Washington County	143
Washington Suburban Sanitary Commission	144
Wicomico County	144
Worcester County	144
Chapter Five - Penalty Legislation	145
Chapter Six - Vetoed Legislation	151

ABBREVIATIONS

Ch.	-	Chapter
FF	-	Federal Fund
FY	-	Fiscal Year
GF	-	General Fund
G.O.	-	General Obligation
HB	-	House Bill
SB	-	Senate Bill
SF	-	Special Fund
()	-	Indicates Decrease

FISCAL EFFECTS OF THE 1998 LEGISLATIVE PROGRAM

The fiscal effect of legislation enacted at the 1998 session resulted in a non-budgeted general fund revenue decrease of \$11.5 million and a non-budgeted general fund expenditure increase of \$10.5 million. Overall, this creates a negative impact of approximately \$22.0 million on the State's general fund.

The impact of all of the revenue legislation will be considered by the Board of Revenue Estimates when the fiscal 1999 revenues are revised in December 1998. The impact of legislation requiring increased expenditures may result in a deficiency appropriation being requested by the Governor at the 1999 session or agencies absorbing the costs within the existing level of appropriations. Legislation requiring additional special fund or federal fund expenditures was offset in some instances by special fund or federal fund revenues. This legislation could be implemented through the budget amendment process.

The analysis excludes the effect of legislation for which an estimate cannot be quantified. The estimates are based on the assumptions stated in the fiscal notes and on implementation of the legislation during fiscal 1999. Based on the information detailed in this report, the fiscal impact of legislation enacted at the 1998 session that was not included in the fiscal 1999 budget is set forth below.

	General Funds	Special Funds	Federal Funds
Additional Revenues	(\$11,473,800)	\$4,446,700	\$600,000
Additional Expenditures	\$10,511,200	\$12,778,800	\$400,600
Net Impact	(\$21,985,000)	(\$8,332,100)	\$199,400

In addition, legislation was enacted that will not impact the state's budget until fiscal 2000. This legislation will result in a general fund revenue decrease of \$10,387,500 and will require increased appropriations totaling \$120,115,200. This creates a net budgetary impact of (\$130,502,700).

	Revenues	Expenditures	Net Budgetary Impact
General Fund Impact in FY 2000	(\$10,387,500)	\$120,115,200	(\$130,502,700)

CHAPTER ONE

OPERATING BUDGET

- Budget in Brief
- Governor's Budget Proposal
- Legislative Consideration of the Budget
- Final Budget
- Transportation Funds
- By the Numbers
- State Reserve Fund
- State Personnel
- Outlook for Future Budgets

Overview of the Operating Budget

Budget in Brief

The budget adopted at the 1998 Session provides \$16.6 billion in appropriations for fiscal 1999, an increase of \$890 million over fiscal 1998. General fund appropriations for fiscal 1999 are \$607 million greater than current spending authority. The budget's estimate of special funds in fiscal 1999 is nominally higher than the current fiscal year. Federal fund appropriations increase by 4.8% due largely to the new Children's Health Initiative Program (CHIPs), Medicaid inflation and utilization trends, and additional funding for the food stamp program, offset by decreases in the welfare caseload and project completions in the transportation capital program.

State agency spending accounts for the largest growth in the general fund portion of the budget. Funding for enhancements and initiatives was provided to establish or expand programs to combat pfiesteria, enhance public safety through development of the community court and Break the Cycle programs, enhance the State's institutions of higher education, improve services to individuals with developmental disabilities, provide additional funding for foster care, and to support economic development through information technology programs. The first general salary increase in three years adds \$58.3 million. This fiscal 1999 increase will be a flat \$1,275 per position, phased in as a \$900 increase on July 1, 1998, and a \$375 increase on January 1, 1999. An additional \$5 million is provided for faculty recruitment and retention in University System of Maryland institutions as part of a two-year \$10 million enhancement. State Police receive a 4% salary increase, at a cost of \$3.2 million, as the third year of a six-year program to make salaries competitive with the top third of police regionally. An increase of \$11,275 for all Maryland judges was approved, consistent with the recommendations of the Judicial Compensation Commission.

Education programs continue to fare well in the fiscal 1999 budget as general funds for local education spending grew by 6.4%, and community college grants increased by 3.1%. State college and university funding increased by 7.7%, and aid to private colleges grew by 5.4%. The operating budget includes \$88.5 million for public school construction. In combination with funding in the capital budget, \$225.0 million will be available for school construction this year.

Modifications to the State's tax structure were adopted as well during the session, to accelerate the implementation of the income tax reduction (**SB 750/Ch. 4**), to provide a refundable earned income tax credit to those with dependents who are eligible for the federal credit (**HB 66/Ch. 5**), and to expand eligibility for low income homeowners to receive property tax credits (**HB 1244/Ch. 6**). Additional funding was placed in the State Reserve Fund specifically for the purpose of providing for anticipated tax relief

measures. The aggregate impact of these actions will require a transfer of \$185.2 million in fiscal 1999. **HB 1244/Ch. 6** would not affect revenues until fiscal 2000.

Governor's Budget Proposal

The Governor submitted the original budget and three supplemental budgets totaling \$16.7 billion. The Administration's fiscal program benefited from higher than anticipated revenue growth in fiscal 1998, which was incorporated into the fiscal 1999 proposal. In combination with projected fiscal 1999 revenues, surplus moneys from the prior year allowed the Governor to submit a budget which provided a 6.3% rate of growth. The allowance included additional funds for local aid, State agency operations, entitlement programs, and debt service. Additional spending for pay-as-you-go capital projects and the transfer of \$100.0 million to the State Reserve Fund were also included, partly in deference to the parameters established by the Spending Affordability Committee's recommendations and in recognition of implications of potential tax relief efforts.

Legislative Consideration of the Budget

In March, the Board of Revenue Estimates advised that the general fund revenue collections, particularly the income tax, were exceeding estimates. As a result, revenue estimates were increased \$143 million (\$69.7 million in fiscal 1998 and \$73.2 million in fiscal 1999). The additional revenues together with budget reductions of \$100 million enabled the legislature to reduce taxes and to approve increased spending for education and other programs.

In sum, the legislature reduced the Governor's fiscal 1999 allowance by \$100 million, including \$75 million in general funds. Reductions occurred largely in the Medicaid budget based on caseload estimates and prior year overaccruals. There were across-the-budget reductions reflecting expected levels of vacant positions during the upcoming fiscal year and overbudgeted funds for heating oil and desktop computer purchases. Cutbacks to the Break the Cycle program were made to implement a pilot program. Funding for a 12th MEDEVAC helicopter was reduced, with the expectation that funding would come from the Maryland Emergency Medical System Operations Fund as a loan to be repaid in the future. Horse racing aid was reduced \$5 million with the contingency that the balance could be provided via excess lottery revenues. A \$10 million reduction to the Reserve Fund was made to increase the expected general fund balance at the end of the fiscal year to about \$15 million for unexpected funding needs.

The budget submitted by the Governor included many items which were contingent on legislation. The legislature made certain other budget items contingent. Items which are contingent include funding for non- and limited-English proficient students, funding for effective schools, a Targeted Improvement Program for public school systems, library aid, the Extended Elementary Education Program, funds for aging schools, grants to small community colleges, legal counsel for the Joint Committee on Ethics, personnel and programs to combat pfiesteria, and numerous smaller programs. A reduction of \$4.1 million in general funds for higher education would be made upon the enactment of legislation to implement an early retirement program.

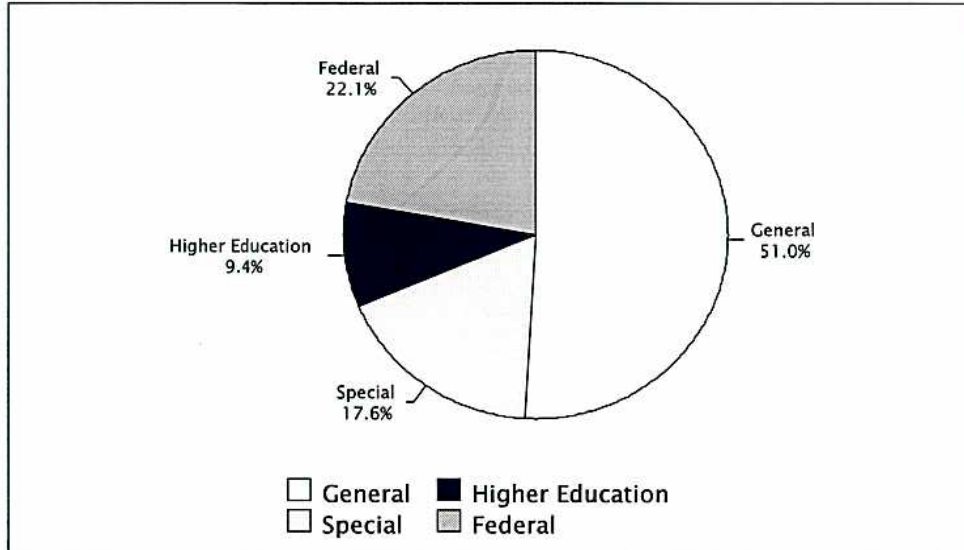
Final Budget

The final budget for fiscal 1999 appropriates \$16.6 billion. **Exhibit 1.1** illustrates funding by type of revenue. Just over half is supported by general funds, with lesser proportions supported by dedicated special funds, federal aid, and higher education dollars. Less than half of the budget supports State agency operations. Aid to local jurisdictions accounts for about 22% of the budget, and 19% provides mandatory entitlement spending. Remaining appropriations pay debt service on general obligation bonds, fund portions of the capital program, and increase the balance in the State Reserve Fund.

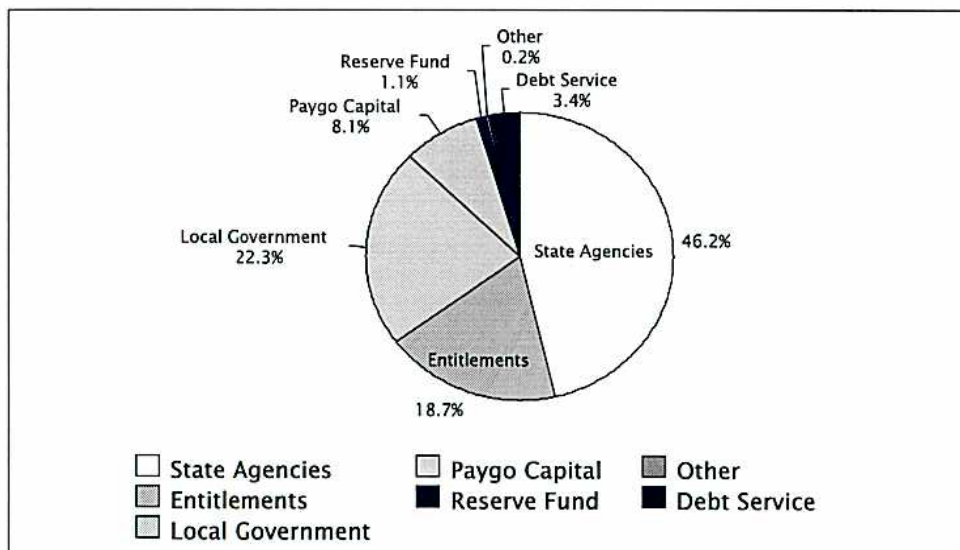
Exhibit 1.1

Maryland's \$16.6 Billion Budget

Where it comes from: Budget by Fund Source



Where it goes: Budget by Purpose



Transportation Program

The transportation program totals \$2.4 billion in fiscal 1999. This includes \$830 million in operating funds, \$993 million for the capital program, \$407 million in local aid, and \$140 million for debt service on consolidated transportation bonds. The agency has a total of 9,356 full-time positions.

Highlights in the operating budget include funding increases and moneys for the entire year of operation for new facilities/services which began operating on a limited basis in fiscal 1998. The appropriation provides funds for the new international pier at BWI Airport, the Washington Metropolitan Area Transit Authority Metrorail 1.4 mile Wheaton to Glenmont extension on the Red Line, a new Motor Vehicle Administration (MVA) branch office in the metropolitan Washington region, and conversion of a limited service office in Essex to a full-service branch. Other increases are provided for new transit service that is statutorily exempt from fare box recovery and higher costs for State Highway Administration mowing and landscaping activities.

Based on revised estimates, \$281 million was added to the fiscal 1998 - 2003 transportation capital program. New projects added to the program include a parking garage at the Shady Grove Metro Station totaling \$9 million, a runway deicing facility at the BWI Airport totaling \$12.8 million, and a mid-life overhaul pilot project for the Baltimore Metro totaling \$3.6 million. Projects moved from the development and evaluation program to the capital program include modifications to piers A and B at BWI (\$72.8 million), constructing the Masonville Automobile Facility at the Port of Baltimore (\$19.8 million), and improvements to U.S. 113 in Worcester County (\$28.8 million). Costs of some projects already in the Consolidated Transportation Program also increased including another \$6 million for new MARC electrical locomotive purchases and \$4.4 million to upgrade fare box equipment for Mass Transit Administration buses. A final statutorily required repayment from the general fund to the trust fund of \$15 million is also included in the fiscal 1999 budget.

By the Numbers

A number of exhibits summarize legislative budget action. These exhibits are described below:

- **Exhibit 1.2** provides perspective on total budget change, general fund changes, and spending affordability. Appropriations for fiscal 1999 are about 5.7% higher than spending levels authorized for the current fiscal year. Expenditures measured under the spending affordability concept have grown by 4.8%, remaining below the 4.9% growth limit established by the Spending Affordability Committee.

- **Exhibit 1.3** shows the impact of the legislative budget on the general fund for fiscal 1998 and 1999. The fiscal 1998 estimated ending balance of \$283.1 million was increased to \$318.1 million, largely due to legislative reductions to deficiencies. This balance, together with \$8.2 billion of new revenues, will support \$8.5 billion of fiscal 1999 spending. After estimated reversions of \$20 million, the projected balance at the close of the year is \$15 million. A total of \$224.9 million was added to the Reserve Fund to be available for additional tax reductions enacted during the 1998 Session. Of this amount, \$185.2 million will be transferred to the general fund.
- **Exhibit 1.4**, the fiscal note on the budget bill, depicts the Governor's allowance, legislative reductions, and final appropriations for fiscal 1998 and 1999 by fund. The Governor's original budget request provided for \$16.6 billion in fiscal 1999 expenditures and fiscal 1998 deficiencies, increased by \$233.9 million through Supplemental Budgets 1, 2 and 3. The legislature made \$151.5 million of reductions to the total budget request, resulting in appropriations of \$32.4 million for fiscal 1998 and \$16.613 billion for fiscal 1999.
- **Exhibit 1.5** illustrates budget changes by major expenditure category by fund. Total spending grows by 5.7%. Debt service increases by 0.9%, aid to local governments increases by 6.3%, State agency spending rises 5.7%, and entitlements grow by 7.5%. Capital expenditures (PAYGO) decrease by 2.7%. \$314.5 million was appropriated to reserve funds in the fiscal 1998 and 1999 budgets.

State Reserve Fund

As set forth in **Exhibit 1.6**, the Revenue Stabilization Account of the State Reserve Fund will have a balance of \$616.2 million as of June 30, 1998, equivalent to 7.75% of general fund revenues for that year. After transfers of \$185.2 mandated by tax reduction legislation enacted at the 1998 Session, additional appropriations and interest will increase the balance to \$632.4 million as of June 30, 1999. About \$224 million of this balance will be in excess of 5% of general fund revenues projected for the fiscal year.

SB 355/Ch. 604 permits funds from the Dedicated Purpose Account to be appropriated as special funds through the budget bill. Previously, funds could only be transferred through approved budget amendment to the expenditure account of the appropriate unit of State government. The bill also subjects proposed transfers of Dedicated Purpose Account appropriations to the Revenue Stabilization Account to

review by the budget committees and approval by the Legislative Policy Committee. The bill repeals provisions of law concerning the Citizen Tax Reduction and Fiscal Reserve Account, and provides that any funds in that account on June 30, 1998 be credited to the Dedicated Purpose Account to be used to offset revenue losses attributable to: the reduction of the State income tax; changes in federal income tax law; significant changes in the economy affecting employment of Maryland residents; and losses of federal funds due to changes in federal law or policy. The current balance in the Citizen Tax Reduction and Fiscal Reserve Account is \$10 million. The bill is effective July 1, 1998.

State Personnel

The final budget authorized a total of 72,930 positions for fiscal 1999, representing an increase of 1,007 positions over fiscal 1998. The legislature reduced the Governor's fiscal 1999 request by 43 positions, mostly in the Department of Human Resources and the Judiciary. **Exhibit 1.7** details personnel actions taken in the fiscal 1998 and 1999 budgets by the Governor and the legislature and portrays a history of State positions by department for fiscal 1991 through 1999.

During fiscal 1998 a total of 362 positions were created, mostly in agencies with independent personnel authority. The Board of Public Works created 21 positions across ten agencies. Five positions were abolished. From fiscal 1998 to fiscal 1999, 1,117 new positions were proposed, offset somewhat by the abolition of 144 positions, mostly in State hospitals and correctional facilities. Public education positions increase by 354 due to enrollment increases and new facilities. Public Safety and Corrections positions increase 205 due to a new correctional facility and efforts for increased security staffing levels. Department of Human Resources positions increase 125, mostly to expedite adoptions and permanency planning for Children in Need of Assistance and for child abuse investigations.

The fiscal 1999 budget includes a cost of living increase for regular State employees, the first since fiscal 1996, when a 2% adjustment was provided. Rather than a fixed percentage, however, the fiscal 1999 increase will be a flat \$1,275 per position, phased in as a \$900 increase on July 1, 1998, and a \$375 increase on January 1, 1999. Due to the phase-in, employees will actually receive \$1,088 during fiscal 1999. The average increase in take-home salary for fiscal 1999 is about 3%.

Overall, budgeted expenditures for salaries and fringe benefits increase \$243.6 million, or 6.4% from fiscal 1998 to fiscal 1999, more than twice the previous year's increase. The higher rate of growth is primarily attributable to the inclusion of the \$1,275 general salary increase for regular positions.

Individuals promoted into or within the executive pay plans are limited to a salary increase of 6%, unless otherwise approved by the Board of Public Works. As in the past, the fiscal 1999 budget subjects the creation of additional positions by the Board of Public Works to the "Rule of 50". However, if contractual employees are converted to permanent positions at a rate of 1.5 to 1, this limit can be extended to create an additional 250 positions. Other language included in the budget requires full time equivalent position counts of contractual employees to continue to be provided with the Governor's budget submission.

Outlook for Future Budgets

In spite of the upward adjustment of revenue projections to reflect additional revenues, tax reductions enacted at the 1997 Session and accelerated at the 1998 Session contribute to a challenging fiscal outlook for the near term. As shown in **Exhibit 1.8**, for each year of the fiscal 1999 through 2003 period, projected expenditures exceed available revenues. Assuming no significant changes to State agency programs and expenditures, and even after drawing down the State Reserve Fund to the 5% of general fund revenue statutory target, additional adjustments in the magnitude of \$105 to \$115 million a year will be necessary to ensure a balanced spending plan. This shortfall will need to be made up through a combination of programmatic reductions, revenue increases, or both.

Exhibit 1.2
PERSPECTIVE ON BUDGET CHANGES
(\$ in Millions)

Governor's Budget As Amended by the General Assembly

<i>Funds</i>	<u>Fiscal 1998*</u>	<u>Fiscal 1999</u>	<u>\$ Change</u>	<u>% Chg</u>
General**	\$7,836	\$8,464	\$628	8.0%
Special	2,879	2,921	42	1.5%
Higher Ed.	1,503	1,553	50	3.3%
Federal	3,504	3,674	169	4.8%
<i>Appropriations</i>	<i>15,723</i>	<i>16,613</i>	<i>890</i>	<i>5.7%</i>

General Fund Changes

	<u>Fiscal 1998*</u>	<u>Fiscal 1999</u>	<u>\$ Change</u>	<u>% Chg</u>
Operations	\$7,640	\$8,088	\$448	5.9%
Capital	90	210	120	133.4%
Reserve Fund	125	170	45	35.9%
Transfers	23	17	(6)	-25.7%
<i>Appropriations</i>	<i>7,878</i>	<i>8,484</i>	<i>607</i>	<i>7.7%</i>
Medicaid Accrual	(30)	0	30	
Reversions	(11)	(20)	(9)	75.4%
<i>Expenditures</i>	<i>7,836</i>	<i>8,464</i>	<i>628</i>	<i>8.0%</i>

Budget Growth Under Spending Affordability Concept

<u>Funds</u>	<u>1997 Session</u>	<u>1998 Session*</u>	<u>\$ Change</u>	<u>% Chg</u>
General	\$7,627	\$7,992	\$365	4.8%
Special	1,951	2,036	85	4.3%
Higher Education	931	988	57	6.1%
<i>TOTAL</i>	<i>10,509</i>	<i>11,016</i>	<i>506</i>	<i>4.8%</i>

1998 SESSION LIMIT (4.90% Increase)

SPENDING OVER (UNDER) LIMIT

515

(8)

* Includes FY 1998 deficiency appropriations.

** Includes reversions of \$11.4 million in fiscal 1998 and \$20 million in fiscal 1999.

***Note: Spending Affordability accounting considers only general, special, and certain current unrestricted funds. Capital and reserve funds are excluded. FY 98 deficiencies are counted as spending at the 1998 session and are included in the 1998 session total.

Exhibit 1.3

General Assembly Budget Actions

(\$ Thousands)

Fiscal 1998

<i>Estimated Ending Balance 1998 (after regular budget deficiencies)</i>	283,130
BRE March 1998 Estimated Additional Revenues	69,722
Supplemental Deficiency Appropriations	(62,635)
General Assembly Reductions to Deficiencies	27,884

Fiscal 1999

<i>Revised Balance from Fiscal 1998</i>	318,101
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Revenues

BRE December 1997 Estimate	8,095,265	
BRE March 1998 Estimated Additional Revenues	73,157	
Supplemental Budget No. 2 - Workers' Compensation	56	
Lottery - GF Revenues from Special Fund Reduction	1,060	
Tax Legislation Enacted at the 1998 Session	(8,474)	
		8,161,065
<i>Available</i>		8,479,166

Spending

Original Budget		(8,397,117)
<u>Supplemental Budget No. 1</u>		
Additional Appropriations Made by Governor		(301)
<u>Supplemental Budget No. 2</u>		
Additional Appropriations Made by Governor		(29,132)
<u>Supplemental Budget No. 3</u>		
Additional Appropriations Made by Governor		(132,608)

General Assembly Actions

Reductions to Original Budget	73,136	
Reductions to Supplemental Budget No. 1	0	
Reductions to Supplemental Budget No. 2	30	
Reductions to Supplemental Budget No. 3	1,690	
		74,855

Estimated Reversions	20,000
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<i>Total Spending</i>	(8,464,301)
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<i>Projected Balance</i>	14,865
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<i>1998 Session Reserve Fund Appropriations Available for Tax Reductions</i>	224,879
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Prepared by: Department of Legislative Services, Office of Policy Analysis, April 1998

Exhibit 1.4
Fiscal Note
Summary of the Budget Bill - Senate Bill 125

	General Funds	Special Funds	Federal Funds	Education Funds	Total Funds
Governor's Request:					
FY 1998 Deficiency Budget	\$40,706,553	(\$3,935,555)	(\$15,083,701)	\$0	\$21,687,297
FY 1999 Budget *	8,377,116,519	2,919,160,220	3,690,408,760	1,554,373,872	16,541,059,371
Original Budget Request	8,417,823,072	2,915,224,665	3,675,325,059	1,554,373,872	16,562,746,668
Supplemental Budget 1					
FY 1999 Budget	300,500	0	0	0	300,500
Supplemental Budget 2					
FY 1999 Budget	29,131,533	7,851,135	1,338,757	0	38,321,425
FY 1998 Deficiency	882,734	0	0	0	882,734
Supplemental Budget 3					
FY 1999 Budget	132,608,184	0	0	0	132,608,184
FY 1998 Deficiency	61,752,000	0	0	0	61,752,000
Supplemental Budget Request	224,674,951	7,851,135	1,338,757	0	233,864,843
Reductions by the General Assembly:					
FY 1998 Deficiency Budget	27,883,710	0	24,000,000	0	51,883,710
FY 1999 Budget	73,135,599	5,670,549	18,144,065	964,940	97,915,153
FY 1999 Supplemental Budget	1,719,878	0	0	0	1,719,878
Total Reductions	102,739,187	5,670,549	42,144,065	964,940	151,518,741
Appropriations:					
FY 1998 Deficiency Budget	75,457,577	(3,935,555)	(39,083,701)	0	32,438,321
FY 1999 Budget	8,464,301,259	2,921,340,806	3,673,603,452	1,553,408,932	16,612,654,449
Total Appropriation	8,539,758,836	2,917,405,251	3,634,519,751	1,553,408,932	16,645,092,770

* Includes general fund reversions of \$20 million.

** Includes \$6.0 million in special funds added to the judiciary's budget for a grant to the Maryland Legal Services Corporation.

Exhibit 1.5
State Expenditures -- General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 1997</u>	<u>Work App. FY 1998</u>	<u>Leg. Appr. FY 1999</u>	<u>\$ Diff. 98 to 99</u>	<u>% Diff. 98 to 99</u>
Debt Service	\$155.9	\$172.1	\$151.8	(\$20.3)	-11.8%
Aid to Local Governments					
General Government	115.6	134.0	136.0	2.0	1.5%
Community Colleges	119.9	125.6	129.5	3.9	3.1%
Education & Libraries	2,238.1	2,410.6	2,565.7	155.1	6.4%
Health	40.7	42.5	43.8	1.3	3.0%
	2,514.3	2,712.7	2,875.0	162.4	6.0%
Entitlements					
Foster Care Payments	100.7	107.3	115.9	8.6	8.0%
Assistance Payments	116.5	101.9	83.3	(18.6)	-18.3%
Medical Assistance #	1,075.6	1,085.1	1,168.1	83.0	7.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	1,353.1	1,348.1	1,420.7	72.6	5.4%
State Agencies					
Health	753.5	762.6	799.9	37.3	4.9%
Human Resources	234.9	217.6	232.4	14.8	6.8%
Systems Reform Initiative	36.3	52.9	52.8	(0.1)	-0.2%
Juvenile Justice	110.6	110.6	122.1	11.5	10.4%
Public Safety & Police	672.8	703.1	743.4	40.3	5.7%
State Colleges & Universities	643.6	668.5	720.2	51.7	7.7%
Agric./Natl Res./Environ.	86.6	90.5	99.2	8.8	9.7%
Other	535.9	584.9	629.4	44.5	7.6%
Judicial & Legislative	209.9	216.3	240.7	24.4	11.3%
	3,284.1	3,406.8	3,640.1	233.3	6.8%
Capital	66.8	89.8	209.6	119.8	133.5%
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
Subtotal	7,380.3	7,752.5	8,314.3	561.9	7.2%
Reserve Fund	0.0	125.1	170.0	44.8	35.8%
Appropriations	7,380.3	7,877.6	8,484.3	606.7	7.7%
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
Grand Total	\$7,380.3	\$7,836.2	\$8,464.3	\$628.1	8.0%

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

Includes Medicaid funds budgeted in the Mental Hygiene Administration.

Exhibit 1.5 (continued)
State Expenditures -- Special and Higher Education Funds **
(\$ in Millions)

<u>Category</u>	<u>Actual FY 1997</u>	<u>Work App. FY 1998</u>	<u>Leg. Appr. FY 1999</u>	<u>\$ Diff. 98 to 99</u>	<u>% Diff. 98 to 99</u>
Debt Service	\$367.2	\$381.6	\$406.8	\$25.2	6.6%
Aid to Local Governments					
General Government	407.4	408.4	414.9	6.5	1.6%
Community Colleges	0.2	0.0	0.0	0.0	n.a.
Education & Libraries	0.3	0.3	0.0	(0.3)	-100.0%
Health	0.0	0.0	0.0	0.0	n.a.
	407.9	408.6	414.9	6.2	1.5%
Entitlements					
Foster Care Payments	1.8	0.0	1.8	1.7	3572.7%
Assistance Payments	29.1	39.8	22.8	(17.0)	-42.7%
Medical Assistance	6.9	16.0	16.3	0.3	2.0%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	37.8	55.9	40.9	(15.0)	-26.8%
State Agencies					
Health	34.5	71.0	77.1	6.1	8.6%
Human Resources	19.8	10.4	14.4	4.0	38.4%
Systems Reform Initiative	0.0	0.3	0.3	0.0	0.0%
Juvenile Justice	0.2	0.2	0.3	0.1	22.5%
Public Safety & Police	96.0	109.5	115.3	5.9	5.4%
State Colleges & Universities	1,379.1	1,507.2	1,557.8	50.5	3.4%
Transportation	751.2	791.4	806.4	15.0	1.9%
Agric./Natl Res./Environ.	87.1	87.1	84.3	(2.7)	-3.1%
Other	200.7	203.5	188.3	(15.2)	-7.5%
Judicial & Legislative	1.6	5.0	11.1	6.1	121.1%
	2,570.3	2,785.6	2,855.3	69.7	2.5%
Capital	575.9	718.8	708.4	(10.3)	-1.4%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%
Subtotal	\$4,014.0	\$4,382.4	\$4,459.7	\$77.4	1.8%
Reserve Fund	0.0	0.0	15.0	15.0	n.a.
Grand Total	\$4,014.0	\$4,382.4	\$4,474.7	\$92.4	2.1%

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

** Includes higher education funds (current unrestricted & current restricted) net of general and special funds.

(*) Consists of local spending for the health formula.

Exhibit 1.5 (continued)
State Expenditures -- Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 1997</u>	<u>Work App. FY 1998</u>	<u>Leg. Appr. FY 1999</u>	<u>\$ Diff. 98 to 99</u>	<u>% Diff. 98 to 99</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
Aid to Local Governments					
General Government	38.4	23.9	39.5	15.6	65.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education & Libraries	321.9	331.6	366.7	35.1	10.6%
Health	4.5	4.5	4.5	0.0	0.0%
	364.8	360.0	410.7	50.6	14.1%
Entitlements					
Foster Care Payments	48.3	43.7	54.8	11.1	25.5%
Assistance Payments	449.4	379.8	425.6	45.8	12.1%
Medical Assistance #	1,073.5	1,064.5	1,167.7	103.2	9.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	1,571.2	1,487.9	1,648.1	160.2	10.8%
State Agencies					
Health	271.8	286.0	320.0	34.0	11.9%
Human Resources	324.1	364.5	438.8	74.3	20.4%
Systems Reform Initiative	1.0	18.3	19.3	1.0	5.3%
Juvenile Justice	9.4	9.9	10.1	0.1	1.1%
Public Safety & Police	9.3	9.0	5.2	(3.8)	-42.2%
State Colleges & Universities	0.0	0.0	0.0	0.0	n.a.
Transportation	15.8	15.9	15.7	(0.2)	-1.5%
Agric./Natl Res./Environ.	40.0	39.6	46.7	7.1	17.9%
Other	306.6	331.9	328.9	(3.0)	-0.9%
Judicial & Legislative	2.0	1.8	2.0	0.2	10.5%
	980.0	1,077.0	1,186.6	109.6	10.2%
Capital	473.6	574.8	428.2	(146.7)	-25.5%
Subtotal	\$3,389.6	\$3,499.8	\$3,673.6	\$173.8	5.0%
Reserve Fund	0.0	4.4	0.0	(4.4)	-100.0%
Grand Total	\$3,389.6	\$3,504.2	\$3,673.6	\$169.4	4.8%

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

Includes Medicaid funds budgeted in the Mental Hygiene Administration.

Exhibit 1.5 (continued)
State Expenditures -- All State Funds
(\$ in Millions)

Category	Actual FY 1997	Work App. FY 1998	Leg. Appr. FY 1999	\$ Diff. 98 to 99	% Diff. 98 to 99
Debt Service	\$523.1	\$553.7	\$558.6	\$4.9	0.9%
Aid to Local Governments					
General Government	523.0	542.3	550.9	8.5	1.6%
Community Colleges	120.1	125.6	129.5	3.9	3.1%
Education & Libraries	2,238.5	2,410.9	2,565.7	154.9	6.4%
Health	40.7	42.5	43.8	1.3	3.0%
	2,922.3	3,121.3	3,289.9	168.6	5.4%
Entitlements					
Foster Care Payments	102.5	107.4	117.7	10.3	9.6%
Assistance Payments	145.5	141.8	106.2	(35.6)	-25.1%
Medical Assistance #	1,082.6	1,101.2	1,184.5	83.3	7.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	1,390.9	1,404.0	1,461.6	57.6	4.1%
State Agencies					
Health	788.0	833.6	877.0	43.5	5.2%
Human Resources	254.7	228.0	246.8	18.8	8.3%
Systems Reform Initiative	36.3	53.2	53.1	(0.1)	-0.2%
Juvenile Justice	110.8	110.8	122.4	11.6	10.4%
Public Safety & Police	768.9	812.6	858.7	46.1	5.7%
State Colleges & Universities	2,022.6	2,175.7	2,278.0	102.3	4.7%
Transportation	751.2	791.4	806.4	15.0	1.9%
Agric./Natl Res./Environ.	173.7	177.5	183.6	6.1	3.4%
Other	736.7	788.4	817.7	29.3	3.7%
Judicial & Legislative	211.5	221.3	251.8	30.5	13.8%
	5,854.5	6,192.5	6,495.5	303.0	4.9%
Capital	642.7	808.5	918.0	109.5	13.5%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%
Subtotal	11,394.3	12,134.8	12,774.1	639.3	5.3%
Reserve Fund	0.0	125.1	185.0	59.8	47.8%
Appropriations	11,394.3	12,260.0	12,959.1	699.1	5.7%
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
Grand Total	\$11,394.3	\$12,218.6	\$12,939.1	\$720.4	5.9%

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

(*) Consists of local spending for the health formula.

Includes Medicaid funds budgeted in the Mental Hygiene Administration.

Exhibit 1.5 (continued)
State Expenditures -- All Funds
(\$ in Millions)

Category	Actual FY 1997	Work App. FY 1998	Leg. Appr. FY 1999	\$ Diff. 98 to 99	% Diff. 98 to 99
Debt Service	\$523.1	\$553.7	\$558.6	\$4.9	0.9%
Aid to Local Governments					
General Government	561.4	566.3	590.4	24.1	4.3%
Community Colleges	120.1	125.6	129.5	3.9	3.1%
Education & Libraries	2,560.3	2,742.5	2,932.4	189.9	6.9%
Health	45.2	47.0	48.3	1.3	2.7%
	3,287.0	3,481.3	3,700.6	219.2	6.3%
Entitlements					
Foster Care Payments	150.8	151.0	172.5	21.5	14.2%
Assistance Payments	594.9	521.5	531.8	10.2	2.0%
Medical Assistance #	2,156.0	2,165.6	2,352.2	186.6	8.6%
Property Tax Credits	60.3	53.7	53.3	(0.4)	-0.7%
	2,962.1	2,891.9	3,109.8	217.8	7.5%
State Agencies					
Health	1,059.8	1,119.6	1,197.0	77.5	6.9%
Human Resources	578.8	592.5	685.6	93.1	15.7%
Systems Reform Initiative	37.4	71.5	72.4	0.9	1.2%
Juvenile Justice	120.2	120.7	132.4	11.7	9.7%
Public Safety & Police	778.1	821.6	863.9	42.3	5.2%
State Colleges & Universities	2,022.6	2,175.7	2,278.0	102.3	4.7%
Transportation	767.0	807.3	822.1	14.7	1.8%
Agric./Natl Res./Environ.	213.7	217.2	230.3	13.2	6.1%
Other	1,043.3	1,120.3	1,146.6	26.3	2.3%
Judicial & Legislative	213.5	223.1	253.7	30.6	13.7%
	6,834.5	7,269.4	7,682.0	412.6	5.7%
Capital	1,116.3	1,383.4	1,346.2	(37.2)	-2.7%
Transfer to MDTA	25.0	0.0	0.0	0.0	n.a.
Transfers	6.0	23.0	17.1	(5.9)	-25.8%
Local Funds (*)	29.8	31.8	33.4	1.6	5.0%
Subtotal	14,783.9	15,634.6	16,447.7	813.1	5.2%
Reserve Fund	0.0	129.5	185.0	55.4	42.8%
Appropriations	14,783.9	15,764.1	16,632.7	868.5	5.5%
Reversions	0.0	(11.4)	(20.0)	(8.6)	75.7%
Medicaid Overaccrual	0.0	(30.0)	0.0	30.0	-100.0%
Grand Total	\$14,783.9	\$15,722.8	\$16,612.7	\$889.9	5.7%

NOTE: Detail may not add to total due to rounding. FY 1998 includes deficiency appropriations.

(*) Consists of local spending for the health formula.

Includes Medicaid funds budgeted in the Mental Hygiene Administration.

Exhibit 1.6
Revenue Stabilization Account
(Rainy Day Fund)

	<u>\$ millions</u>	<u>Balance as a % of GF Revenue</u>	<u>Balance in Excess of 5% GF Revenues</u>
Fiscal 1995			
Beginning Balance	161.8		
Appropriation	110.0		
Interest	14.3		
Balance 6/30/95	286.1	4.03%	
Fiscal 1996			
Beginning Balance	\$286.1		
Appropriation	200.0		
Transfer to General Fund	(77.6)		
Return of Excess Revenue	21.1		
Interest	31.6		
Balance 6/30/96	\$461.2	6.40%	\$100.7
Fiscal 1997			
Beginning Balance	\$461.2		
Appropriation	0.0		
Interest	28.8		
Balance 6/30/97	\$490.1	6.43%	\$109.2
Fiscal 1998			
Beginning Balance	\$490.1		
Appropriation	30.2		
Balance 7/1/97	520.3		
Interest (est. 5.45%)	34.2		
Deficiency Appropriation	61.7		
Balance 6/30/98	\$616.2	7.75% (3)	\$218.9
Fiscal 1999			
Beginning Balance	\$616.2		
Appropriation (1)	163.2		
Transfer to General Fund (2)	(185.2)		
Interest (est. 5.45%) (3)	38.2		
Balance 6/30/99	\$632.4	7.74% (4)	\$224.0

Interest earnings include interest earned on all Reserve Fund accounts.

- (1) Represents \$100 million allowance reduced by \$10 million and \$73.2 million Supplemental No. 3.
- (2) Chapter 4, Acts of 1998 (SB 750) provides for the transfer of \$170.7 million to the General Fund.
Chapter 5, Acts of 1998 (HB 66) provides for the transfer of \$14.5 million to the General Fund.
- (3) Interest earnings calculated by multiplying the assumed interest rate by the sum of the ending balances for each of the funds plus 1/2 of the annual appropriation to the Sunny Day fund.
- (4) Board of Revenue Estimates March 1998 figures were used in this calculation.

Prepared by: Department of Legislative Services, Office of Policy Analysis, May 1998

Exhibit 1.7

Fiscal 1998 and Fiscal 1999 Position Summary

Agency	Fiscal 1998 Legislative Approp.	Attrition/ BPW Adj Transfers	Fiscal 1998 Working	Position Transfer	Abolished Positions	New Positions	Fiscal 1999 Allowance	Legislative Reductions	Fiscal 1999 Approp.
General Assembly	668		668				668		668
Judicial Review and Legal	3,729	(2)	3,727	(4)		100	3,841	(11)	3,830
Executive Department	1,300	17	1,317			22	1,346	(3)	1,343
Financial and Revenue Administration	2,078	(2)	2,076			3	2,079	(1)	2,078
Budget and Management	382	2	384			21	405		405
Retirement and Pension Systems	155		155			3	158	(1)	157
General Services	597		597	4		29	630		630
Transportation	8,993		8,993			92	9,085		9,085
Natural Resources	1,363		1,363			7	1,389		1,389
Agriculture	404	3	407			28	435		435
Health and Mental Hygiene	8,270		8,270		(107)	25	8,188	(1)	8,187
Human Resources	6,448	2	6,450			145	6,595	(20)	6,575
Labor, Licensing, and Regulation	1,530	4	1,534		(1)	13	1,546		1,546
Public Safety and Correctional Services	10,506	2	10,508		(27)	232	10,713		10,713
State Department of Education	1,337		1,337			7	1,380	(4)	1,376
Higher Education (2-4 Yr.)	18,275	334	18,609		(9)	322	18,922		18,922
Other Education	521		521			2	523		523
Housing and Community Development	382		382				382	(1)	381
Business and Economic Development	235	1	236			9	245		245
Environment	870	3	874			52	926	(1)	925
Juvenile Justice	1,037		1,037				1,037		1,037
State Police	2,481	(2)	2,479			6	2,485		2,485
Subtotal	71,559	362	71,922	0	(144)	1,117	72,973	(43)	72,930
Non-Budgeted*	2,786	(77)	2,709		(1)	5	2,713		2,713
Total	74,345	285	74,631	0	(145)	1,122	75,687	(43)	75,644

*Non-Budgeted includes the Transportation Authority, the Automobile Insurance Fund, the Stadium Authority, the Food Center Authority, the Injured Workers' Insurance Fund, the Maryland Environmental Service, MHEIP and MSDE HQ (1 pos.).
Note: Detail may not add to total due to rounding.

Source: Department of Budget and Management, Legislative Database

Exhibit 1.7 (continued)

Summary of Personnel Detail by Major Areas of Government

Authorized Positions

Fiscal 1991 through Fiscal 1999

Department/Function	1991	1992	1993	1994	1995	1996	1997	Working Approp. 1998	Leg. Approp. 1999	Change 1998 to 1999
Legislative	665	661	655	656	656	668	673	668	668	0
Judicial Review & Legal	3,709	3,690	3,641	3,616	3,652	3,693	3,646	3,727	3,830	103
Executive & Administrative Control	1,130	1,085	931	1,182	1,306	1,304	1,304	1,317	1,343	26
Financial & Revenue Administration	2,426	2,319	2,211	2,204	2,167	2,130	2,074	2,076	2,078	2
Budget and Management #	159	145	139	146	214	211	370	384	405	21
Personnel & Retirement #	407	358	366	363	317	311	154	155	157	2
General Services #	911	812	767	760	773	755	598	597	630	33
Transportation	9,960	9,921	9,554	9,505	9,576	9,345	9,035	8,993	9,085	92
Natural Resources	1,896	1,751	1,683	1,576	1,436	1,436	1,399	1,363	1,389	27
Agriculture	582	514	449	439	438	427	411	407	435	28
Health & Mental Hygiene	11,261	10,284	10,026	9,393	9,270	9,058	8,379	8,270	8,187	(83)
Human Resources	7,205	6,961	6,856	6,770	6,980	7,345	6,942	6,450	6,575	125
Labor, Licensing & Regulation	746	644	581	406	1,482	1,609	1,531	1,534	1,546	12
Public Safety & Corrections	8424	9,192	9,497	9,377	10,012	10,410	10,288	10,508	10,713	205
Public Education	20,430	19,241	19,008	18,817	19,006	18,717	19,780	20,467	20,821	354
Housing & Community Development	483	449	412	416	427	421	381	382	381	(1)
Business & Economic Development	1,441	1,441	1,424	1,422	257	249	242	236	245	9
Environment	864	809	763	759	857	841	870	874	925	51
Juvenile Justice	1,584	1,077	1,046	1,038	1,076	1,059	1,039	1,037	1,037	0
State Police	2,550	2,456	2,437	2,401	2,411	2,424	2,481	2,479	2,485	6
Total Budgeted Positions	76,831	73,807	72,443	71,244	72,313	72,412	71,594	71,922	72,930	1,007
Non-Budgeted *	2,054	2,066	2,078	2,676	2,742	2,734	2,679	2,709	2,713	5
Grand Total	78,885	75,873	74,521	73,920	75,055	75,146	74,274	74,631	75,644	1,013

Notes:

All data as of June 30 except fiscal 1998 and fiscal 1999

Portions of these departments were reorganized July 1, 1996. Fiscal 1997, 1998 and 1999 reflect positions after reorganization.

* Non-Budgeted includes: Md. Transportation Authority, MAIF, MES, IWIF, MHEIP, MSDE HQ (1 pos.), and Food Center and Stadium Authorities.

Source: Department of Budget and Management, Annual Budget Books, BPW actions, and Legislative Budget Database

Exhibit 1.8
General Fund Forecast
(\$ in millions)

	1998	1999	2000	2001	2002	2003	FY98-99	FY98-03
REVENUES (BRE - 12/97)								
Individual Income	4,002	4,115	4,220	4,328	4,433	4,579	2.8%	2.7%
Sales and Use	2,167	2,245	2,332	2,424	2,529	2,630	3.6%	3.9%
Lottery	353	377	392	406	414	422	6.8%	3.7%
Other	1,355	1,359	1,393	1,406	1,439	1,468	0.3%	1.6%
	7,877	8,095	8,337	8,564	8,815	9,100	2.8%	2.9%
Adjustments:								
Balance	207	318	15	3	7	8		
March Revision (a)	70	73	74	61	57	59		
Lottery Reduction	0	1	0	0	0	0		
Tax Changes (b)	0	(194)	(69)	(33)	(46)	(46)		
Transfer - Reserve Fund Interest	0	0	36	32	27	25		
Transfer - Reserve Fund	0	185	36	82	87	37		
	8,154	8,479	8,429	8,708	8,947	9,183	4.0%	2.4%
EXPENDITURES #								
Debt Service	172	152	214	234	253	276	-11.8%	9.9%
Local Aid	2,713	2,875	2,964	3,073	3,180	3,280	6.0%	3.9%
Entitlements (c)	1,348	1,421	1,505	1,592	1,682	1,780	5.4%	5.7%
State Operations	3,407	3,640	3,783	3,909	4,009	4,123	6.8%	3.9%
Other Expenses (d)	197	377	70	66	66	65	91.7%	-19.8%
COLA (e)	0	0	0	42	79	118		
	7,836	8,464	8,536	8,916	9,269	9,642	8.0%	4.2%
Future Budget Actions	0	0	(110)	(215)	(330)	(460)		
	7,836	8,464	8,426	8,701	8,939	9,182	8.0%	3.2%
Surplus (Shortfall)	318	15	3	7	8	1		
Annual Change	111	(303)	(12)	5	1	(7)		

FY 1999 is the legislative appropriation. FY 1998 includes deficiency appropriations.

NOTES:

(a) Revised revenue estimates adopted by the Board of Revenue Estimates, March 1998.

(b) Reflects SB 750 which accelerated the income tax reduction from the 1997 Tax Reduction Act, SB 223 which increases the Earned Income Tax Credit and miscellaneous other tax changes. The impact from SB 223 assumes that 85% of eligible taxpayers will take advantage of credit. If all eligible taxpayers claim the credit, the revenue loss in FY 1999 would be \$3 million greater.

(c) Reflects HB 1244 which increased the homeowners' circuit breaker property tax credit beginning with FY 2000. This will increase general fund expenditures as the state reimburses the local governments for revenue loss from the circuit breaker program.

(d) Includes pay-go capital, transfers, appropriations to the reserve fund and anticipated reversions.

(e) Reflects a 2% general salary increase for FY 2001, FY 2002 and FY 2003. Also includes community service provider inflation in DHMH that would be driven by this COLA. The impact of the collective bargaining COLA is reflected in the state operations line.

CHAPTER TWO

STATE CAPITAL PROGRAM

- Summary
- Debt Affordability
- Subject Discussions

Overview of the Capital Budget

Summary

The 1998 General Assembly enacted a capital budget totaling \$1.8 billion including a \$1.0 billion transportation program. Of the total amount, \$443 million is funded with general obligation bonds; \$1.2 billion is funded on a pay-as-you-go (Paygo) basis in the operating budget; and \$190 million is funded with revenue bonds, including higher education academic bonds (\$31.5 million) and transportation bonds (\$160 million). **Exhibit 2.1** presents an overview of the State's capital program for fiscal 1999. **Exhibit 2.2** shows the sources and uses of funds for the nontransportation capital program.

General obligation bonds totaling \$443 million are authorized in the Maryland Consolidated Capital Bond Loan of 1998 (**SB 217/Ch. 138**), and various individual bond bills for independent colleges and universities, private hospitals, and legislative initiatives. This is offset by deauthorizations of \$13 million in previously authorized general obligation debt for a net new debt authorization of \$430 million. The Maryland Consolidated Capital Bond Loan includes projects for:

- State facilities including State colleges and universities and State correctional facilities;
- Health and social facilities such as senior citizen and adult day care centers, juvenile services facilities, and community mental health, disabilities and addictions facilities;
- Environmental programs such as the Chesapeake Bay Water Quality, asbestos abatement, and underground fuel tank replacement programs; and
- Public school construction, economic development, local jail construction and housing programs.

Exhibit 2.3 lists capital projects by fund source. The individual bond bills are listed in **Exhibit 2.4**.

Exhibit 2.1

Summary of the Capital Program as Enacted for the 1998 Session
(\$ in Millions)

<u>Function</u>	<u>Bonds</u>			<u>Current Funds (Paygo)</u>			<u>Total</u>
	<u>General Obligation</u>	<u>Agency</u>	<u>Recycled</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities							\$36.8
State Facilities	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	\$0.0	
Facilities Renewal	14.2	0.0	0.0	0.0	0.3	0.0	
Other	13.6	0.0	0.0	5.0	0.0	3.2	
Health/Social							\$93.6
State Facilities	61.1	0.0	0.0	0.0	5.0	0.0	
Private Hospitals	3.7	0.0	0.0	0.4	0.0	0.0	
Other	22.7	0.0	0.0	0.7	0.0	0.0	
Environment							\$165.2
Natural Resources	5.2	0.0	0.0	11.0	57.3	0.0	
Agriculture	0.0	0.0	0.0	5.9	15.5	0.0	
Environment	22.0	0.0	0.0	6.1	31.9	0.0	
MD Envir. Services	0.9	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.1	0.0	
Other	4.0	0.0	0.0	2.4	1.0	0.0	
Public Safety							\$27.3
State Corrections	11.8	0.0	0.0	0.0	2.3	0.0	
Local Jails	10.1	0.0	0.0	0.0	0.0	0.0	
State Police	3.0	0.0	0.0	0.0	0.0	0.0	
Education							\$220.4
School Construction	129.5	0.0	0.0	88.5	0.0	0.0	
Other	2.4	0.0	0.0	0.0	0.0	0.0	
Higher Education							\$127.0
University System	51.5	31.5	0.0	10.0	0.0	0.0	
Morgan State University	9.3	0.0	0.1	1.2	0.0	0.0	
Community Colleges	16.0	0.0	0.0	0.0	0.0	0.0	
Private Colleges/Univers.	6.0	0.0	0.0	0.0	0.0	0.0	
Other	1.1	0.0	0.0	0.3	0.0	0.0	
Housing/Community Development							\$52.2
Housing	15.4	0.0	0.0	18.0	14.8	0.0	
Other	3.6	0.0	0.0	0.0	0.5	0.0	
Economic Development							\$68.5
Economic Development	2.0	0.0	0.0	31.1	22.0	0.0	
Stadia/Convention Center	0.0	0.0	0.0	0.0	13.4	0.0	
Local Projects							\$62.6
Administration	6.1	0.0	0.0	28.6	0.0	0.0	
Legislative	28.0	0.0	0.0	0.0	0.0	0.0	
Transportation							\$993.1
Other	0.0	160.0	0.0	0.0	408.1	425.0	
Deauthorizations							\$-14.5
Deauthorization	-13.0	-1.5	0.0	0.0	0.0	0.0	
Total FY 98	\$430.0	\$190.0	\$0.1	\$209.6	\$574.1	\$428.2	\$1,832.1

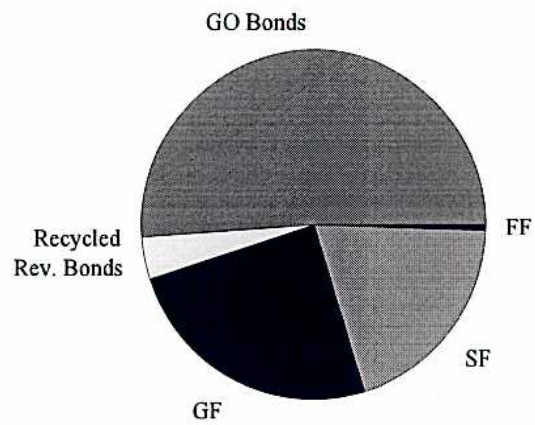
Note: Numbers may not sum to total due to rounding

Exhibit 2.2

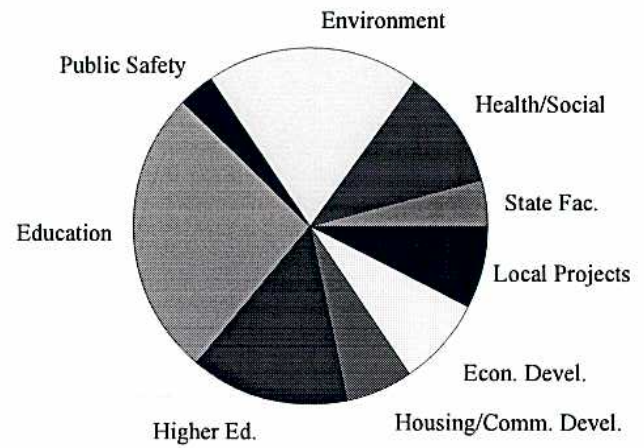
Non-Transportation Capital

\$839 Million

Sources



Uses



Capital Program As Enacted - 1998 Session

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
State Facilities									
DA01A	Accessibility for the Disabled	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000	
DE02.01.S27	Carroll Co. District Court	0	0	0	500,000	0	0	500,000	
DE02.01A	Legislative Facilities	2,300,000	0	0	0	0	0	2,300,000	
DE02.01B	Capital Facilities Renewal	14,203,000	0	0	0	0	0	14,203,000	
DE02.01C	CFC Mitigation Fund	4,000,000	0	0	0	0	0	4,000,000	
DE02.01D	Asbestos Abatement	0	0	0	1,900,000	0	0	1,900,000	
DE02.01E	Underground Storage Tank Replace.	1,000,000	0	0	0	0	0	1,000,000	
DE02.01F	Washington Co. Dist. Court	5,284,000	0	0	0	0	0	5,284,000	
DE02.01G	Construction Contingency Fund	0	0	0	1,000,000	0	0	1,000,000	
DH01.04A	Military: Camp Fretterd	273,000	0	0	0	0	88,000	361,000	
DH01.04B	Military: Annapolis Armory	578,000	0	0	0	0	2,909,000	3,487,000	
DP00.04-S3	MVC: Ft. Howard Veterans Home	0	0	0	100,000	0	0	100,000	
DQ00.01A	MVHC: Charlotte Hall Vet. Home	134,000	0	0	0	0	223,000	357,000	
HC01.03	Facilities Renewal: Woodstock Ctr.	0	0	0	0	300,000	0	300,000	
Subtotal			\$0	\$0	\$5,500,000	\$300,000	\$3,220,000	\$36,792,000	
Health/Social									
DA07A	Senior Citizen Activities Centers	761,000	0	0	0	0	0	761,000	
DE02.01.S35	Wicomico Drill Academy for Youth	0	0	0	725,000	0	0	725,000	
MA01A	DHMH: Adult Day Care	1,522,000	0	0	0	0	0	1,522,000	
MA01B	DHMH: Comm. Mental Hlth. Facil.	5,654,000	0	0	0	0	0	5,654,000	
ML07A	E. Shore Hosp.: Replacement Facil.	16,240,000	0	0	0	5,000,000	0	21,240,000	
RQ00A	UMMS: Diagnostic & Treatment Fac.	9,000,000	0	0	0	0	0	9,000,000	
VA01A	DJJ: Grant Program	750,000	0	0	0	0	0	750,000	
VA01B	DJJ: Balt. City Juv. Justice Ctr.	43,143,000	0	0	0	0	0	43,143,000	
VA01C	DJJ: Wicomico Detention Ctr.	373,000	0	0	0	0	0	373,000	
VA03A	DJJ: Cheltenham Staff Dorm Renov.	1,305,000	0	0	0	0	0	1,305,000	
ZA00D	Kennedy Krieger Institute	1,000,000	0	0	0	0	0	1,000,000	

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
Health/Social									
ZA00E	JHU: Cancer Research Ctr.	4,000,000	0	0	0	0	0	0	4,000,000
ZA00G	Prince George's Hospital Helipad	393,000	0	0	400,000	0	0	0	793,000
ZD00	MD. Hosp. Assoc. Grant Prgm.	3,306,000	0	0	0	0	0	0	3,306,000
Subtotal		\$87,447,000	\$0	\$0	\$1,125,000	\$5,000,000	\$0	\$0	\$93,572,000
Environment									
DA13.02	MEA: Comm. Energy Loan Pr. (CELP)	0	0	0	0	1,000,000	0	0	1,000,000
DA13.03	MEA: St. Agency Loan Pr. (SALP)	0	0	0	0	1,100,000	0	0	1,100,000
DE02.01.S12	Havre de Grace Water Pipes	0	0	0	500,000	0	0	0	500,000
DE02.01.S16	Bladensburg Waterfront Park	0	0	0	850,000	0	0	0	850,000
KA01A	DNR: Smith Island Restoration	200,000	0	0	0	0	0	0	200,000
KA05.10.S1	POS: Chapman's Landing	0	0	0	5,000,000	0	0	0	5,000,000
KA05.10.S2	Smith Farm Acquisition	0	0	0	1,000,000	0	0	0	1,000,000
KA05.10a	POS: Land Acq. & Local Prgm.	0	0	0	0	39,359,000	0	0	39,359,000
KA05.10b	POS: Capital Improvements	0	0	0	0	5,889,000	0	0	5,889,000
KA05.11	DNR: Waterway Improvement	0	0	0	0	3,750,000	0	0	3,750,000
KA05.12	Ocean City Beach Maint. - Local Share	0	0	0	0	1,000,000	0	0	1,000,000
KA05A	DNR: Rural Legacy	5,000,000	0	0	5,000,000	8,339,000	0	0	18,339,000
KA07A	DNR: Central Region HQ	44,000	0	0	0	0	0	0	44,000
LA11.11	Ag: Land Preservation Program	0	0	0	0	15,475,000	0	0	15,475,000
LA15A	MDA: Agricultural Cost-Share Prgm.	0	0	0	5,900,000	0	0	0	5,900,000
SA23B	Jeff. Patt.: Shore Erosion	365,000	0	0	0	0	0	0	365,000
TF00.13	Animal Waste Technology Fund	350,000	0	0	1,000,000	0	0	0	1,350,000
UA01.03	Water Quality Revol. Loan Fund	0	0	0	4,170,000	24,185,000	0	0	28,355,000
UA01.05	Drinking Water Revol. Loan Prgm.	0	0	0	1,475,000	7,667,000	0	0	9,142,000
UA04.A1	CBWQ: Biological Nutrient Removal	14,155,000	0	0	500,000	0	0	0	14,655,000
UA04.A2	CBWQ: Supplemental Assistance	2,000,000	0	0	0	0	0	0	2,000,000
UA04.A3	CBWQ: Small Creeks & Estuaries	674,000	0	0	0	0	0	0	674,000

Capital Program As Enacted - 1998 Session

Page 2 of 7

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
Environment									
UA04.A4	CBWQ: Stormwater Pollution Ctrl.	1,178,000	0	0	0	0	0	0	1,178,000
UA04B	Water Supply Assistance	3,000,000	0	0	0	0	0	0	3,000,000
UA05A	Comp. Flood Mgmt. Grant Prgm.	969,000	0	0	0	0	0	0	969,000
UB00A	MES: Water & Wastewater Facil.	850,000	0	0	0	0	0	0	850,000
ZA00J	Western MD Flood Mitigation	3,252,000	0	0	0	0	0	0	3,252,000
ZA00K	Western MD Flood Warning Sys.	33,000	0	0	0	0	0	0	33,000
Subtotal		\$32,070,000	\$0	\$0	\$25,395,000	\$107,764,000	\$0	\$0	\$165,229,000
Public Safety									
QA01.05	PCTC: Public Safety Training Ctr.	0	0	0	0	2,325,000	0	0	2,325,000
QB04.01A	MCI-H: Upholstery Shop	887,000	0	0	0	0	0	0	887,000
QB04.02A	MCTC: Perimeter Security	290,000	0	0	0	0	0	0	290,000
QB05A	MCI-W: Medium Security Housing	7,572,000	0	0	0	0	0	0	7,572,000
QB05B	MCI-W: Kitchen & Dining Room	290,000	0	0	0	0	0	0	290,000
QB06A	Central Laundry: Boiler Plant	207,000	0	0	0	0	0	0	207,000
QB08A	WCI: Maximum Security Compound	1,600,000	0	0	0	0	0	0	1,600,000
QD01A	Patuxent: Visitor Reg.\Perimeter Sec.	424,000	0	0	0	0	0	0	424,000
QD01B	Patuxent: Kitchen & Dining Hall	563,000	0	0	0	0	0	0	563,000
WA01A	DMSP: Waldorf Barrack & Garage	2,960,000	0	0	0	0	0	0	2,960,000
ZB02A	Jail: Allegany Co. Detention Ctr.	1,321,000	0	0	0	0	0	0	1,321,000
ZB02B	Jail: Anne Arundel Co. Detention Ctr.	200,000	0	0	0	0	0	0	200,000
ZB02C	Jail: Montgomery Co. Detention Ctr.	8,318,000	0	0	0	0	0	0	8,318,000
ZB02D	Jail: Wicomico Co. Detention Ctr.	300,000	0	0	0	0	0	0	300,000
Subtotal		\$24,932,000	\$0	\$0	\$0	\$2,325,000	\$0	\$0	\$27,257,000
Education									
DE02.02A	Public School Construction	129,500,000	0	0	88,500,000	0	0	0	218,000,000

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
Education									
RA01A	MSDE: State Library Resource Ctr.	2,365,000	0	0	0	0	0	0	2,365,000
	Subtotal	\$131,865,000	\$0	\$0	\$88,500,000	\$0	\$0	\$0	\$220,365,000
Higher Education									
DE02.01.S18	UB: Property Acquisition	0	0	0	2,000,000	0	0	0	2,000,000
DE02.01.S19	MSU: Pentridge Apartments	0	0	0	1,165,000	0	0	0	1,165,000
DE02.01.S20	UMB: School of Pharm. - Prefab.	0	0	0	3,000,000	0	0	0	3,000,000
DE02.01.S21	TSU: Campuswide Improvements	0	0	0	1,700,000	0	0	0	1,700,000
DE02.01.S23	BSU: Ductbank & Telecomm.	0	0	0	640,000	0	0	0	640,000
DE02.01.S24	S. MD Higher Education Ctr.	0	0	0	300,000	0	0	0	300,000
RB21.rb	UMB: Law School & Library	0	0	1,654,000	0	0	0	0	1,654,000
RB21A	UMB: School of Nursing	500,000	0	1,500,000	0	0	0	0	2,000,000
RB21B	UMB: University Center	350,000	0	0	0	0	0	0	350,000
RB22.rb	UMCP: Symons Hall Renovation	0	0	1,265,000	0	0	0	0	1,265,000
RB22A	UMCP: Performing Arts	852,000	0	3,048,000	0	0	0	0	3,900,000
RB22B	UMCP: MFRI Upper E. Shore	3,451,000	0	0	0	0	0	0	3,451,000
RB22C	UMCP: Resrch. Greenhouse Complex	6,694,000	0	0	0	0	0	0	6,694,000
RB22D	UMCP: Chemistry Bldg.	847,000	0	0	0	0	0	0	847,000
RB22E	UMCP: Engin. & Applied Sci. Bldg.	1,207,000	0	0	0	0	0	0	1,207,000
RB22F	UMCP: New Arena	4,500,000	0	0	0	0	0	0	4,500,000
RB23A	BSU: Ctr. for Learning & Tech.	18,065,000	0	0	0	0	0	0	18,065,000
RB24A	TU: 7800 York Road Renovation	292,000	0	0	0	0	0	0	292,000
RB24B	TU: 7720 York Road Renovation	4,615,000	0	0	2,700,000	0	0	0	7,315,000
RB24C	TU: Maintenance & Storage Bldg.	1,553,000	0	0	0	0	0	0	1,553,000
RB31.rb	UMBC: Central Power Plant	0	0	10,298,000	0	0	0	0	10,298,000
RB31A	UMBC: Physics Bldg.	4,600,000	0	0	0	0	0	0	4,600,000
RB31B	UMBC: Biological Sci. Bldg.	1,525,000	0	0	0	0	0	0	1,525,000
RB31C	UMBC: Technology Enterprise Ctr.	450,000	0	0	0	0	0	0	450,000

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
Higher Education									
RB34A	UMCES: Appalachian Environ. Lab	2,000,000	0	0	0	0	0	0	2,000,000
RB36.rb	USM: Capital Facilities Renewal	0	0	13,735,000	0	0	0	0	13,735,000
RC00A	BCCC: Renovate Main Bldg.	1,070,000	0	0	0	0	0	0	1,070,000
RI00A	Community Colleges Grant Prgm.	15,952,000	0	0	0	0	0	0	15,952,000
RM00A	MSU: Hughes Stadium	8,527,000	0	0	0	0	0	0	8,527,000
RM00B	MSU: Hill Field House	169,000	0	0	0	0	0	0	169,000
RM00C	MSU: Research Facil. & Greenhouse	449,000	138,000	0	0	0	0	0	587,000
RM00D	MSU: Campuswide Site Improvements	190,000	0	0	0	0	0	0	190,000
ZE00A	MICUA: Washington College	3,000,000	0	0	0	0	0	0	3,000,000
ZE00B	MICUA: JHU Shady Grove Campus	3,000,000	0	0	0	0	0	0	3,000,000
Subtotal		\$83,858,000	\$138,000	\$31,500,000	\$11,505,000	\$0	\$0	\$0	\$127,001,000
Housing/Community Developme									
SA23.06	MHT: Revolving Loan Fund	0	0	0	0	450,000	0	0	450,000
SA23A	MHT: Grant Fund	1,000,000	0	0	0	0	0	0	1,000,000
SA25.07	DHCD: Rental Housing Programs	0	0	0	6,939,000	5,061,000	0	0	12,000,000
SA25.08	DHCD: Home Ownership Programs	0	0	0	1,868,000	5,367,000	0	0	7,235,000
SA25.09	DHCD: Special Loan Programs	0	0	0	1,714,000	4,338,000	0	0	6,052,000
SA25.12	DHCD: Neighborhood Revital.	0	0	0	7,000,000	0	0	0	7,000,000
SA25A	DHCD: Partnership Rental Housing	13,174,000	0	0	0	0	0	0	13,174,000
SA25B	DHCD: Shelter & Transitional Housing	2,250,000	0	0	432,000	0	0	0	2,682,000
ZA00A	African American Museum	1,580,000	0	0	0	0	0	0	1,580,000
ZA00B	Baltimore Children's Museum	1,000,000	0	0	0	0	0	0	1,000,000
Subtotal		\$19,004,000	\$0	\$0	\$17,953,000	\$15,216,000	\$0	\$0	\$52,173,000
Economic Development									
DAO3.02	MSA: Football Stadium	0	0	0	0	13,419,000	0	0	13,419,000
DU00.02A	Canal Place Improvements	2,024,000	0	0	0	0	0	0	2,024,000
TF00.09	MSB DFA: Sm. Business Dev. Fin.	0	0	0	1,750,000	4,250,000	0	0	6,000,000
Capital Program As Enacted - 1998 Session									

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds		Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal		
Economic Development									
TF00.10	Day Care Facil. Direct Loan Prg.	0	0	0	0	1,000,000	0	1,000,000	
TF00.11	MICRF: Indust. & Comm. Redev.	0	0	0	0	12,100,000	0	12,100,000	
TF00.12	MILA: Industrial Land Act	0	0	0	0	4,000,000	0	4,000,000	
TF00.14	MIDFA: Bond Insurance Fund	0	0	0	0	2,750,000	0	2,750,000	
TF00.15	Seafood & Acqua. Loan Fund	0	0	0	0	100,000	400,000	500,000	
TF00.17	Enterprise Fund	0	0	0	0	2,000,000	250,000	2,250,000	
TF00.19	Challenge Program	0	0	0	0	750,000	0	750,000	
TI00.02	Brownfields Revitalization Fund	0	0	0	0	500,000	0	500,000	
YA03.01	Sunny Day Fund	0	0	0	0	23,200,000	0	23,200,000	
Subtotal		\$2,024,000	\$0	\$0	\$31,050,000	\$35,419,000	\$0	\$68,493,000	
Local Projects									
DA03.60.S	MSA: Hippodrome Perform. Arts Ctr.	0	0	0	0	1,700,000	0	1,700,000	
DA03.61.S	MSA: Memorial Stadium Demol.	0	0	0	0	850,000	0	850,000	
DE02.01.S02	Brooklyn Park Comm. Ctr.	0	0	0	0	2,200,000	0	2,200,000	
DE02.01.S03	Highlandtown Revitalization	0	0	0	0	1,000,000	0	1,000,000	
DE02.01.S04	MD Maritime Center	0	0	0	0	500,000	0	500,000	
DE02.01.S06	Bloomsbury Center	0	0	0	0	1,500,000	0	1,500,000	
DE02.01.S07	Chesapeake Village Prop. Acquisition	0	0	0	0	1,600,000	0	1,600,000	
DE02.01.S09	Riverdale Acquisition & Demolition	0	0	0	0	1,800,000	0	1,800,000	
DE02.01.S10	Indian Head Comm. Ctr.	0	0	0	0	750,000	0	750,000	
DE02.01.S11	Oakland Railroad Station Restoration	0	0	0	0	226,000	0	226,000	
DE02.01.S13	Gaithersburg Town Center	0	0	0	0	2,000,000	0	2,000,000	
DE02.01.S14	Strathmore Hall	0	0	0	0	1,700,000	0	1,700,000	
DE02.01.S15	Takoma Park Revitalization	0	0	0	0	800,000	0	800,000	
DE02.01.S17	Mt. Rainier Police Station	0	0	0	0	850,000	0	850,000	
DE02.01.S25	Lonaconing Library	0	0	0	0	300,000	0	300,000	
DE02.01.S26	Meyerhoff Symphony Hall	0	0	0	0	1,500,000	0	1,500,000	

Capital Program As Enacted - 1998 Session

Page 6 of 7

Exhibit 2.3 (continued)

Budget Code	Project Title	General Obligation	Bonds			Current Funds (Paygo)				Total Funds
			Recycled	Agency	General	Special	Federal			
Local Projects										
DE02.01.S28	Kent Co. Govt. Offices	0	0	0	250,000	0	0	0	250,000	
DE02.01.S29	Chelsea School	0	0	0	750,000	0	0	0	750,000	
DE02.01.S30	Olney Theatre	0	0	0	1,500,000	0	0	0	1,500,000	
DE02.01.S31	Rockville Sci.\Cult\Busnss. Res. Ctr.	0	0	0	200,000	0	0	0	200,000	
DE02.01.S34	Laurel - Dept. of Public Works Bldg.	0	0	0	300,000	0	0	0	300,000	
DE02.01.S39	Pocomoke City-Demol'n Derelict Bldg.	0	0	0	33,000	0	0	0	33,000	
ZA00C	E. Balt. Recreation Facil. Impr.	200,000	0	0	0	0	0	0	200,000	
ZA00F	George Lucas Art Collection	850,000	0	0	0	0	0	0	850,000	
ZA00H	Silver Spring Redevelopment	5,000,000	0	0	5,000,000	0	0	0	10,000,000	
ZA00I	South Baltimore Parking Facil.	0	0	0	1,260,000	0	0	0	1,260,000	
ZC00	Legislative Initiatives	27,977,000	0	0	0	0	0	0	27,977,000	
Subtotal		\$34,027,000	\$0	\$0	\$28,569,000	\$0	\$0	\$0	\$62,596,000	
Transportation										
ZG00	Transportation	0	0	160,000,000	0	408,100,000	425,000,000	993,100,000		
Subtotal		\$0	\$0	\$160,000,000	\$0	\$408,100,000	\$425,000,000	\$993,100,000		
Deauthorizations										
ZF00 A	Deauthorizations As Introduced	-11,649,000	0	-1,500,000	0	0	0	0	-13,149,000	
ZF00 B	Deauth. Hospice of P.G. Co., Inc.	-1,350,000	0	0	0	0	0	0	-1,350,000	
Subtotal		\$-12,999,000	\$0	\$0	\$0	\$0	\$0	\$0	\$-14,499,000	
Total		\$430,000,000	\$138,000	\$190,000,000	\$209,597,000	\$574,124,000	\$428,220,000	\$1,832,079,000		

Legislative Projects - 1998 Session

Final Action

Chap. Law	HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Private Higher Education							
513	790	Kopp			JHU - Montgomery Co. Campus	State	3,000,000
511	771	Guns			Washington College (Kent Co.)	State	3,000,000

Subtotal -Private Higher Education						\$6,000,000
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MHA Hospitals

156			209	Hafer	Garrett Co. Memorial Hosp.	State	361,000
149			111	Della	Harbor Hospital Ctr. (Balt. City)	State	700,000
171			338	Conway	Maryland General (Balt. City)	State	480,000
292	1104	McClenahan			McCready Memorial Hosp. (Somer.)	State	115,000
302	1241	Marriott			Mercy Medical Center (Balt. City)	State	350,000
164			286	McCabe	Montgomery General Hosp.	State	500,000
272	789	Love			North Arundel Hospital (AA Co.)	State	800,000

Subtotal -MHA Hospitals						\$3,306,000
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Bond Bills - Statewide

592			244	Hoffman	American Visionary Art Museum	State	1,750,000
273	793	McHale			Baltimore Museum of Industry	State	500,000
603			350	Hoffman	BSO - Jos. Meyerhoff Symphony Hall	State	1,000,000
183			516	Middleton	Maryland Historical Soc.	State	850,000
546	1172	Heller			Olney Theater for the Arts	State	475,000

Subtotal -Bond Bills - Statewide						\$4,575,000
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Local Projects

231	326	Delegation			Allegany Co. Ag. Expo. & Fairgrounds	Alleg	400,000
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Subtotal -Allegany						\$400,000
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191			630	AASens	Benson-Hammond\Wm. Downs Hses.	AA	100,000
176			410	Jimeno	Hancock's Resolution	AA	150,000
236	388	Delegation			London Town Archeo. Learning Ctr.	AA	750,000
212	93	Busch			MD Hall for the Creative Arts	AA	250,000
186			546	Astle	Stanton Center	AA	150,000

Legislative Projects - 1998 Session

Final Action

Chap. Law	HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects							
224	190	Delegation			Wiley H. Bates High School	AA	1,000,000
Subtotal - Anne Arundel							\$2,400,000
368			296	BCSens	Balt. City FOP Memorial	BCity	50,000
227	264	Dewberry			Caritas House Assisted Living Fac.	BCity	500,000
602			348	Hoffman	Center Stage	BCity	250,000
174			405	Conway	Epiphany House	BCity	150,000
258	693	Branch			Fair Chance Center	BCity	200,000
180			458	McFadden	Human & Community Devel. Ctrs.	BCity	200,000
199			706	Blount	King Mem. Child Care Family Ctr.	BCity	150,000
267	774	Marriott			MD Comm. Resource Ctr., Inc.	BCity	500,000
256	681	Davis			MD Ctr. for Veterans' Edu. & Trng.	BCity	136,000
312	1326	Montague			Morgan Christian Center	BCity	150,000
271	788	Rawlings			Payne Mem. Outreach, Inc.	BCity	500,000
317	1420	Montague			Pen Lucy Community Ctr.	BCity	100,000
515	802	Rosenberg			Police Athletic League Center	BCity	500,000
295	1134	McIntosh			Pride of Baltimore II	BCity	65,000
178			430	Blount	Project Liberty Ship	BCity	350,000
297	1148	Fulton			Sandtown-Winchester Sen. Ctr.	BCity	600,000
270	786	Rawlings			St. Ambrose Fam. Outreach Ctr.	BCity	500,000
179			455	McFadden	St. Frances Academy	BCity	500,000
196			678	Blount	St. James Academy Educ. Ctr.	BCity	500,000
217	133	Doory			U.S.S. Constellation	BCity	525,000
188			578	Hughes	Village Learning Place	BCity	156,000
298	1149	Rawlings			YMCA Central MD-Druid Hill	BCity	350,000
Subtotal - Baltimore City							\$6,932,000
159			247	Collins	Benjamin Banneker Historic Park	Balt	1,350,000
170			334	Boozer	Camp Puh'Tok	Balt	250,000
219	165	Klima			Hampton Nat. Historic Site	Balt	200,000
252	646	Dewberry			Islamic Society of Baltimore, Inc.	Balt	200,000
474	409	Minnick			Shady Spring Ring PAL/Recreation Ctr.	Balt	475,000
363			246	Collins	Woodmoor PAL/Recreation Ctr	Balt	475,000
Subtotal - Baltimore							\$2,950,000
163			278	Miller	Calvert Co. Hist. Soc. - "Linden Proj."	Cal	300,000
228	291	Delegation			Calvert Marine Museum	Cal	75,000

Legislative Projects - 1998 Session

Final Action

Chap. Law	HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects							
204			751	Dyson	United Way of Calvert Co.	Cal	100,000
Subtotal - Calvert							\$475,000
284	1004	Eckardt			Choptank Comm. Health Syst., Inc.	Carol	75,000
Subtotal - Caroline							\$75,000
187			551	Fry	Bell Manor	Cecil	200,000
412			559	Baker	Elk River - Dredging	Cecil	200,000
Subtotal - Cecil							\$400,000
172			380	Middleton	Lions Camp Merrick	Chas	200,000
264	720	Delegation			Thos. Stone National Hist. Site	Chas	100,000
Subtotal - Charles							\$300,000
311	1297	Delegation			Liberty Village Empowerment Ctr.	Dor	200,000
203			748	Colburn	Stanley Inst.: Rock Sch. Hse. Restor.	Dor	50,000
Subtotal - Dorchester							\$250,000
244	516	Delegation			Bur.\Comms. Middletown-Comm. Fac.	Fred	250,000
282	991	Delegation			Fed. Charities Corp. of Frederick	Fred	300,000
195			672	Derr	Frederick Arts Council	Fred	75,000
Subtotal - Frederick							\$625,000
310	1296	Edwards			Garrett Information Enterprise Ctr.	Gar	250,000
Subtotal - Garrett							\$250,000
561	1405	Preis			Gr. Havre de Grace Museum Alliance	Har	75,000
562	1406	Harkins			Havre de Grace Community Ctr.	Har	75,000
206			769	Fry	Historical Society of Harford Co.	Har	150,000
189			591	Fry	Sen. Wm. Amoss Agric. Edu.	Har	100,000
158			234	Craig	The Ripken Stadium	Har	200,000
Subtotal - Harford							\$600,000
214	101	Delegation			Guilford Comm. Found., Inc.	How	300,000
Subtotal - Howard							\$300,000
239	473	Walkup			Town of Chestertown Visitors' Ctr.	Kent	150,000
Subtotal - Kent							\$150,000
359			219	Dorman	Ches. Wildlife Sanctuary. Ed. Fac.	Mont	100,000
622			615	Van Hollen	Ctr. for Children & Families	Mont	1,000,000

Legislative Projects - 1998 Session

Final Action

Chap. Law	HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects							
449	152	Hixson			Flower Ave./Long Branch Revitalization	Mont	200,000
154			182	Hogan	Germantown Cultural Arts Ctr.	Mont	700,000
683	303	Shriver			Hadley's Outdoor Children's Center	Mont	350,000
345			155	Ruben	Jewish Comm. Ctr. of Greater Wash.	Mont	600,000
304	1253	Hurson			Joseph White House	Mont	200,000
692	455	Barve			Kentlands Cultural Arts Center	Mont	50,000
160			249	Forehand	Mental Health Assoc. of Mont. Co.	Mont	100,000
181			494	Forehand	Mont. Co. Agricultural Ctr.	Mont	400,000
481	508	Petzold			National Capital Trolley Museum	Mont	125,000
436			773	Ruben	Old Town Takoma Park	Mont	50,000
454	211	Hixson			Takoma Park	Mont	75,000
699	587	Kopp			The Writer's Center	Mont	150,000
Subtotal - Montgomery							\$4,100,000
674	197	Pitkin			Greenbelt Comm. Ctr.	PG	325,000
321	1428	B. Hughes			Kettering Community Center	PG	200,000
300	1182	B. Hughes			Mission of Love Center	PG	150,000
534	1033	B. Hughes			MNCPPC - Golf Course for Disabled	PG	150,000
250	624	Patterson			MNCPPC - Tucker Rd. Ice Rink	PG	500,000
257	688	Healey			NAFEO Comm. Ctr.	PG	350,000
184			528	Currie	Showplace Arena (Equestrian Ctr.)	PG	250,000
Subtotal - Prince George's							\$1,925,000
484	530	Baker			Chesapeake Exploration Center	QA	250,000
210	67	Baker			Hospice of Queen Anne's Co.	QA	130,000
Subtotal - Queen Anne's							\$380,000
247	526	Delegation			Tudor Hall	SM	65,000
Subtotal - St. Mary's							\$65,000
209	52	Baker			YMCA Therapeutic Pool	Tal	450,000
Subtotal - Talbot							\$450,000
783	811	Delegation			Girls Inc. of Wash. Co. - Gymnasium	Wash	250,000
201			714	Munson	Rohrersville Band	Wash	25,000
Subtotal - Washington							\$275,000

Legislative Projects - 1998 Session

Final Action

Chap. Law	HB	House Sponsor	SB	Senate Sponsor	Project Title	Co.	Final Action
Local Projects							
553	1269	Conway			Dry Hydrant System	Wic	100,000
Subtotal - Wicomico							\$100,000
<hr/>							
Subtotal - Statewide and Local Projects							\$27,977,000
Total - New Projects							\$37,283,000

Debt Affordability

The Capital Debt Affordability Committee recommended a limit of \$430 million in general obligation bonds to be authorized for fiscal 1999. The General Assembly authorized \$443 million in new general obligation bond debt, offset by the deauthorization of \$13 million in previously authorized debt, for a net new general obligation bond debt authorization of \$430 million. This amount conforms to the recommendation of the Capital Debt Affordability Committee.

Public School Construction

The funds available in fiscal 1999 for public school construction total \$225 million. Funding is provided through a general obligation bond authorization of \$129.5 million, \$88.5 million in general fund Paygo funding, and \$7 million available from prior year authorizations. The following table shows the distribution.

<u>Subdivision</u>	<u>Public Schools</u>
Allegany	\$ 4,824,000
Anne Arundel	9,331,000
Baltimore City	12,506,000
Baltimore County	28,000,000
Calvert	4,478,000
Caroline	3,410,000
Carroll	7,226,000
Cecil	3,936,000
Charles	7,776,000
Dorchester	942,000
Frederick	8,158,000
Garrett	263,000
Harford	8,808,000
Howard	13,402,000
Kent	460,000

Montgomery	50,000,000
Prince George's	35,000,000
Queen Anne's	2,375,000
St. Mary's	7,131,000
Somerset	680,000
Talbot	299,000
Washington	4,583,000
Wicomico	8,159,000
Worcester	<u>3,212,000</u>
Subtotal	\$224,959,000
Statewide/Unallocated	<u>41,000</u>
Total	\$225,000,000

Funding Sources

Consolidated Capital Bond Bill	\$129,500,000
General Fund Paygo	88,500,000
Available From Previous Years	<u>7,000,000</u>
Total	\$225,000,000

Program Open Space

The fiscal 1999 budget includes \$60.5 million for Program Open Space (POS) land acquisition and development made up of \$54.5 million in property transfer tax revenues and \$6 million in general fund revenues. The following table shows the allocations among the various categories.

<u>Land Acquisition</u>	<u>Amount</u>
Local Grants	\$24,174,000
Eastern Coastal Bays	750,000
Parker's Creek	738,000
Patapsco Valley Greenway	1,000,000
Gunpowder Falls State Park	1,000,000
Patuxent River Greenway	2,000,000

<u>Land Acquisition</u>	<u>Amount</u>
Scenic Rivers	2,100,000
Chesapeake Bay Access	700,000
Chapman's Landing	5,000,000
Smith Farm	1,000,000
Advance Option and Purchase Fund	3,215,000
Baltimore City Direct Grant	1,500,000
Heritage Conservation Fund	1,182,000
Outdoor Land Loan Debt	<u>1,000,000</u>
Subtotal	\$45,359,000
<u>Capital Improvements</u>	
Rocky Gap State Park	\$180,000
Gunpowder Falls State Park	168,000
Patapsco State Park	485,000
King's Landing NRMA	691,000
Fair Hill NRMA	199,000
Deep Creek Lake State Park	637,000
Seneca Creek State Park	115,000
Isle of Wight WMA	264,000
Park Improvements Incentive Fund	500,000
Critical Maintenance Projects	1,500,000
Dam Rehabilitation	150,000
Ocean City Beach Maintenance - State Share	<u>1,000,000</u>
Subtotal	\$5,889,000
Rural Legacy	<u>8,339,000</u>
Total	\$59,587,000

Property Transfer Tax Revenue Adjustments

Annual appropriations for Program Open Space are based on an estimate of property transfer tax revenues. Since appropriations are based on estimates of transfer tax revenue, revenue shortfalls result in Program Open Space projects which have

authorizations but no funds. In order to reconcile Program Open Space authorizations with actual transfer tax revenue attainment, Tax - Property Article Section 13-209 requires up to \$3 million in transfer tax revenues from the subsequent fiscal year to be used to cover revenue shortfalls. The transfer tax revenue attainment for 1997 was \$3.9 million less than the estimate upon which the fiscal 1997 budget was built. The fiscal 1997 POS deficiency of \$3.9 million is reconciled in the fiscal 1999 budget through a reduction of \$3 million in transfer tax revenues and deauthorization of \$945,514 previously authorized for Western Maryland State forests.

In addition to the \$945,514 deauthorized to cover revenue shortfalls, the department deauthorized some projects in order to transfer the authorization to other projects. This new practice allows funds sitting in dormant accounts to be reprogrammed to the areas where land is actually available for purchase. The following table shows the projects being deauthorized and the new authorizations.

<u>Deauthorized Projects</u>		<u>Reauthorized Projects</u>	
Patuxent State Park	\$278,316	Chesapeake Bay Access	\$2,213,879
Elk Neck State Park	1,000,000	Adv. Option & Purchase Fund	1,000,000
Wye Island State Park	799,350		
Carroll Creek State Park	1,114		
Southern Maryland State Forest	17,700		
Point Lookout State Park	157,594		
Greenbriar State Park	193,250		
Western Maryland State Forests	666,695		
St. Mary's City Commission	99,860		
Eastern Shore WMA	51,590		
Western Maryland WMA	47,673		
Heritage Conservation Fund	<u>56,284</u>		<u> </u>
Total	\$3,369,426		\$3,213,879

The \$155,547 difference between the deauthorized projects and reauthorized funding eliminates the last of the authorized but unfunded projects which resulted when POS funds were transferred to the general fund during the fiscal crisis of the early 1990s.

Academic Facilities Revenue Bonds

SB 708/Ch. 426 authorizes \$31.5 million in academic revenue bonds for projects at various campuses of the University System of Maryland (USM). That legislation also raises the debt cap for USM from \$647.3 million to \$747.0 million, and includes a statement of the General Assembly's intent that USM limit its fiscal 2000 request for academic bonding authority to \$25 million.

CHAPTER THREE

IMPACT OF LEGISLATION ON STATE REVENUES AND EXPENDITURES

- Legislation Affecting State Revenues
- Summary of Revenues
- Legislation Affecting State Expenditures
- Summary of Expenditures

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
AGRICULTURE			
SB 653	Maryland Horse Industry Board and Fund (Ch. 416)	Indeterminate Increase	SF
ALL/MULTIPLE AGENCIES			
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	(\$1,487,500) ¹	GF
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	(\$212,500) ²	SF
SB 675	Procurement - Security for Construction Contracts (Ch. 636)	Minimal Decrease	GF
ASSESSMENTS AND TAXATION			
SB 107/ HB 320	Enterprise Zones - Expansion (Ch. 582/583)	Indeterminate Decrease	GF
SB 203	State Property Tax Exemption - Property Tax Credits - Land Trusts and Western Shore Conservancy (Ch. 355)	Minimal Decrease	SF
SB 284	Business and Economic Development - Enterprise Zones - Designation (Ch. 596)	Indeterminate	SF
SB 468	Corporations and Associations - Resident Agents and Directors (Ch. 397)	(\$5,000)	GF

¹Revenues decrease by \$1,476,600 in FY 2000, by \$2,975,000 in FY 2001, and by \$4,462,500 in FY 2002 and FY 2003, assuming the maximum credit of \$4,500 per year. Revenues could decrease by additional indeterminate amounts as a result of the subtraction modification.

²Revenues decrease by \$210,900 in FY 2000, by \$425,000 in FY 2001, and by \$637,500 in FY 2002 and FY 2003, assuming the maximum credit of \$4,500 per year. Revenues decrease by additional indeterminate amounts as a result of the subtraction modification.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 664	Taxes - Property of the Housing Authority of Baltimore City (Ch. 632)	Minimal Decrease	SF
HB 461	Property Tax Exemption - Charitable Organizations - Abatement and Refund of Property Tax in Year of Transfer (Ch. 344)	Minimal Decrease	SF
HB 967	Property Tax Exemption - Harford Land Trust (Ch. 528)	(\$400)	SF

BUDGET AND MANAGEMENT

SB 333	Judgements - Exemptions from Claims of Creditors - Roth IRA (Ch. 375)	Minimal Decrease	GF/SF
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BUSINESS AND ECONOMIC DEVELOPMENT

HB 412	Maryland Economic Development Revenue Bond Act - Sunset Repeal (Ch. 68)	See Footnote ³	
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CANAL PLACE

HB 1414	Canal Place Preservation and Development Authority - Parking of Motor Vehicles (Ch. 759)	Minimal Increase	SF
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COMPTROLLER

SB 77	Housing and Community Development - Neighborhood and Community Assistance Program - Definition of Business Entities (Ch. 578)	Minimal Decrease	GF
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³Legislation repeals September 30, 1998 sunset; finances related to the issuance of economic development revenue bonds will continue.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 77	Housing and Community Development - Neighborhood and Community Assistance Program - Definition of Business Entities (Ch. 578)	Minimal Increase	SF
SB 80	Income Tax - Refunds and Offsets - Out-of-State Income Tax Liability (Ch. 19)	\$103,000	GF
SB 107/ HB 320	Enterprise Zones - Expansion (Ch. 582/583)	Indeterminate Decrease	GF/SF
SB 268	Maryland Higher Education Investment Program - Income Tax Subtraction Modification for Contributions (Ch. 572)	(\$1,100,000) ⁴	GF
SB 284	Business and Economic Development - Enterprise Zones - Designation (Ch. 596)	Indeterminate	GF/SF
SB 292/ HB 565	Work, Not Welfare Tax Incentive Act - Child Care or Transportation Expenses (Ch. 598/599)	Indeterminate	GF/SF
SB 396	Income Tax - Subtraction Modification for Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel (Ch. 384)	See Footnote ⁵	GF
SB 478	Sales and Use Tax - Nonprofit Organizations Located in Adjacent States (Ch. 612)	Minimal Decrease	GF
SB 537	Tax Credits - Employment of Individuals with Disabilities (Ch. 614)	See Footnote ⁶	GF

⁴Revenues decrease by \$1.8 million in FY 2000, by \$2.6 million in FY 2001, by \$3.4 million in FY 2002, and by \$4.3 million in FY 2003.

⁵Revenues decrease by \$201,200 in FY 2000 through FY 2003 and by \$203,000 in FY 2004.

⁶Legislation extends sunset from December 31, 2000 to December 31, 2002; revenues will continue.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 619	Tax Credits - Businesses that Create New Jobs (Ch. 623)	Indeterminate ⁷	GF/SF
SB 638	Tax Credit for Employer-Provided Long-Term Care Insurance (Ch. 7)	See Footnote ⁸	GF
SB 638	Tax Credit for Employer-Provided Long-Term Care Insurance (Ch. 7)	See Footnote ⁹	SF
SB 750	Income Tax Reduction (Ch. 4)	(\$170,700,000) ¹⁰	GF
HB 6	Tax Credit for Approved Paid Work-Based Learning Programs for Students (Ch. 660)	See Footnote ¹¹	GF/SF
HB 13	Job Creation Tax Credit - County-Designated Priority Funding Areas (Ch. 438)	Indeterminate	GF/SF
HB 48	Commercial Law - Abandoned Property (Ch. 663)	(\$528,600) ¹²	GF
HB 66	Income Tax - Earned Income Credit - Refunds (Ch. 5)	(\$17,500,000) ¹³	GF
HB 141	Recordation and Transfer Taxes - Transfers Between Spouses and Former Spouses (Ch. 669)	Minimal Decrease	SF

⁷Legislation extends sunset from December 31, 2000 to December 31, 2002.

⁸Revenues decrease by \$93,100 in FY 2000, increasing by approximately 16% annually thereafter.

⁹Revenues decrease by \$12,900 in FY 2000, increasing by approximately 16% annually thereafter.

¹⁰The legislation requires a transfer from the Revenue Stabilization Account to general fund in FY 1999 to account for revenue loss. Revenues will be reduced by \$45.3 million in FY 2000.

¹¹Revenues decrease by an indeterminate amount beginning in FY 2000.

¹²Revenues decrease by \$555,000 in FY 2000; future year revenue decreases reflect a 5% growth rate.

¹³Represents maximum potential revenue loss. The bill requires a transfer of \$14.5 million from the Revenue Stabilization Account to the general fund in FY 1999 to account for this revenue loss. Revenues decrease by \$18.5 million in FY 2000, \$29.4 million in FY 2001, \$41.5 million in FY 2002, and \$44.0 million in FY 2003. At 85% participation, these costs would be \$15.1 million in FY 2000, \$24.7 million in FY 2001, and \$37.4 million in FY 2002 in anticipation that only 85% of those eligible will claim the credit.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 147	Sales and Use Tax - Taxable Price - Separately Stated Charge for Admissions and Amusement Tax (Ch. 670)	(\$77,300) ¹⁴	GF
HB 257	Income Tax - Subtraction Modification for Maryland Higher Education Investment Program Earnings (Ch. 571)	Minimal Decrease ¹⁵	GF
HB 368	Montgomery County - Alcoholic Beverages - Micro-Brewery Licenses - Class H Beer and Light Wine (MC 804-98) (Ch. 62)	Minimal Increase	GF
HB 380	Alcoholic Beverages - Solicitors' Permits (Ch. 235)	\$48,800	GF
HB 495	Estates and Trusts - Rule Against Perpetuities (Ch. 694)	Minimal Increase	GF
HB 509	Vehicle Laws - Evidence of Security (Ch. 242)	(\$74,500) ¹⁶	GF
HB 705	Income Tax Credits for Alternative-Fuel Vehicles - Termination Date (Ch. 705)	See Footnote ¹⁷	GF/SF
HB 724	Short-Term Rental Vehicles - Taxation (Ch. 706)	See Footnote ¹⁸	GF/SF
HB 1142	Inheritance Tax - Exemption for Property that Passes to Public, Charitable, or Religious Organizations (Ch. 728)	Indeterminate Decrease	GF
HB 1155	Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits - Tax Exempt Organizations - Withholding Taxes (Ch. 730)	Indeterminate	GF/SF

¹⁴Revenues decrease by \$80,400 in FY 2000; increasing by 4% annually thereafter.

¹⁵Revenue losses will become significant in approximately FY 2010, increasing to approximately \$10 million annually in FY 2016.

¹⁶Revenues decrease by \$99,300 annually thereafter.

¹⁷Legislation extends sunset from June 30, 1998 to June 30, 2000; revenues will be maintained.

¹⁸General fund revenues could increase by approximately \$2.6 million, and Transportation Trust Fund revenues could decline by the same amount, beginning in FY 2000.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 1199	Heritage Structure Rehabilitation Credit (Ch. 735)	See Footnote ¹⁹	GF/SF
HB 1376	Alcoholic Beverages - Statewide Caterer's License (Ch. 757)	\$51,000 ²⁰	GF

EXECUTIVE

SB 716/ HB 1299	Maryland African American Museum Corporation (Ch. 428/429)	See Footnote ²¹	SF
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HEALTH AND MENTAL HYGIENE

SB 136	Mandated Health Insurance Services Evaluation (Ch. 588)	\$75,800 ²²	SF
SB 237	Psychologists - Educational Requirements (Ch. 762)	\$6,800 ²³	SF
SB 306/ HB 768	Professional Counselors - Licensing (Ch. 131/132)	See Footnote ²⁴	SF
SB 445	State Board of Nursing - Nursing Assistants - Certification (Ch. 393)	See Footnote ²⁵	SF

¹⁹Revenues decrease by at least \$750,000 annually beginning in FY 2000 (\$656,200 of which is assumed to be general funds, and \$93,800 of which is assumed to be special funds).

²⁰Revenues increase by \$30,500 annually thereafter.

²¹Revenues increase by \$284,300 in FY 2000, \$496,600 in FY 2001, \$1,174,100 in FY 2002, and \$1,302,500 in FY 2003.

²²Revenues increase by \$85,900 in FY 2000; future year revenue increases reflect inflation.

²³Revenues increase by \$6,800 in FY 2000 and by \$10,800 in FY 2001. Future year revenue increases reflect biennial licensing cycle.

²⁴Revenues increase by \$52,500 in FY 2000, by \$8,800 in FY 2001, by \$51,500 in FY 2002, and by \$16,000 in FY 2003.

²⁵Revenues increase by \$60,000 in FY 2000 and by \$240,000 in FY 2001. Future year revenue increases reflect biennial licensing cycle.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 652	Manufacturers of Tobacco Products - State Claims (Ch. 122)	See Footnote ²⁶	GF
SB 784	Department of Health and Mental Hygiene - Vital Records (Ch. 654)	\$1,000,000 ²⁷	GF
HB 114	State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists - Regulatory Authority (Ch. 44)	See Footnote ²⁸	SF
HB 214	Adoption Search, Contact, and Reunion Services and Access to Birth and Adoption Records (Ch. 679)	See Footnote ²⁹	GF
HB 550	Community Services Trust Fund - Revisions (Ch. 697)	Indeterminate Increase	SF
HB 550	Community Services Trust Fund - Revisions (Ch. 697)	Indeterminate Decrease	GF
HB 1252	Food Processing - License Fee (Ch. 552)	(\$2,600) ³⁰	GF

²⁶Revenues could increase significantly if and when the pending litigation against the tobacco industry is resolved in favor of the State. The maximum potential gross recovery from the lawsuit is \$3 billion in compensatory damages, plus \$10 billion in punitive damages.

²⁷Revenues increase by \$1.4 million in FY 2000 and by \$1.5 million annually thereafter.

²⁸Revenues increase by \$600 in FY 2000 and FY 2001, and by \$1,900 in FY 2002. Future year revenue increases reflect a biennial licensing cycle.

²⁹Revenues increase by \$24,000 in FY 2000; future year revenue increases reflect inflation.

³⁰Represents maximum possible revenue decrease. Revenues decrease by as much as \$3,500 annually in future years.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HUMAN RESOURCES			
SB 648	Child Protection Act (Ch. 629)	Indeterminate Increase	FF
HB 214	Adoption Search, Contact, and Reunion Services and Access to Birth and Adoption Records (Ch. 679)	See Footnote ³¹	GF
HB 1093	Family Law - Children in Out-of-Home Placements (Ch. 539)	\$600,000	FF
JUDICIARY			
SB 300	Circuit Courts - District Court - Judges (Ch. 370)	Minimal Increase	GF
SB 332	Civil Court Fees - Maryland Legal Services Corporation Fund (Ch. 765)	\$2,800,000	SF
SB 388	Circuit Court Real Property Records Improvement Fund - Revenue from Copiers (Ch. 381)	\$1,855,000 ³²	SF
SB 388	Circuit Court Real Property Records Improvement Fund - Revenue from Copiers (Ch. 381)	(\$1,855,000) ³³	GF
HB 56	Vehicle Laws - Weight Tolerances - Agricultural Products (Ch. 441)	Minimal Decrease	GF
HB 194	District Court - Civil Jurisdiction (Ch. 673)	\$22,500 ³⁴	GF

³¹Revenues increase by \$339,000 in FY 2000; future year revenue increases reflect inflation.

³²Revenues increase by \$2,473,300 annually thereafter.

³³Revenues decrease by \$2,473,300 annually thereafter.

³⁴Revenues increase by \$30,000 in FY 2000 and annually thereafter. Represents minimum revenue increase.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 250	Register of Wills - Salary (Ch. 458)	(\$180,000) ³⁵	GF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	Indeterminate Increase	GF
HB 844	Garrett County Historical Society - Distribution of Marriage Ceremony Fees (Ch. 275)	Minimal Decrease	GF

JUVENILE JUSTICE

SB 68/ HB 309	Juvenile Justice Act of 1998 (Ch. 464/465)	Minimal Decrease	FF
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LABOR, LICENSING, AND REGULATION

SB 115	Department of Labor, Licensing, and Regulation - Denial, Suspension, or Revocation of a License, Certificate, Permit, or Registration and Reprimand on Conviction of Certain Crimes (Ch. 342)	Minimal Decrease	GF
SB 146/ HB 100	Cemeteries - Exemption from Registration and Permitting (Ch. 151/152)	Minimal Decrease	SF
SB 264	Racing - Uncashed Tickets - Maryland Million, Ltd. (Ch. 366)	\$500,000 ³⁶	GF
SB 360	Real Estate Brokers - Continuing Education (Ch. 766)	\$9,800 ³⁷	GF
HB 110	Sports Agents - Local Athletes (Ch. 777)	\$9,000 ³⁸	GF

³⁵Revenues decrease by \$299,600 annually thereafter.

³⁶Legislation extends sunset from May 31, 1998 to June 30, 1999.

³⁷Revenues increase by \$13,000 in FY 2000; future year revenue increases reflect biennial licensing cycle.

³⁸Revenues increase by \$12,000 annually thereafter.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 135	Heating, Ventilation, Air-Conditioning, and Refrigeration - Journeyman License (Ch. 667)	Minimal Increase	GF
HB 378	Business Occupations and Professions - State Board of Cosmetologists - Termination Provision - Extension (Ch. 65)	See Footnote ³⁹	GF
HB 465	Horse Racing - Special Fund - Taxes (Ch. 477)	(\$2,106,300) ⁴⁰	GF
HB 687	Unemployment Insurance - Appeals (Ch. 499)	Significant Increase ⁴¹	FF
HB 837	Horse Racing - Allocation of Funds - Purse Enhancement, Studies, and Marketing (Ch. 519)	See Footnote ⁴²	
HB 1200	Cecil County Breeders' Fair, Inc. (Ch. 736)	Minimal Increase	GF

LOTTERY

SB 197	State Lottery Commission - Compensation and Reimbursement (Ch. 351)	(\$6,500) ⁴³	GF
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³⁹Legislation extends sunset from July 1, 1998 to July 1, 2001; budgeted general fund revenues will continue.

⁴⁰Revenues decrease in FY 1998 (by \$814,000) and FY 1999 only.

⁴¹Legislation enables the Department of Labor, Licensing, and Regulation to avoid a potential loss of up to \$45 million annually in federal unemployment insurance compensation program funds.

⁴²\$5 million is appropriated for this purpose in the FY 1999 budget; additionally, the first \$5.0 million of general fund lottery revenue over the official FY 1998 revenue estimate of \$352.7 million is allocated for aid to the racing industry, rather than the general fund. Thus, unappropriated surplus general fund revenues could decline by up to \$5 million in FY 1998. The Governor is authorized to request a deficiency appropriation if an excess of \$5 million is not realized.

⁴³Represents maximum revenue decrease. Revenues decrease by \$8,630 annually thereafter.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 305	State Lottery - Compensation for Agents (Ch. 462)	(\$1,400,000) ⁴⁴	GF

MARYLAND AUTOMOBILE INSURANCE FUND

SB 488	Maryland Automobile Insurance Fund - Residential Ineligibility of Insured - Policy Processing Fee (Ch. 400)	See Footnote ⁴⁵	
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MARYLAND HIGHER EDUCATION COMMISSION

HB 28	Higher Education - Professional School Scholarship Program - Social Work (Ch. 662)	(\$30,000)	GF
HB 28	Higher Education - Professional School Scholarship Program - Social Work (Ch. 662)	\$30,000	SF

MARYLAND INSURANCE ADMINISTRATION

SB 116	Medicare Supplemental Policies - Individuals with a Disability - Eligibility (Ch. 343)	\$7,200	GF
SB 137/ HB 45	Health Insurance - Medical Clinical Trial - Coverage (Ch. 118/119)	Minimal Increase	GF
SB 199	Insurance Fraud Prevention Fee - Exemptions - Fraternal Benefit Societies (Ch. 353)	(\$11,000)	SF
SB 373	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 605)	Minimal Increase ⁴⁶	GF

⁴⁴Revenues decrease by \$1.9 million in FY 2000 and FY 2001, and by \$2.0 million in FY 2002 and FY 2003. Revenue decreases could be fully or partially offset by revenue increases resulting from incentive program.

⁴⁵Maryland Automobile Insurance Fund revenues will increase by about \$48,000 annually.

⁴⁶Revenues increase in FY 1999 only.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 401/ HB 3	Health Insurance - Complaint Process for Adverse Decisions and Grievances (Ch. 111/112)	\$263,800 ⁴⁷	SF
SB 479	Health Insurance - Coverage for General Anesthesia for Dental Care (Ch. 398)	Minimal Increase	GF
SB 643	Health Insurance - Reimbursements to Health Care Practitioners - Costs of Oncology Drugs (Ch. 192)	Minimal Increase	GF
SB 699	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 423)	Minimal Increase	GF
SB 705	Maryland Insurance Administration - Funding (Ch. 774)	See Footnote ⁴⁸	GF/SF
SB 727	Insurance - Mutual Insurers - Formation of Business Combinations (Ch. 648)	Minimal Increase	GF
SB 766/ HB 1356	Homeowner's Insurance and Private Passenger Motor Vehicle Insurance - Standards for Cancellation and Nonrenewal (Ch. 651/652)	Indeterminate	GF
HB 98	Provider-Sponsored Organizations - Medicare + Choice Program (Ch. 213)	Minimal Increase	GF
HB 164	Private Passenger Motor Vehicle Insurance Policies - Coverage for Rental Cars (Ch. 671)	Minimal Increase ⁴⁹	GF
HB 457	Health Benefit Plans - Coverage for Prescription Contraceptive Drugs or Devices (Ch. 117)	Minimal Increase	GF
HB 874	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 606)	Minimal Increase ⁵⁰	GF

⁴⁷Revenues increase by \$378,500 in FY 2000; future year revenue increases reflect inflation.

⁴⁸General fund revenues will decrease by an estimated \$12.4 million with an offsetting increase in special fund revenues of \$13.2 million beginning in FY 2000.

⁴⁹Revenues increase in FY 1999 only.

⁵⁰Revenues increase in FY 1999 only.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 1064	Health Insurance - Notice of Renewal - Time of Mailing of Notice (Ch. 537)	Minimal Increase	GF
HB 1162	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 424)	Minimal Increase	GF
HB 1320	Motor Vehicle Rental Companies - Requirements to Offer or Sell Insurance (Ch. 746)	Minimal Increase	GF
HB 1344	Regulation of Insurance Professions - Advisers - Exemptions (Ch. 752)	Minimal Decrease	GF

MARYLAND STATE POLICE

SB 52	State Police - Dissemination of Information to Public - Fees (Ch. 142)	\$80,000	GF
SB 63	Crimes - Charge by Citation - Fireworks Violations (Ch. 146)	Minimal Increase	GF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	\$400,000 ⁵¹	SF
HB 1097	State Fire Marshal - Fees - Exemptions (Ch. 540)	(\$53,500)	GF

NATURAL RESOURCES

SB 257	Deer - Seasons and Bonus Stamps (Ch. 763)	Indeterminate	SF
SB 679/ HB 1260	Fisheries Management - Limited Entry to the Commercial Fishery - Apprenticeship - Noncommercial Crabbing License (Ch. 418/419)	\$371,100	SF

⁵¹Represents minimum possible revenue increase.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
HB 531	Boat Excise Tax (Ch. 485)	(\$1,100,000) ⁵²	SF
HB 531	Boat Excise Tax (Ch. 485)	Indeterminate Decrease	FF
HB 676	Snow Goose Hunting - Nonresidents (Ch. 255)	Minimal Increase	SF
HB 917	Natural Resources - Forest and Park Concession Account (Ch. 784)	See Footnote ⁵³	SF

OFFICE OF ADMINISTRATIVE HEARINGS

SB 401/ HB 3	Health Insurance - Complaint Process for Adverse Decisions and Grievances (Ch. 111/112)	\$1,700 ⁵⁴	GF
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PUBLIC SAFETY AND CORRECTIONAL SERVICES

SB 633	Private Home Detention Monitoring Agencies (Ch. 331)	Indeterminate Increase	SF
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TRANSPORTATION

SB 42/ HB 75	Motor Vehicle Administration - Chesapeake Bay Commemorative License Plate Program - Extension (Ch. 140/141)	See Footnote ⁵⁵	SF
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⁵²Revenues decrease by \$1,133,000 in FY 2000 and by \$1,167,000 in FY 2001.

⁵³Potential indeterminate revenue increase in the long-term.

⁵⁴Revenues increase by \$3,400 annually beginning in FY 2000.

⁵⁵Legislation extends sunset from July 1, 1998 to July 1, 2000; budgeted special fund revenues and expenditures will continue.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
SB 88	Vehicle Laws - Animal Friendly License Plates (Ch. 580)	Indeterminate Increase	SF
SB 204	Transportation - Montgomery and Prince George's Counties - Grants for Purchase of Buses (Ch. 356)	See Footnote ⁵⁶	SF
SB 230/ HB 318	The William H. Amoss Organ and Tissue Donation Act of 1998 (Ch. 1/2)	Indeterminate Increase	SF
SB 686	Welfare Innovation Act of 1998 (Ch. 637)	Minimal Decrease	SF
SB 776	Vehicle Laws - Motor Vehicle Administration - Reporting of Insurance Policies Issued - Recovery of Evidence of Registration (Ch. 437)	Indeterminate Increase	SF
HB 509	Vehicle Laws - Evidence of Security (Ch. 242)	(\$31,900) ⁵⁷	SF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	Indeterminate Increase	SF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	(\$400,000) ⁵⁸	GF
HB 928	Ignition Interlock System (Ch. 526)	Indeterminate Increase	SF
HB 1426	Vehicle Laws - Weight Tolerances - Forest Products (Ch. 563)	Minimal Decrease	GF

⁵⁶TTF bonding capacity increases by \$5 million in FY 1999.

⁵⁷Revenues decrease by \$42,500 annually thereafter.

⁵⁸Represents maximum possible net revenue decrease.

LEGISLATION AFFECTING STATE REVENUES

Bill	Title	FY 1999 Revenues	Fund
UNIVERSITY SYSTEM OF MARYLAND			
SB 708	Academic Facilities Bonding Authority (Ch. 426)	See Footnote ⁵⁹	

⁵⁹ Authorizes the issuance of up to \$31.5 million in bonds. Proceeds would become Other Unrestricted funds.

SUMMARY OF IMPACT ON REVENUES¹

Revenues Not Included in FY 1999 Revenue Estimate

General Fund	(\$11,473,800)
Special Fund	\$4,446,700
Federal Fund	\$600,000

¹Figures reflect bills with numerical estimates. Bills with an "indeterminate" fiscal estimate are excluded.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
AGING			
SB 176/ HB 269	State Government - Department of Aging (Ch. 573/574)	\$17,500 ¹	GF
AGRICULTURE			
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	\$4,549,000 ²	GF
ALL/MULTIPLE AGENCIES			
SB 36/ HB 372	Workers' Compensation - Use of Controlled Dangerous Substances or Alcohol (Ch. 108/64)	Minimal Decrease	GF/SF/FF
SB 137/ HB 45	Health Insurance - Medical Clinical Trial - Coverage (Ch. 118/119)	Indeterminate Increase	GF/SF/FF
SB 240	State Procurement - Information Technology - Nonvisual Access (Ch. 591)	Indeterminate	GF/SF
SB 297	Baltimore City - Sheriff - Salary (Ch. 369)	\$200 ³	GF
SB 320	Pension Systems - Eligibility Service (Ch. 371)	See Footnote ⁴	GF/SF/FF

¹It is the intent of the General Assembly that there be no increase in the State budget as a result of the creation of a Department of Aging. Expenditures increase by \$16,600 in FY 2000; future year expenditure increases reflect inflation.

²Included in FY 1999 State budget. Expenditures increase by at least an additional \$1.8 million beginning in FY 2000.

³Future year expenditure increases depend upon effective pension contribution rate.

⁴Expenditures increase by \$781,000 in FY 2000, increasing by 5% per year thereafter based on actuarial assumptions.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 457	Health Benefit Plans - Coverage for Prescription Contraceptive Drugs or Devices (Ch. 117)	Minimal Increase	GF/SF/FF
SB 373	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 605)	Minimal Increase ⁵	GF
SB 479	Health Insurance - Coverage for General Anesthesia for Dental Care (Ch. 398)	Minimal Increase	GF/SF/FF
SB 519/ HB 1122	Baltimore City - Sheriff - Personnel (Ch. 402/103)	\$1,400 ⁶	GF
SB 542	Workers' Compensation - Notice of Termination of Medical Benefits and Temporary Total Benefits (Ch. 408)	Minimal Increase	GF/SF/FF
SB 623	Carroll County - Orphans' Court Judges - Salary (Ch. 190)	Minimal Increase	GF
SB 643	Health Insurance - Reimbursements to Health Care Practitioners - Costs of Oncology Drugs (Ch. 192)	Minimal Increase	GF
SB 675	Procurement - Security for Construction Contracts (Ch. 636)	Minimal Decrease	GF
SB 699	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 423)	Minimal Increase	GF
HB 88	Workers' Compensation - Heart and Lung Disease - Deputy State Fire Marshal (Ch. 446)	Indeterminate Increase	GF/SF/FF
HB 105	Howard County - Orphans' Court - Salaries of Judges (Ho. Co. 11-98) (Ch. 43)	Minimal Increase	GF

⁵Expenditures increase in FY 1999 only.

⁶Future year expenditure increases depend upon effective pension contribution rate.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 173	Maintenance Drug Prescriptions - Supply Quantity - Repeal of Termination Date and Alteration of Application (Ch. 672)	Indeterminate Increase ⁷	GF/SF/FF
HB 237	Northeast Interstate Dairy Compact (Ch. 226)	Indeterminate	
HB 253	State Government - Forms - Racial Identification (Ch. 459)	Minimal Increase	GF/SF
HB 307	Allegany County State's Attorney - Salary (Ch. 58)	\$400 ⁸	GF
HB 335	Employees' and Teachers' Retirement Systems - Combination Formula - Computation of Early Service Retirement Allowance (Ch. 470)	Minimal Increase	GF/SF/FF
HB 337	Disability Retirement Benefits - Employees of Participating Governmental Units - Offset for Workers' Compensation Benefits - Exclusion (Ch. 471)	See Footnote ⁹	GF/SF/FF
HB 338	Retirement and Pensions - Termination of Membership - Applications for Disability Retirement (Ch. 472)	Minimal Increase	GF/SF/FF
HB 345	Howard County - Sheriff - Salary (Ho. Co. 10-98) (Ch. 59)	\$300 ¹⁰	GF
HB 431	Workers' Compensation - Death Benefits for Partly Dependent Individuals (Ch. 690)	Indeterminate Increase	GF/SF/FF
HB 523	Maryland Digital Signature Pilot Program (Ch. 482)	Indeterminate ¹¹	GF/SF

⁷Legislation repeals the September 30, 1998 sunset.

⁸Future year expenditure increases depend upon effective pension contribution rate.

⁹Expenditures increase minimally beginning in FY 2000.

¹⁰Future year expenditure increases depend upon effective pension contribution rate.

¹¹The following agencies may participate in the pilot program: the Secretary of State, State Archives, Department of General Services, Department of Budget and Management, and any other agency authorized by the Governor.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 528	Signatures and Seals of Architects - Buildings in Municipal Corporations (Ch. 780)	Minimal Decrease	GF
HB 679	Washington County - State's Attorney - Salary (Ch. 87)	\$800 ¹²	GF
HB 767	State Personnel - Contractual Employees - Transfers (Ch. 510)	Indeterminate Increase	GF/SF/FF
HB 778	Prince George's County Sheriff's Office - Compensation (PG 314-98) (Ch. 269)	\$200 ¹³	GF
HB 874	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 606)	Minimal Increase ¹⁴	GF
HB 987	Employees' and Teachers' Pension Systems - Modification of Benefits and Contributions - Optional Defined Contribution System (Ch. 530)	See Footnote ¹⁵	GF/SF/FF
HB 1129	Workers' Compensation - Funeral Expenses (Ch. 725)	Minimal Increase	GF/SF/FF
HB 1131	Washington County - Procurement - Intergovernmental Cooperative Purchasing (Ch. 543)	Minimal Decrease	GF/SF
HB 1161	Wicomico County - Sheriff - Salary (Ch. 299)	Indeterminate Minimal	GF
HB 1162	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 424)	Minimal Increase	GF

¹²Future year expenditure increases depend upon effective pension contribution rate.

¹³Future year expenditure increases depend upon effective pension contribution rate.

¹⁴Expenditures increase in FY 1999 only.

¹⁵Expenditures increase by \$150.0 million in FY 2000, increasing 5% per year thereafter based on actuarial assumptions. Actuarial changes by the board of trustees of the retirement system may eliminate any fiscal impact.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 1181	Carroll County - Sheriff's Salary (Ch. 104)	\$300 ¹⁶	GF
HB 1311	Dorchester County - State's Attorney - Salary (Ch. 745)	\$500 ¹⁷	GF
HB 1425	Caroline County - Treasurer - Salary (Ch. 319)	See Footnote ¹⁸	GF

ASSESSMENTS AND TAXATION

HB 1244	Homeowners Property Tax Credit (Ch. 6)	\$324,000 ¹⁹	GF
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ATTORNEY GENERAL

SB 91	Consumer Protection - Health Club Services - Registration Renewal Fees and Payment of Claims (Ch. 581)	Minimal Decrease	SF
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BALTIMORE CITY COMMUNITY COLLEGE

SB 169/ HB 256	Higher Education - Baltimore City Community College - Funding (Ch. 568/569)	See Footnote ²⁰	GF
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BOARD OF PUBLIC WORKS

HB 433	Volunteer Firefighters and Rescue Squad Personnel - Death Benefits (Ch. 329)	See Footnote ²¹	GF
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¹⁶Future year expenditure increases depend upon effective pension contribution rate.

¹⁷Future year expenditure increases depend upon effective pension contribution rate.

¹⁸Minimal increase in expenditures beginning in FY 2000.

¹⁹Expenditures increase by \$10.03 million in FY 2000; future year expenditure increases reflect 3% decreases in credit expenditures.

²⁰Expenditures increase by \$1.4 million in FY 2000; future year expenditure increases reflect continual adjustments to the minimum funding level.

²¹Expenditures could increase by a minimal amount beginning in FY 2000.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 1205	Volunteer Firefighters and Rescue Squad Personnel - Disablement Benefit (Ch. 330)	See Footnote ²²	SF

BUDGET AND MANAGEMENT

SB 333	Judgments - Exemptions from Claims of Creditors - Roth IRA (Ch. 375)	Minimal Increase	GF/SF
HB 94	Public Libraries - Funding (Ch. 575)	\$3,200,000 ²³	GF
HB 847	Task Force on High-Speed Network Development (Ch. 715)	Indeterminate Increase	GF
HB 1021	State Personnel - State Employees' Health Insurance Advisory Council - Membership (Ch. 531)	Minimal Increase	GF
HB 1233	Public Libraries - Regional Resource Centers - Funding (Ch. 738)	\$115,000 ²⁴	GF

BUSINESS AND ECONOMIC DEVELOPMENT

SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	\$1,000,000 ²⁵	GF
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²²Expenditures could increase by a minimal amount beginning in FY 2000.

²³Included in FY 1999 State budget. Expenditures increase by \$3.8 million in FY 2000, by \$4.9 million in FY 2001, by \$6.0 million in FY 2002, and by \$6.1 million in FY 2003.

²⁴Expenditures increase by \$129,000 in FY 2000, by \$142,600 in FY 2001, by \$156,200 in FY 2002, and by \$169,800 in FY 2003.

²⁵Included in FY 1999 State budget. The FY 1999 State capital budget includes an additional \$350,000 in general obligation bonds.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 446	Economic Development - Assistance to Local Governments (Ch. 394)	See Footnote ²⁶	SF
HB 412	Maryland Economic Development Revenue Bond Act - Sunset Repeal (Ch. 68)	See Footnote ²⁷	GF
HB 464	Maryland Economic Adjustment Fund (Ch. 693)	See Footnote ²⁸	SF
HB 690	Maryland Tourism Development Board - Composition (Ch. 500)	\$1,300	GF

COMPTROLLER

SB 81	Income Tax - Tax Forms (Ch. 147)	(\$114,300) ²⁹	GF
HB 66	Income Tax - Earned Income Credit - Refunds (Ch. 5)	\$117,000 ³⁰	GF
SB 292/ HB 565	Work, Not Welfare Tax Incentive Act - Child Care or Transportation Expenses (Ch. 598/599)	Indeterminate	GF
HB 1155	Work, Not Welfare, and Qualifying Employees with Disabilities Tax Credits - Tax Exempt Organizations - Withholding Taxes (Ch. 730)	Indeterminate	GF
SB 487	County Income Tax (Ch. 399)	\$217,500	GF

²⁶Up to \$2 million in existing Maryland Industrial Land Act (MILA) funds may be used to provide grants to local economic development funds.

²⁷Legislation repeals September 30, 1998 sunset; finances related to the issuance of economic development revenue bonds will continue.

²⁸Over time, the fund balance will be drawn down and demand for loan funds may increase.

²⁹Expenditures decrease by \$115,500 in FY 2000, increasing by 1% annually.

³⁰The FY 1999 State budget includes \$100,000 for these expenditures. Expenditures increase in FY 1999 only.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 537	Tax Credits - Employment of Individuals with Disabilities (Ch. 614)	See Footnote ³¹	
SB 750	Income Tax Reduction (Ch. 4)	See Footnote ³²	GF
HB 13	Job Creation Tax Credit - County-Designated Priority Funding Areas (Ch. 438)	Indeterminate Decrease	SF
HB 380	Alcoholic Beverages - Solicitors' Permits (Ch. 235)	\$3,000	GF

EDUCATION

SB 580	The Maryland School for the Blind - Board of Directors, Funding, and Services (Ch. 617)	\$750,000 ³³	GF
HB 1	School Accountability Funding for Excellence (Ch. 565)	\$68,000,000 ³⁴	GF
HB 209	State Aid for Public Education - Schools for Success - Extension of Sunset (Ch. 677)	See Footnote ³⁵	SF

³¹Legislation extends sunset from December 31, 2000 to December 31, 2002; expenditure decreases resulting from a reduced need for social services will continue.

³²Expenditures decrease by \$97,300 in FY 2000 and by \$58,000 in FY 2001.

³³Although there are no funds specifically budgeted for this legislation in FY 1999, the Maryland State Department of Education advises that funds budgeted for nonpublic special education placements could be utilized to cover the bill's costs in FY 1999. Expenditures increase by \$2,444,700 in FY 2000, by \$2,641,900 in FY 2001, by \$2,865,100 in FY 2002, and by \$3,129,400 in FY 2003.

³⁴The FY 1999 State budget includes \$61.5 million to fund the cost of the legislation. Expenditures increase by \$69.2 million in FY 2000, by \$70.2 million in FY 2001, and by \$71.3 million in FY 2002.

³⁵Legislation extends sunset from June 30, 1998 to June 30, 2001; expenditures for challenge grants will continue.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 657	Prince George's County - School Construction (PG 417-98) (Ch. 704)	\$35,000,000 ³⁶	
HB 733	Higher Education Institutions - Teacher Training Programs - Accreditation (Ch. 708)	\$69,600 ³⁷	GF
HB 1347	Maryland Technology Academy and Maryland Technology Academy Pilot Program (Ch. 753)	\$40,000 ³⁸	GF
ENVIRONMENT			
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	\$603,000 ³⁹	GF
SB 212	On-Site Sewage Disposal Systems - Inspections During Property Transfers - Qualifications of Inspector (Ch. 157)	Indeterminate Increase	GF
HB 1168	Small Business Pollution Compliance Loan Fund (Ch. 545)	See Footnote ⁴⁰	GF
HB 1334	Environment - Waste Information and Assessment Program (Ch. 555)	Indeterminate Increase	GF
HB 1393	Flood Management Grants - Local and State Contributions (Ch. 314)	See Footnote ⁴¹	GF/SF/FF

³⁶Legislation requires the State to provide Prince George's County with \$35 million each year in school construction funding for FY 1999 through FY 2002; included in the FY 1999 State budget. Legislation should not affect total amount of future school construction spending.

³⁷Expenditures increase by \$76,500 in FY 2000, by \$95,300 in FY 2001, by \$85,500 in FY 2002, and by \$79,000 in FY 2003.

³⁸The Maryland State Department of Education advises that 1999 expenditures can be absorbed with existing resources. Expenditures increase by \$350,000 annually beginning in FY 2000.

³⁹Included in FY 1999 State budget.

⁴⁰Potential indeterminate general fund expenditure increase beginning in FY 2000.

⁴¹Potential 50% increase in State capital spending for flood control projects.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
EXECUTIVE			
SB 389/ HB 842	Maryland Commission on Criminal Sentencing Policy - Extension of Termination (Ch. 382)	See Footnote ⁴²	GF
SB 716/ HB 1299	Maryland African American Museum Corporation (Ch. 428/429)	\$98,600 ⁴³	GF
SB 716/ HB 1299	Maryland African American Museum Corporation (Ch. 428/429)	See Footnote ⁴⁴	SF
HB 285	Governor's Energy Emergency Powers (Ch. 56)	See Footnote ⁴⁵	GF/SF/FF
HEALTH AND MENTAL HYGIENE			
SB 85	Children and Families First Health Care Act of 1998 (Ch. 110)	\$30,600,000 ⁴⁶	GF
SB 85	Children and Families First Health Care Act of 1998 (Ch. 110)	\$38,500,000 ⁴⁷	FF

⁴²Legislation extends sunset from December 31, 1998 to July 1, 1999; budgeted general fund expenditures will continue.

⁴³Expenditures increase by \$852,900 in FY 2000, by \$1,489,800 in FY 2001, by \$1,174,100 in FY 2002, and by \$1,302,500 in FY 2003.

⁴⁴Expenditures increase by \$284,300 in FY 2000, by \$496,600 in FY 2001, by \$1,174,100 in FY 2002, and by \$1,302,500 in FY 2003.

⁴⁵The potential for State expenditures in an energy crisis will continue. The amount depends on the nature and severity of a declared energy emergency.

⁴⁶All but \$.6 million included in FY 1999 State budget. Expenditures increase by \$41 million in FY 2000, by \$42.7 million in FY 2001, by \$44.4 million in FY 2002, and by \$46.2 million in FY 2003.

⁴⁷Included in FY 1999 State budget. Expenditures increase by \$53 million in FY 2000, by \$55.1 million in FY 2001, by \$57.3 million in FY 2002, and by \$59.6 million in FY 2003.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 136	Mandated Health Insurance Services Evaluation (Ch. 588)	\$75,800 ⁴⁸	SF
SB 230/ HB 318	The William H. Amoss Organ and Tissue Donation Act of 1998 (Ch. 1/2)	\$75,100 ⁴⁹	GF
SB 445	State Board of Nursing - Nursing Assistants - Certification (Ch. 393)	\$254,300 ⁵⁰	SF
SB 545/ HB 507	Health Insurance - Cleft Lip and Cleft Palate - Coverage (Ch. 120/121)	(\$276,000) ⁵¹	GF
SB 554/ HB 918	Medicaid - Emergency Service Transporters - Reimbursement (Ch. 410/411)	See Footnote ⁵²	GF
SB 554/ HB 918	Medicaid - Emergency Service Transporters - Reimbursement (Ch. 410/411)	See Footnote ⁵³	FF
SB 590	Medical Assistance and Other State Programs - Dental Services (Ch. 113)	\$13,800 ⁵⁴	GF

⁴⁸Expenditures increase by \$85,900 in FY 2000; future year expenditure increases reflect inflation.

⁴⁹Expenditures increase by \$89,200 in FY 2000; future year expenditure increases reflect inflation.

⁵⁰Expenditures increase by \$362,300 in FY 2000; future year expenditure increases reflect additional positions and inflation.

⁵¹Expenditures decrease by \$371,700 in FY 2000; future year expenditure decreases reflect inflation.

⁵²Expenditures increase by \$1.65 million in FY 2000; future year expenditure increases reflect inflation. Represents maximum possible expenditure increase.

⁵³Expenditures increase by \$1.65 million in FY 2000; future year expenditure increases reflect inflation. Represents maximum possible expenditure increase.

⁵⁴Expenditures increase by \$116,300 in FY 2000, by \$17,800 in FY 2001, by \$19,400 in FY 2002, and by \$21,000 in FY 2003. The FY 1999 State budget includes an additional \$1.3 million in general funds for this legislation.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 590	Medical Assistance and Other State Programs - Dental Services (Ch. 113)	\$13,800 ⁵⁵	FF
SB 634/ HB 766	Breast Cancer Program (Ch. 114/115)	\$2,600,000 ⁵⁶	GF
SB 650	Medical Assistance - Managed Care Organizations - Comprehensive Outreach Services (Ch. 631)	Indeterminate Increase	GF/FF
SB 742	Victims of Homicide - Transportation Expenses - State Budget (Ch. 202)	See Footnote ⁵⁷	GF
SB 759/ HB 1158	Medical Assistance - Federally Qualified Health Centers - Supplemental Payment (Ch. 434/435)	\$44,400 ⁵⁸	GF
SB 759/ HB 1158	Medical Assistance - Federally Qualified Health Centers - Supplemental Payment (Ch. 434/435)	\$44,400 ⁵⁹	FF
HB 8	Employment in Recovery Pilot Program (Ch. 137)	\$300,000 ⁶⁰	GF
HB 98	Provider-Sponsored Organizations - Medicare+ Choice Program (Ch. 213)	\$37,900 ⁶¹	GF

⁵⁵Expenditures increase by \$15,300 in FY 2000. Future year expenditure increases reflect inflation. The FY 1999 State budget includes an additional \$850,000 in federal funds for this legislation.

⁵⁶Included in FY 1999 State budget.

⁵⁷Expenditures increase by \$33,200 in FY 2000; future year expenditure increases reflect inflation.

⁵⁸Expenditures increase by \$44,800 in FY 2000; future year expenditure increases reflect inflation.

⁵⁹Expenditures increase by \$44,800 in FY 2000; future year expenditure increases reflect inflation.

⁶⁰The Governor has indicated that this legislation will be funded with existing budgeted resources. Expenditures increase by \$303,000 in FY 2000 and by \$306,000 in FY 2001.

⁶¹Expenditures increase by \$44,200 in FY 2000; future year expenditure increases reflect inflation.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 99	Home- and Community-Based Services for Autistic Children and Seriously Emotionally Disturbed Individuals - Medicaid Waivers (Ch. 134)	Significant Decrease ⁶²	GF
HB 214	Adoption Search, Contact, and Reunion Services and Access to Birth and Adoption Records (Ch. 679)	See Footnote ⁶³	GF
HB 480	Health - Assistance Programs - AIDS Insurance Assistance Program (Ch. 75)	(\$2,200,000) ⁶⁴	GF
HB 480	Health Assistance Programs - AIDS Insurance Assistance Program (Ch. 75)	(\$2,900,000) ⁶⁵	FF
HB 550	Community Services Trust Fund - Revisions (Ch. 697)	Indeterminate Increase	GF
HB 1366	Health Maintenance Organizations - Annual External Review of Quality (Ch. 116)	\$126,700 ⁶⁶	GF

⁶²Combined State and local net expenditure decreases could total \$4.1 million annually.

⁶³Expenditures increase by \$124,100 in FY 2000. Future year expenditure increases decrease with one-time expenditures and increase with inflation.

⁶⁴Legislation extends sunset from June 30, 1998 to June 30, 2002; expenditure decreases are included in FY 1999 State budget. Savings increase to \$2.6 million in FY 2000, to \$2.9 million in FY 2001, and to \$3.2 million in FY 2002.

⁶⁵Legislation extends sunset from June 30, 1998 to June 30, 2002; expenditure decreases are included in FY 1999 State budget. Savings increase to \$3.3 million in FY 2000, to \$3.7 million in FY 2001, and to \$4.1 million in FY 2002.

⁶⁶Expenditures increase by \$155,300 in FY 2000; future year expenditure increases reflect inflation.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HOUSING AND COMMUNITY DEVELOPMENT			
HB 452	Department of Housing and Community Development - Rental Housing Production Program - Office and Commercial Space Conversion (Ch. 691)	\$34,200 ⁶⁷	SF
HUMAN RESOURCES			
SB 499	Frederick County - Local Social Services Board - Members (Ch. 31)	\$1,100	GF
SB 686	Welfare Innovation Act of 1998 (Ch. 637)	(\$49,400) ⁶⁸	GF
SB 686	Welfare Innovation Act of 1998 (Ch. 637)	(\$49,400) ⁶⁹	SF
SB 715/ HB 350	Department of Human Resources - Maryland Emergency Food Program (Ch. 643/644)	\$500,000 ⁷⁰	GF
HB 214	Adoption Search, Contact, and Reunion Services and Access to Birth and Adoption Records (Ch. 679)	See Footnote ⁷¹	GF
HB 1093	Family Law - Children in Out-of-Home Placements (Ch. 539)	Indeterminate	GF/FF

⁶⁷Expenditures increase in FY 1999 only. In addition, the FY 1999 capital budget includes a \$3 million increase for the Rental Housing Production Program contingent on enactment of this bill.

⁶⁸Expenditures decrease by \$235,200 in FY 2000, by \$352,800 in FY 2001, by \$470,400 in FY 2002, and by \$588,000 in FY 2003.

⁶⁹Expenditures decrease by \$235,200 in FY 2000, by \$352,800 in FY 2001, by \$470,400 in FY 2002, and by \$588,000 in FY 2003.

⁷⁰Included in FY 1999 State budget.

⁷¹Expenditures increase by \$339,000 in FY 2000. Future year expenditures decrease with one-time expenditures and increase with inflation.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 1133	Child Welfare Workforce Initiative of 1998 (Ch. 544)	See Footnote ⁷²	GF
HB 1133	Child Welfare Workforce Initiative of 1998 (Ch. 544)	See Footnote ⁷³	FF

JUDICIARY

SB 280	Criminal Sentencing - Judicial Review Panels - Victim Notification (Ch. 367)	Minimal Increase	GF
SB 300	Circuit Courts - District Court - Judges (Ch. 370)	\$1,190,000 ⁷⁴	GF
SB 592	Courts - Efficiency and Equity (Ch. 771)	See Footnote ⁷⁵	GF
HB 175	Circuit Court Clerks - Salary (Ch. 221)	\$180,200 ⁷⁶	GF
HB 192	Jury Trials - Civil Proceedings (Ch. 322)	Minimal Increase	GF
HB 194	District Court - Civil Jurisdiction (Ch. 673)	\$64,300 ⁷⁷	GF
HB 229	Montgomery and Harford Counties - Retired Judges - Assignment to Orphans' Court (Ch. 323)	Minimal Increase	GF

⁷²Expenditures increase by \$4 million in FY 2000, by \$6.7 million in FY 2001, by \$6.8 million in FY 2002, and by \$6.95 million in FY 2003.

⁷³Expenditures increase by \$4 million in FY 2000, by \$6.7 million in FY 2001, by \$6.8 million in FY 2002, and by \$6.95 million in FY 2003.

⁷⁴Included in FY 1999 State budget. Expenditures increase by \$1.5 million in FY 2000; future year expenditure increases reflect inflation and salary increases.

⁷⁵Expenditures increase by \$1.4 million annually beginning in FY 2000.

⁷⁶Expenditures increase by \$308,900 annually thereafter.

⁷⁷Expenditures increase by \$86,100 in FY 2000 and thereafter. Expenditures could increase by additional amounts in FY 2000 and thereafter if additional judges are needed.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 270	Arrest Warrant Inspection - Public Information (Ch. 332)	Indeterminate Increase ⁷⁸	GF
HB 1067	Homicide - Penalties (Ch. 538)	Indeterminate Increase	GF
HB 1093	Family Law - Children in Out-of-Home Placements (Ch. 539)	Significant Increase	GF

JUVENILE JUSTICE

SB 68/ HB 309	Juvenile Justice Act of 1998 (Ch. 465/464)	Indeterminate	GF
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LABOR, LICENSING, AND REGULATION

SB 115	Department of Labor, Licensing, and Regulation - Denial, Suspension, or Revocation of a License, Certificate, Permit, or Registration and Reprimand on Conviction of Certain Crimes (Ch. 342)	Minimal Increase	GF
SB 269	State Athletic Commission - Salaries (Ch. 162)	\$7,000 ⁷⁹	GF
HB 378	Business Occupations and Professions - State Board of Cosmetologists - Termination Provision - Extension (Ch. 65)	See Footnote ⁸⁰	GF

⁷⁸The expenditure increase is composed of \$70,000 in computer reprogramming costs for FY 1999 and additional costs associated with increased workload for court clerks' offices in FY 1999 and thereafter.

⁷⁹Expenditures increase by \$9,400 annually thereafter.

⁸⁰Legislation extends sunset from July 1, 1998 to July 1, 2001; budgeted general fund expenditures will continue.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 837	Horse Racing - Allocation of Funds - Purse Enhancement, Studies, and Marketing (Ch. 519)	\$10,000,000 ⁸¹	GF
HB 1152	Construction Apprenticeship Assistance Program (Ch. 729)	\$1,865,600 ⁸²	GF

LOTTERY

SB 197	State Lottery Commission - Compensation and Reimbursement (Ch. 351)	\$6,500 ⁸³	SF
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MARYLAND AUTOMOBILE INSURANCE FUND

HB 164	Private Passenger Motor Vehicle Insurance Policies - Coverage for Rental Cars (Ch. 671)	See Footnote ⁸⁴	
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MARYLAND HIGHER EDUCATION COMMISSION

SJ 8/ HJ 12	Maryland Higher Education - Maryland Charter for Higher Education Governance, Coordination, and Funding of the University System of Maryland (Res. No. 4/5)	\$90,000 ⁸⁵	GF
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⁸¹\$5 million is appropriated for this purpose in the FY 1999 budget; additionally, the first \$5.0 million of general fund lottery revenue over the official FY 1998 revenue estimate of \$352.7 million is allocated for aid to the racing industry, rather than the general fund. Thus, unappropriated surplus general fund revenues could decline by up to \$5 million in FY 1998. The Governor is authorized to request a deficiency appropriation if an excess of \$5 million is not realized.

⁸²Expenditures increase by \$1,898,000 in FY 2000; future year expenditure increases reflect growth.

⁸³Represents maximum possible expenditure increase. Expenditures increase by \$8,630 annually thereafter.

⁸⁴MAIF's claim payouts could increase by an indeterminate amount.

⁸⁵Expenditures increase in FY 1999 only.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 174/ HB 249	Higher Education - Maryland Science and Technology Scholarships (Ch. 566/567)	\$145,000 ⁸⁶	GF
SB 339/ HB 621	Higher Education - Community Colleges - Innovative Partnerships for Technology Program (Ch. 600/601)	See Footnote ⁸⁷	GF
SB 596	Higher Education - Funding (Ch. 619)	See Footnote ⁸⁸	GF
SB 710	Higher Education - Virginia - Maryland Regional College of Veterinary Medicine (Ch. 642)	\$200,000 ⁸⁹	GF
HB 28	Higher Education - Professional School Scholarship Program - Social Work (Ch. 662)	\$30,000	SF
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$1,503,500 ⁹⁰	GF

MARYLAND INSURANCE ADMINISTRATION

SB 116	Medicare Supplemental Policies - Individuals with a Disability - Eligibility (Ch. 343)	\$16,800 ⁹¹	GF
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⁸⁶Included in FY 1999 State budget. Expenditures increase by \$5.27 million in FY 2000, by \$6.87 million in FY 2001, by \$8.27 million in FY 2002, and by \$9.69 million in FY 2003.

⁸⁷Expenditures could increase by \$8.8 million over the four-year period from FY 2001 through FY 2004.

⁸⁸The legislation states that it is the goal of the State that annual general fund and capital support for higher education reach specified percentages of total general fund State revenues, resulting in a need for expenditures to increase by \$50.8 million in FY 2002, by \$70.5 million in FY 2003, and by \$129.3 million in FY 2004.

⁸⁹Included in FY 1999 State budget. Expenditures increase by \$400,000 in FY 2000, by \$500,000 in FY 2001, \$600,000 in FY 2002, and \$700,000 in FY 2003.

⁹⁰Included in FY 1999 State budget. Expenditures increase through FY 2002 only.

⁹¹Expenditures increase by \$19,200 in FY 2000; future year expenditure increases reflect inflation.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 137/ HB 45	Health Insurance - Medical Clinical Trial - Coverage (Ch. 118/119)	\$67,200 ⁹²	GF
SB 370	Insurance Hearings - Judicial Review (Ch. 27)	Minimal Increase	GF
SB 401/ HB 3	Health Insurance - Complaint Process for Adverse Decisions and Grievances (Ch. 111/112)	\$263,800 ⁹³	SF
SB 727	Insurance - Mutual Insurers - Formation of Business Combinations (Ch. 648)	Minimal Increase	GF
HB 98	Provider-Sponsored Organizations - Medicare+ Choice Program (Ch. 213)	\$46,200 ⁹⁴	GF
HB 1223	Workers' Compensation Insurance - Scheduled Credits (Ch. 737)	Indeterminate	GF
HB 1343	Insurance - Surplus Lines Insurance (Ch. 751)	\$38,300 ⁹⁵	GF

MARYLAND STATE POLICE

HB 270	Arrest Warrant Inspection - Public Information (Ch.)	Indeterminate Decrease	GF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	\$400,000 ⁹⁶	SF

⁹²Expenditures increase by \$83,400 in FY 2000 and possibly by \$86,300 in FY 2001.

⁹³Expenditures increase by \$378,500 in FY 2000; future year expenditure increases reflect inflation.

⁹⁴Expenditures increase by \$60,800 in FY 2000; future year expenditure increases reflect inflation.

⁹⁵Expenditures increase by \$47,900 in FY 2000; future year expenditure increases reflect inflation.

⁹⁶Represents minimum possible expenditure increase.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 1097	State Fire Marshal - Fees - Exemptions (Ch. 540)	Minimal Decrease	GF
HB 1298	State Fire Marshal and Deputies - Pensions and Retirement (Ch. 554)	\$203,200 ⁹⁷	GF

MILITARY

SB 693/ HB 1052	Militia - Honor Guard at Burial Service of Veteran (Ch. 420/421)	Indeterminate Increase ⁹⁸	GF
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NATURAL RESOURCES

SB 679/ HB 1260	Fisheries Management - Limited Entry to the Commercial Fishery - Apprenticeship - Noncommercial Crabbing License (Ch. 418/419)	\$92,800	SF
HB 531	Boat Excise Tax (Ch. 485)	\$750,000 ⁹⁹	GF
HB 531	Boat Excise Tax (Ch. 485)	(\$750,000) ¹⁰⁰	SF
HB 531	Boat Excise Tax (Ch. 485)	(\$1,100,000) ¹⁰¹	SF
HB 531	Boat Excise Tax (Ch. 485)	Indeterminate Decrease	FF

⁹⁷Expenditures increase by \$298,500 in FY 2000, increasing by 5% annually thereafter.

⁹⁸\$300,000 is included in the FY 1999 State budget, contingent on enactment of this bill.

⁹⁹Included in FY 1999 State budget. Expenditures increase by \$1,500,000 in FY 2000, by \$2,225,000 in FY 2001, by \$3,000,000 in FY 2002, and by \$3,750,000 in FY 2003.

¹⁰⁰Included in FY 1999 State budget. Expenditures decrease by \$1,500,000 in FY 2000, by \$2,225,000 in FY 2001, by \$3,000,000 in FY 2002, and by \$3,750,000 in FY 2003.

¹⁰¹Expenditures decrease by \$1,133,000 in FY 2000 and by \$1,167,000 in FY 2001.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
PUBLIC BROADCASTING COMMISSION			
SB 83	Maryland Public Broadcasting Commission - Personnel Matters (Ch. 579)	Indeterminate Increase	GF/SF
PUBLIC DEFENDER			
SB 319	Public Defender - Salary (Ch. 169)	\$10,000 ¹⁰²	GF
HB 1067	Homicide - Penalties (Ch. 538)	Indeterminate Increase	GF
PUBLIC SAFETY AND CORRECTIONAL SERVICES			
SB 173	Public Safety and Emergency Services Personnel - Death Benefits (Ch. 327)	Indeterminate Increase	GF
SB 241	Parole Hearings - Oral Testimony by Victims (Ch. 362)	\$60,800 ¹⁰³	GF
SB 633	Private Home Detention Monitoring Agencies (Ch. 331)	Indeterminate Increase	SF
HB 184	Department of Public Safety and Correctional Services - Deputy Secretaries (Ch. 451)	\$99,500 ¹⁰⁴	GF
HB 265	Allegany and Garrett Counties - Confinement as Condition of Probation Before Judgment (Ch. 460)	Minimal Increase	GF
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	Indeterminate Increase	GF

¹⁰²Expenditures increase by \$13,400 annually thereafter.

¹⁰³Expenditures increase by \$97,300 in FY 2000; future year expenditure increases reflect inflation.

¹⁰⁴Expenditures increase by \$105,200 in FY 2000; future year expenditure increases reflect inflation. The Department of Public Safety and Correctional Services advises that these costs will be funded with existing resources.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
RETIREMENT AGENCY			
HB 333	Retirement and Pensions - Payroll Reporting Data (Ch. 468)	Minimal Decrease	SF
HB 430	Retirement and Pensions - Participating Governmental Units - Deficits (Ch. 476)	See Footnote ¹⁰⁵	GF/SF/FF
HB 622	Local Law Enforcement Officers - Participation in State System (Ch. 494)	\$20,000 ¹⁰⁶	GF
HB 987	Employees' and Teachers' Pension Systems - Modification of Benefits and Contributions - Optional Defined Contribution System (Ch. 530)	\$1,300,000 ¹⁰⁷	SF
HB 1336	State Retirement and Pension System - Administration and Operation (Ch. 556)	\$11,000,000 ¹⁰⁸	SF
STATE BOARD OF ELECTION LAWS			
SB 118	Election Code - General Revision (Ch. 585)	Minimal Increase ¹⁰⁹	GF
HB 1341	Election Law - Voter Registration - State Institutions of Higher Education (Ch. 750)	\$32,200	GF

¹⁰⁵Increase in State actuarial pension liabilities of \$250,000 in FY 2000, increasing by 5% per year thereafter through FY 2020. Corresponding decrease in pension liabilities for certain local governments.

¹⁰⁶Expenditures increase in FY 1999 only. Represents minimum expenditure increase.

¹⁰⁷Expenditures increase in FY 1999 only.

¹⁰⁸Expenditures increase by \$7.5 million in FY 2000 and by \$4.1 million in FY 2001.

¹⁰⁹Expenditures increase in FY 1999 only.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
TRANSPORTATION			
SJ 13	Senator John A. Cade Memorial Highway (Res. No. 7)	\$5,000 ¹¹⁰	SF
SB 42/ HB 75	Motor Vehicle Administration - Chesapeake Bay Commemorative License Plate Program - Extension (Ch. 140/141)	See Footnote ¹¹¹	SF
SB 88	Vehicle Laws - Animal Friendly License Plates (Ch. 580)	Indeterminate Increase	SF
SB 204	Transportation - Montgomery and Prince George's Counties - Grants for Purchase of Buses (Ch. 356)	\$2,400,000 ¹¹²	SF
SB 205	Washington Suburban Transit District - Capital Equipment - Funding (Ch. 357)	See Footnote ¹¹³	SF
SB 207	Washington Suburban Transit District - Debt Service Grants (Ch. 358)	See Footnote ¹¹⁴	SF
SB 230/ HB 318	The William H. Amoss Organ and Tissue Donation Act of 1998 (Ch. 1/2)	\$32,500 ¹¹⁵	SF

¹¹⁰Expenditures increase in FY 1999 only.

¹¹¹Legislation extends sunset from July 1, 1998 to July 1, 2000; budgeted special fund expenditures will continue.

¹¹²Included in the FY 1999 State budget. Also budgeted are a \$1.1 million decrease in operating expenditures and an increased bonding capacity of \$5 million with a related increase in debt service expenditures. Expenditures increase by \$2.6 million in FY 2000, by \$2.7 million in FY 2001, by \$2.8 million in FY 2002, and by \$3.1 million in FY 2003.

¹¹³Expenditures increase by \$4.8 million annually beginning in FY 2000.

¹¹⁴Expenditures increase by \$2.4 million annually beginning in FY 2000.

¹¹⁵Expenditures increase in FY 1999 only.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
SB 253	Motor Vehicles - Staggered Registration System (Ch. 365)	Indeterminate Increase ¹¹⁶	SF
SB 584	Port Land Use Development (Ch. 414)	\$50,000	SF
SB 584	Port Land Use Development (Ch. 414)	\$342,400 ¹¹⁷	FF
SB 767	Maryland Port Administration and Maryland Port Commission - Private Operating Companies (Ch. 205)	\$150,000 ¹¹⁸	SF
SB 776	Vehicle Laws - Motor Vehicle Administration - Reporting of Insurance Policies Issued - Recovery of Evidence of Registration (Ch. 437)	\$963,000 ¹¹⁹	SF
HB 56	Vehicle Laws - Weight Tolerances - Agricultural Products Increase (Ch. 441)	Indeterminate	SF
HB 76	Vehicle Laws - Certificate of Title - Age of Majority (Ch. 443)	\$5,000 ¹²⁰	SF
HB 509	Vehicle Laws - Evidence of Security (Ch. 242)	Minimal Increase	SF
HB 527	Vehicle Laws - Drivers' Licenses - Graduated Licensing System (Ch. 483)	\$165,600 ¹²¹	SF

¹¹⁶Expenditures increase in FY 1999 only.

¹¹⁷Expenditures increase by \$260,900 in FY 2000 and by \$64,700 in FY 2001. Future year expenditure increases reflect inflation.

¹¹⁸Expenditures increase by \$150,600 in FY 2000; future year expenditure increases reflect salary increases and employee turnover.

¹¹⁹Included in FY 1999 State budget.

¹²⁰Expenditures increase in FY 1999 only. Expenditures could increase by an additional indeterminate amount for computer programming.

¹²¹Expenditures increase by \$377,000 in FY 2000, by \$338,800 in FY 2001, by \$34,100 in FY 2002, and by \$35,200 in FY 2003. Estimates are exclusive of potentially significant computer programming, administrative hearing, and reprinting costs.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	Indeterminate Increase	SF
HB 731	Vehicle Laws - Recording of Probation Before Judgment Dispositions - Select Offenses (Ch. 505)	Minimal Increase ¹²²	SF
HB 795	Transportation - Police Forces - Maryland Transportation Authority Police (Ch. 514)	See Footnote ¹²³	
HB 928	Ignition Interlock System (Ch. 526)	\$53,200 ¹²⁴	SF
HB 1426	Vehicle Laws - Weight Tolerances - Forest Products (Ch. 563)	Indeterminate Increase	SF

UNIVERSITY SYSTEM OF MARYLAND

SB 434	University of Maryland Police Officers - Pensions and Retirement (Ch. 390)	See Footnote ¹²⁵	GF
SB 708	Academic Facilities Bonding Authority (Ch. 426)	\$2,700,000 ¹²⁶	

¹²²Expenditures increase in FY 1999 only.

¹²³Off-budget expenditures increase by \$242,400 in FY 1999, by \$364,000 in FY 2000, and by 5% annually thereafter.

¹²⁴Expenditures increase by \$53,200 in FY 1999 only for form revisions plus indeterminate amounts in 1999 and thereafter for computer programming and administrative hearings.

¹²⁵Expenditures increase by \$1.7 million in FY 2000, by \$2.4 million in FY 2001, and by 5% annually thereafter.

¹²⁶Annual debt service of \$2.7 million for 20 years on a \$31.5 million bond issue. Included in FY 1999 State budget. Payable out of Other Unrestricted funds.

LEGISLATION AFFECTING STATE EXPENDITURES

Bill	Title	FY 1999 Expenditure	Fund
HB 199	University System of Maryland Workforce Flexibility Act (Ch. 675)	(\$4,100,000) ¹²⁷	GF
HB 332	Retirement and Pension Systems - Membership - Staff (Ch. 467)	Minimal Decrease	GF
HB 733	Higher Education Institutions - Teacher Training Programs - Accreditation (Ch. 708)	\$9,500 ¹²⁸	SF

¹²⁷Included in the FY 1999 budget, contingent on the enactment of this bill. Expenditures decrease by \$5.8 million in FY 2000, by \$5.7 million in FY 2001, by \$5.6 million in FY 2002, and by \$5.5 million in FY 2003.

¹²⁸Expenditures increase by \$9,600 in FY 2000; future year expenditure increases reflect inflation and additional institutions receiving accreditation.

SUMMARY OF IMPACT ON EXPENDITURES¹

Expenditures Not Included in FY 1999 Budget

General Fund	\$10,511,200
Special Fund	\$12,778,800
Federal Fund	\$400,600

¹Figures reflect bills with numerical estimates. Bills with an "indeterminate" fiscal estimate are excluded.

CHAPTER FOUR

LOCAL GOVERNMENT

- Summary of State Assistance to Local Governments
- Changes in State Aid
- State Mandates on Local Governments
- Impact of Legislation on Local Revenues
- Impact of Legislation on Local Expenditures

Overview of State Assistance To Local Governments

State assistance to local governments accounts for about 25% of the State's budget, exclusive of federal funds. This assistance includes direct aid to county and municipal governments, school boards, library boards, community colleges, and local health departments. In fiscal 1999, \$2.8 billion in direct aid will be distributed through more than 45 different programs, an increase of 7.6% over fiscal 1998. More than \$2.1 billion or 74% of this direct aid is earmarked for the public schools. In addition, the State will pay another \$443 million for the employer's share of retirement costs for local teachers, librarians, and community college faculty who are members of either the teachers' retirement or pension systems maintained and operated by the State.

The State assumption of functions or responsibilities performed by local governments is another aspect of State/local fiscal relationships. In the 1990's, the State assumed responsibility for the Baltimore City jail and community college and increased funding for the Washington Metropolitan area transit systems. In the case of the jail and community college, State costs were partially offset by reductions in direct State aid to the city. Beginning with fiscal 1995, the State also assumed responsibility for processing Baltimore City arrests through a State-run central booking facility. In addition, new legislation passed this year (**SB 205/Ch. 357** and **SB 207/Ch. 358**) will increase State support for Washington area transit systems by \$7.2 million beginning with fiscal 2000.

Overall assistance to local governments, including the recently assumed costs, totals over \$3.4 billion in fiscal 1999. This amount is a \$173.9 million or 5.4 % increase over fiscal 1998. Annual growth in aid, including the cost of assumed functions, has averaged 6.0% between fiscal 1994 and 1999. (See **Exhibit 4.1** for a summary of State aid over this period and **Exhibit 4.2** for county-by-county changes in aid for fiscal 1997 through 1999.)

Exhibit 4.1
Summary of State Assistance to Local Governments
FY 1994 - FY 1999
(\$ in Millions)

Fiscal Year	State Assistance			Recently Assumed	Total	Percent Change
	Direct Aid	Retirement	Subtotal	Costs		
1994	2,085.3	383.8	2,469.1	80.7	2,549.8	
1995	2,217.0	423.1	2,640.1	87.5	2,727.6	7.0
1996	2,327.2	455.6	2,782.8	102.3	2,885.0	5.8
1997	2,441.4	479.7	2,921.2	108.9	3,030.1	5.0
1998	2,646.4	474.9	3,121.3	113.9	3,235.2	6.8
1999	2,847.3	442.6	3,289.9	119.1	3,409.1	5.4

Exhibit 4.2
Summary of State Assistance to Local Governments
FY 1997 - FY 1999
(\$ in thousands)

Counties	FY 1997 Actual	FY 1998 Working App	FY 1999 Appropriation	Difference	% Difference FY 97-FY 98
Allegany	53,472	57,274	59,080	1,806	3.2
Anne Arundel	215,303	228,875	233,778	4,902	2.1
Baltimore City	684,871	716,437	763,126	46,690	6.5
Baltimore County	315,892	343,677	356,055	12,378	3.6
Calvert	39,826	43,063	45,456	2,393	5.6
Caroline	25,032	27,704	28,615	910	3.3
Carroll	86,159	92,434	96,538	4,104	4.4
Cecil	53,243	56,935	59,849	2,914	5.1
Charles	73,156	77,297	79,587	2,291	3.0
Dorchester	23,267	25,042	25,426	384	1.5
Frederick	107,868	116,726	120,912	4,186	3.6
Garrett	26,514	28,236	29,184	948	3.4
Harford	126,149	134,726	139,144	4,418	3.3
Howard	105,702	114,175	119,222	5,046	4.4
Kent	10,711	11,221	11,652	432	3.8
Montgomery	279,339	295,138	305,980	10,842	3.7
Prince George's	436,754	476,950	513,839	36,889	7.7
Queen Anne's	20,926	22,150	23,151	1,001	4.5
St. Mary's	50,324	53,489	55,589	2,101	3.9
Somerset	17,854	18,948	19,907	959	5.1
Talbot	10,970	11,283	11,970	687	6.1
Washington	75,000	79,301	81,182	1,881	2.4
Wicomico	53,358	57,126	59,832	2,706	4.7
Worcester	15,121	14,656	16,805	2,149	14.7
Unallocated	14,350	18,461	34,061	15,600	84.5
Statewide	2,921,160	3,121,322	3,289,939	168,617	5.4

Local Costs Recently Assumed by the State
FY 1997 - FY 1999
(\$ in thousands)

	FY 1997	FY 1998	FY 1999
Baltimore City			
Com. College ¹	17,162	17,959	19,805
Baltimore City Jail ²	63,744	66,833	69,138
WMATA			
Montgomery	14,908	15,466	15,986
Prince George's	13,081	13,637	14,183

Notes:

- 1) Beginning in FY 1991, the state assumed responsibility for the New Community College of Baltimore and the city no longer received aid under the community college formula or for fringe benefits (\$10.8 million in FY 1990). Amounts shown represent total state spending for the community college.
- 2) Beginning in FY 1992, the state assumed responsibility for the Baltimore City Jail and Baltimore City no longer received aid under the police aid formula (\$37.7 million in FY 1991). The amounts also include additional state costs for the state-run Baltimore City central booking facility.

As **Exhibit 4.3** indicates, the overall composition of aid changes slightly between fiscal 1998 and 1999. Aid for the public schools increases 6.4%, raising education's share of total aid to about 77%. County and municipal governments receive 17% of the aid, primarily for public safety, transportation, and park land acquisition or development. Community colleges, libraries, and local health departments account for the remaining 6% of aid.

Exhibit 4.3
Changes in State Aid Patterns
(dollars in millions)

	Estimated	% of	Approp.	% of	%
	<u>FY 1998</u>	<u>Total</u>	<u>FY 1999</u>	<u>Total</u>	<u>Increase</u>
Public Schools	\$2,373.9	76.0%	\$2,526.8	76.8%	6.4%
Libraries	37.0	1.2	39.0	1.2	5.3
Community Colleges	125.6	4.0	129.5	3.9	3.1
Local Health	42.5	1.4	43.8	1.3	3.0
General Government	<u>542.3</u>	<u>17.4</u>	<u>550.9</u>	<u>16.8</u>	<u>1.6</u>
	\$3,121.3	100.0%	\$3,289.9	100.0%	5.4%

Notes: Public schools, libraries, and community colleges include State paid teachers' retirement costs. General government includes grants to the counties for public safety, transportation, program open space, and income tax disparities. A portion of these grants is shared with municipalities in the county.

The \$168.6 million increase in State aid primarily results from ongoing growth in existing formula programs and new funding for several education aid programs. The significant State aid increases in the fiscal 1999 budget include the following:

- Current expense education aid, distributed inverse to local property and income wealth, increases \$66.5 million or 4.6%.
- Compensatory education aid, based on the number of children from low income households, rises \$20.8 million or 25.7%.
- Additional funding (\$20.0 million) for the Baltimore City schools is provided in the State budget consistent with the legislation (Senate Bill 795 - Chapter 105, Acts of 1997) enacted in the 1997 session restructuring the management of the school system.

- The fiscal 1999 State budget includes enhancements to several education aid programs required under the School Accountability for Funding Excellence (**HB 1/Ch. 565**) legislation passed this year. These enhancements total \$61.5 million.
- Grants for school bus transportation total \$112.3 million, an increase of \$5.7 million or 5.3%.
- The State budget includes \$5.0 million in additional formula funds for Maryland's community colleges, an increase of 5.3%.
- Legislation (**HB 94/Ch. 575**) passed this year increases library aid funding by \$3.2 million or 16.3%.
- State grants for fire, rescue, and ambulance services increase over 33%, from \$5.8 million in fiscal 1998 to \$7.8 million in fiscal 1999.

Exhibit 4.4 summarizes the county-by-county distribution of \$2.8 billion in direct State aid by governmental entity. It also shows estimated State retirement payments for local employees based on actual 1997 employee salaries.

Exhibit 4.5 compares total aid distributed to the local governments in fiscal 1998 and 1999 by program. Following **Exhibit 4.5** is a more detailed review of the changes in fiscal 1999 aid as enacted by the 1998 General Assembly.

Exhibit 4.4
State Assistance to Local Governments
FY 1999 Legislative Appropriation
(\$ in thousands)

	Direct State Aid					Retirement	Total	Change Over FY 1998
	General Government	Community Colleges	Education	Libraries	Health			
Allegany	\$10,613	\$3,734	\$37,464	\$533	\$802	\$5,935	\$59,080	\$1,806
Anne Arundel	30,011	12,997	146,778	1,659	3,478	38,855	233,778	4,902
Baltimore City	224,630	0	473,414	5,034	8,692	51,356	763,126	46,690
Baltimore County	42,792	22,962	222,199	3,074	5,836	59,191	356,055	12,378
Calvert	4,860	671	32,405	216	286	7,018	45,456	2,393
Caroline	5,619	628	18,986	195	473	2,714	28,615	910
Carroll	11,236	3,444	67,587	661	1,335	12,275	96,538	4,104
Cecil	6,354	2,687	42,307	405	797	7,299	59,849	2,914
Charles	7,875	3,576	56,418	517	996	10,205	79,587	2,291
Dorchester	5,893	554	15,756	171	417	2,634	25,426	384
Frederick	14,935	3,752	83,880	728	1,564	16,052	120,912	4,186
Garrett	7,086	2,296	16,420	162	373	2,847	29,184	948
Harford	13,757	5,048	98,795	1,042	2,055	18,448	139,144	4,418
Howard	15,234	5,506	73,555	495	1,424	23,006	119,222	5,046
Kent	2,425	407	6,803	71	310	1,636	11,652	432
Montgomery	49,404	18,569	148,693	1,773	3,660	83,880	305,980	10,842
Prince George's	48,433	12,384	376,351	5,639	6,776	64,256	513,839	36,889
Queen Anne's	4,369	827	14,235	116	395	3,208	23,151	1,001
St. Mary's	6,027	852	40,418	430	912	6,950	55,589	2,101
Somerset	5,781	350	11,446	189	455	1,687	19,907	959
Talbot	3,776	588	5,056	70	256	2,223	11,970	687
Washington	10,334	3,835	54,747	737	1,391	10,138	81,182	1,881
Wicomico	7,912	1,960	41,493	484	918	7,065	59,832	2,706
Worcester	5,681	941	6,183	91	183	3,727	16,805	2,149
Unallocated	5,839	3,406	19,734	5,082	0	0	34,061	15,600
TOTAL	\$550,877	\$111,976	\$2,111,121	\$29,573	\$43,786	\$442,606	\$3,289,939	\$168,617

NOTE: Detail may not add to total due to rounding. General government includes the municipal share of police aid, highway user revenue and fire aid.

Exhibit 4.4 (continued)
State Assistance to Local Governments
Percent Difference between FY 1999 Leg. Appropriation and FY 1998 Working Appropriation

	General		Community		Direct State Aid				Retirement	Total
	Government		Colleges		Education	Libraries	Health	Subtotal		
Allegany	3.7%		7.0%		4.3%	15.9%	2.1%	4.5%	-7.3%	3.2%
Anne Arundel	0.8%		12.7%		4.1%	16.4%	3.3%	4.1%	-6.9%	2.1%
Baltimore City	0.5%		n.a.		11.4%	12.0%	3.1%	7.6%	-6.7%	6.5%
Baltimore County	0.3%		2.4%		7.5%	16.6%	2.1%	6.0%	-7.0%	3.6%
Calvert	2.0%		7.5%		9.1%	30.5%	4.6%	8.2%	-6.7%	5.6%
Caroline	3.7%		9.7%		4.5%	17.7%	1.6%	4.5%	-6.8%	3.3%
Carroll	1.6%		7.7%		7.0%	23.6%	2.7%	6.3%	-6.8%	4.4%
Cecil	1.5%		5.8%		8.0%	18.7%	2.5%	7.0%	-6.8%	5.1%
Charles	0.4%		7.5%		4.9%	26.8%	1.4%	4.6%	-6.9%	3.0%
Dorchester	2.5%		9.7%		2.3%	11.0%	1.8%	2.6%	-6.8%	1.5%
Frederick	1.4%		5.8%		6.1%	13.9%	2.5%	5.4%	-6.8%	3.6%
Garrett	3.2%		15.7%		3.8%	20.8%	1.9%	4.6%	-7.0%	3.4%
Harford	1.0%		3.4%		5.7%	16.3%	1.0%	5.0%	-6.9%	3.3%
Howard	1.5%		7.8%		8.9%	15.2%	1.5%	7.5%	-6.9%	4.4%
Kent	2.5%		9.7%		7.1%	8.5%	-0.6%	5.8%	-6.8%	3.8%
Montgomery	0.6%		5.8%		11.1%	17.0%	9.0%	8.2%	-6.6%	3.7%
Prince George's	-0.1%		7.5%		12.1%	2.8%	1.8%	10.2%	-6.8%	7.7%
Queen Anne's	2.0%		9.7%		7.9%	24.5%	2.0%	6.6%	-6.8%	4.5%
St. Mary's	1.6%		7.5%		6.2%	17.5%	1.5%	5.7%	-6.7%	3.9%
Somerset	5.2%		11.6%		6.7%	19.7%	1.7%	6.3%	-6.7%	5.1%
Talbot	2.0%		9.7%		16.1%	16.2%	5.3%	9.5%	-6.8%	6.1%
Washington	0.8%		7.3%		4.2%	12.9%	2.3%	3.9%	-6.9%	2.4%
Wicomico	5.1%		11.6%		6.4%	15.9%	7.2%	6.5%	-6.7%	4.7%
Worcester	2.1%		11.6%		54.3%	20.2%	8.8%	22.7%	-6.7%	14.7%
Unallocated	190.8%		-17.1%		171.8%	0.0%	n.a.	84.5%	n.a.	84.5%
TOTAL	1.6%		5.8%		9.5%	10.1%	3.0%	7.6%	-6.8%	5.4%

NOTE: Detail may not add to total due to rounding. General government includes the municipal share of police aid, highway user revenue and fire aid.

Exhibit 4.5
Total State Assistance for Local Governments

Direct State Aid

Program	Fiscal Year 1998	Fiscal Year 1999	Difference
*Current Expense Aid	1,452,268,977	1,518,759,392	66,490,415
*Compensatory Aid	80,909,997	101,683,163	20,773,166
*Transportation Aid	102,571,931	107,458,429	4,886,498
*Transportation Aid - Special Ed.	4,012,000	4,792,500	780,500
*Special Education - formula	81,253,347	81,253,347	0
*Special Education - nonpublic	61,183,434	63,125,899	1,942,465
Magnet/Effective Schools	14,100,000	16,100,000	2,000,000
Challenge Grants/Marginal Schools	7,638,827	5,638,827	(2,000,000)
Adult Education	753,602	753,602	0
*Targeted Poverty Grants	8,000,000	8,000,000	0
Additional Poverty Grants	18,163,360	18,163,360	0
Targeted Improvement Grants	0	16,317,455	16,317,455
Teacher Development Grants	0	10,488,000	10,488,000
Extended Elementary	14,896,739	19,262,500	4,365,761
Food Service Aid	4,336,664	4,336,664	0
Gifted and Talented Program	4,434,829	4,934,829	500,000
*Limited English Proficiency Grant	7,802,000	23,550,750	15,748,750
Maryland's Tomorrow	9,997,189	9,997,189	0
*Out-of-County Foster Placements	3,550,000	3,950,000	400,000
Aging Schools	4,350,000	10,370,000	6,020,000
Baltimore City Partnership #	30,971,040	50,000,000	19,028,960
School Reconstitution #	3,719,200	9,797,400	6,078,200
Education Modernization Initiative	3,161,000	5,375,000	2,214,000
Baltimore County Mentoring	2,900,000	2,900,000	0
School Library Media Incentive Program	0	3,000,000	3,000,000
Teacher Certification/Student Services Support Pilot	0	4,000,000	4,000,000
Other Programs	7,867,203	7,113,088	(754,115)
EDUCATION	1,928,841,339	2,111,121,394	182,280,055
*Library Aid	19,773,907	22,990,884	3,216,977
Prince George's County Library Grant	2,000,000	1,500,000	(500,000)
State Library Network	5,081,942	5,081,942	0
LIBRARIES	26,855,849	29,572,826	2,716,977
*Community College Formula	94,880,398	99,919,633	5,039,235
*TIAA-CREF	5,140,583	5,407,348	266,765
Grants for ESOL Programs	1,000,000	1,000,000	0
Advanced Technology Centers	2,815,000	1,815,000	(1,000,000)

Exhibit 4.5 (continued)
Total State Assistance for Local Governments

Direct State Aid (continued)

Program	Fiscal Year 1998	Fiscal Year 1999	Difference
Hold Harmless/Small College Grant Statewide	739,498 1,296,000	2,242,981 1,591,242	1,503,483 295,242
COMMUNITY COLLEGES	105,871,479	111,976,204	6,104,725
*LOCAL HEALTH FORMULA	42,521,100	43,785,576	1,264,476
*State Aid for Police Protection	57,190,536	57,646,722	456,186
Fire, Rescue Ambulance Services	5,245,000	7,500,000	2,255,000
911 Grants	1,460,448	3,138,630	1,678,182
Violent Crime Grants	5,000,000	5,000,000	0
Foot Patrol/Drug Enforcement Grants	4,462,500	4,462,500	0
Community Policing	2,000,000	2,000,000	0
Body Armor for Police	100,000	100,000	0
Prince George's County Fire Apparatus	552,642	300,000	(252,642)
Vehicle Theft Prevention	2,600,000	2,600,000	0
Baltimore City State's Attorney	175,000	0	(175,000)
PUBLIC SAFETY	78,786,126	82,747,852	3,961,726
*PROGRAM OPEN SPACE	24,556,000	25,674,000	1,118,000
Elderly/Handicapped Transportation	2,403,180	2,403,180	0
Paratransit Grants	3,382,051	3,382,051	0
*Highway User Grant	366,970,982	368,509,398	1,538,416
TRANSPORTATION	372,756,213	374,294,629	1,538,416
*Horse Racing Impact Aid	1,344,300	1,246,200	(98,100)
Security Interest fees/Other	2,868,250	2,798,200	(70,050)
OTHER DIRECT AID	4,212,550	4,044,400	(168,150)
*DISPARITY GRANT	62,025,702	64,116,025	2,090,323
TOTAL DIRECT STATE AID	2,646,426,358	2,847,332,906	200,906,548

Exhibit 4.5 (continued)
Total State Assistance for Local Governments

Direct State Aid (continued)

Program	Fiscal Year 1998	Fiscal Year 1999	Difference
Payments-On-Behalf			
*Retirement - Libraries	10,175,422	9,426,570	(748,852)
*Retirement - Boards of Education	445,017,687	415,664,912	(29,352,775)
*Retirement - Community Colleges	19,702,334	17,514,318	(2,188,016)
TOTAL PAYMENTS-ON-BEHALF	474,895,443	442,605,800	(32,289,643)
 TOTAL STATE ASSISTANCE	 3,121,321,801	 3,289,938,706	 168,616,905
<i>General Fund State Assistance</i>	<i>2,712,674,840</i>	<i>2,875,067,047</i>	<i>162,392,207</i>
<i>Special Fund State Assistance</i>	<i>408,646,961</i>	<i>414,871,659</i>	<i>6,224,698</i>

* Programs mandated by statute.

The Baltimore City Partnership funding in FY 1998 included \$2 million for school reconstitution. In FY 1999 those funds were budgeted with other school reconstitution funds rather than with the partnership. For this chart, the \$2 million in FY 1998 is included under school reconstitution and deducted from the partnership funding.

Changes in State Aid

Fiscal 1999 State aid is estimated to be \$168.6 million, or 5.4% higher than fiscal 1998 aid (See **Exhibit 4.5**). This reflects statutorily mandated increases in aid as well as enhancements resulting from new legislation. What follows is a detailed discussion of these changes.

Primary and Secondary Education

State aid for the public schools will increase \$153 million or 6.4% in fiscal 1999. Aid paid directly to the school boards rises \$182 million or 9.5%, whereas teachers' retirement costs paid by the State on behalf of school boards actually decrease \$29 million. The additional direct aid results primarily from requirements of existing legislation (\$115.5 million) and the School Accountability for Funding Excellence (SAFE) legislation (**HB 1/Ch. 565**) passed this session (\$61.5 million). Aid changes and other actions impacting education funding are discussed below.

Current Expense Aid. State law provides for automatic increases in current expense formula aid. The \$66.5 million fiscal 1999 increase results from higher enrollment (\$24.2 million) and prior years' spending growth (\$42.3 million). Current expense formula aid is not restricted for specific purposes and is distributed inversely to local wealth, as measured by net taxable income and assessable base.

Compensatory Aid. The compensatory aid formula distributes aid to local school boards on the basis of the number of students from economically disadvantaged environments (as measured by the student counts used for federal Title I aid). Increases in compensatory aid are tied to increases in the current expense formula. In fiscal 1999 compensatory aid grows \$20.8 million or 25.7%. Most of this large increase results from a recent revision to the federal Title I student counts. Based on this update, Maryland's Title I count increased 22%, from 87,000 to 106,252.

School Bus Transportation Grants. Each county receives a grant for student transportation based on the county's grant in the previous year increased by the change in the Baltimore area consumer price index for private transportation. Increases can not exceed 8% or be less than 3%. As a result of legislation enacted in 1996, counties with enrollment increases receive additional funds. The fiscal 1999 budget includes \$107.5 million, reflecting a 3.0% transportation CPI growth factor and an enrollment increase of 1.6%. The State also provides a grant for transporting handicapped students. Each school board receives \$500 per special education student in excess of the number transported in fiscal 1981. The fiscal 1999 grant level of \$4.8 million is based on 9,585 students.

Special Education. State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements. The \$1.9 million increase in special education funding in fiscal 1999 is for nonpublic placements.

Teachers' Retirement Costs. The State pays the employers' retirement costs for local teachers who are members of either the teachers' retirement or pension systems maintained and operated by the State. The \$29.4 million decrease in fiscal 1999 results from a 3.4% increase in the salary base and a 9.6% decrease in the employer contribution rate. The large decrease in the contribution rate is driven primarily by retirement fund investment earnings.

Baltimore City Partnership Funding. Legislation enacted in 1997 (Senate Bill 795 -- Chapter 105, Acts of 1997) restructured the management of the Baltimore City Public Schools. The legislation included a requirement that the State provide an additional \$30 million in the fiscal 1998 State budget and \$50 million in subsequent years for the city schools. The fiscal 1999 budget includes the \$50 million for the Baltimore City Partnership program, consistent with the 1997 legislation.

The fiscal 1998 budget included an additional \$1.5 million related to the city school management changes. Budget bill language specified that the \$1.5 million be expended as follows: \$600,000 for a comprehensive audit of the city school system; \$550,000 for orientation of the new school board and monitoring of the restructuring by the State Department of Education; and \$350,000 for consultants to assist in the development of the transition plan and the master plan required under the city school legislation. The \$550,000 for coordination and monitoring was transferred to the Department of Education's budget. The one-time grants for plan development and the audit are not included in the fiscal 1999 budget.

Targeted Improvement Grants: The SAFE legislation (HB 1/Ch. 565) establishes this new grant program. The grants are based on 85% of the number of children eligible for free and reduced-price meals for the second prior fiscal year multiplied by 2.5% of the per-pupil foundation under the basic current expense formula. Each county's initial allocation is adjusted by a factor relating each county's wealth per full-time equivalent student to the statewide wealth per student. Under the SAFE legislation as introduced, Baltimore City received 50% of its formula allocation. The final version of the legislation eliminated this provision; however, the \$4.3 million in additional funding required by this change is not included in the fiscal 1999 budget. The budget includes \$16.3 million and the Governor is not required to include the additional \$4.3 million funding until fiscal 2000, but could submit a fiscal 1999 deficiency appropriation at the 1999 legislative session.

Teacher Development Program: This new program is also established by the SAFE legislation (**HB 1/Ch. 565**). It provides funds to enhance teacher development programs in schools with a free or reduced-price meal count of 25% or more of their student population. Each eligible school will receive an \$8,000 grant to enhance teacher training in instructing at-risk students. In addition, Baltimore County will receive an additional \$5 million to enhance its teacher mentoring program. The legislation also includes \$2 million to establish a similar program in Prince George's County; however, the legislation as introduced did not include this grant and funds are not in the fiscal 1999 budget. The budget includes \$10.5 million and the Governor is not required to include the additional \$2 million until fiscal 2000, but could submit a fiscal 1999 deficiency appropriation at the 1999 legislative session.

Limited English Proficiency. The State provides grants to local school systems for programs for students with limited English proficiency. The significant increase in this program results from the SAFE legislation (**HB 1/Ch. 565**) passed this year. The legislation increases the grant from \$500 to \$1,350 per limited English proficient student and repeals the current two-year restriction on students being included in the count.

Extended Elementary. The extended elementary program supports public school prekindergarten for four-year-old children who may be at risk of failure. The SAFE legislation (**HB 1/Ch. 565**) enhances this program by \$4.4 million: \$3.4 million for establishing an additional 24 sites and increasing funding for 204.5 existing sites to \$65,000 per site and \$1 million for addressing early intervention strategies for four-year-old children whose needs are not fully met by the existing program. With this enhancement, 273 extended elementary sites will be funded in fiscal 1999.

Aging School Repair Program. This year's State budget includes \$10.4 million to provide funds to local school systems for the improvements, repairs, and deferred maintenance of public school buildings exceeding 15 years of age. Each school system's share of the total funding is generally consistent with the school system's share of school building square footage constructed prior to 1960. The \$6.0 enhancement to this program this year is required under the SAFE legislation (**HB 1/Ch. 565**).

School Library Media Incentive Program: This new program provides \$3.0 million for elementary school libraries. Under the SAFE legislation (**HB 1/Ch. 565**) establishing the grants, amounts to be received by each school board are based on September 1997 enrollment. The legislation requires the school systems to provide new and equal matching funds for elementary school library programs.

Effective Schools, Teacher Certification, Student Support Pilot Program: Another \$6.0 million in this year's budget is also provided under the SAFE legislation (**HB 1/Ch. 565**). Of this amount, \$5.5 million is for specific programs in Prince George's County. There is \$2 million for effective schools programs, \$1 million for a pilot integrated student support services project, and \$2.5 million for provisional teacher

certification and teacher development initiatives. Another \$500,000 is for statewide provisional teacher certification and teacher development initiatives.

School Reconstitution Funds. Under the Maryland School Performance Program, the State may mandate changes in the management of poorly performing schools. This year the State identified another 38 schools eligible for reconstitution: 29 in Baltimore City and 9 in Prince George's County. In previous years, the State has provided funding for reconstitution eligible schools. The fiscal 1999 budget includes an additional \$6.1 million for the newly identified schools. Funding is based on \$60,000 per school and \$200 per student. Baltimore City will receive \$4.5 million and Prince George's County will receive \$1.6 million. The 38 additional schools identified this year brings to 90 the number of schools eligible for reconstitution.

Education Modernization Initiative. The fiscal 1999 State budget includes \$5.4 million for the third year of this multi-year initiative, a \$2.2 million increase over fiscal 1998. The initiative provides schools access to on-line computer resources and capacity for data, voice, and video equipment. This year's funds will be used for equipment purchases, software, and staff development at 153 schools. Another \$6.2 million is included under the school construction program to upgrade the wiring in schools.

Libraries

State library formula aid will be \$23.0 million in fiscal 1999, an increase of \$3.2 million. This 16% increase in library aid results from new legislation (**HB 94/Ch. 575**), which raises the formula funding from \$9.25 to \$10.75 per capita. In addition, the budget includes a grant of \$1.5 million for the Prince George's County library system. As with the public schools, the State pays 100 percent of the retirement costs for library employees. These payments decrease \$748,852, primarily due to the 9.6% decrease in the employer contribution rate.

The State supports three regional library resource centers that provide coordination and other services to libraries outside the metropolitan areas. The three regional resource centers are in Salisbury (Eastern Shore), Charlotte Hall (Southern Maryland), and Hagerstown (Western Maryland). The fiscal 1999 budget includes \$1.2 million for these regional library centers. New legislation (**HB 1233/Ch. 738**) establishes a minimum funding level for the regional libraries equivalent to \$1.70 for each resident in the region. This minimum funding level would require an additional \$115,000 in fiscal 1999, but the Governor is not required to include the funding in the budget until fiscal 2000.

Community Colleges

Total State funding for community colleges increases \$3.9 million for fiscal 1999. Formula grants are \$5.3 million higher, reflecting legislation enacted in 1996 significantly increasing community college formula funding. New legislation (**HB 258/Ch. 570**) provides additional grants to seven small community colleges. Allegany, Garrett and Hagerstown community colleges each receive \$400,000 and Carroll, Cecil, Chesapeake, and Wor-Wic community colleges each receive \$200,000; however, the grants are offset by any funds a college receives under the Baltimore City school legislation (Senate Bill 795 -- Chapter 105, Acts of 1997).

State paid retirement costs decrease \$2.2 million, resulting from a 1.6% decline in the salary base and a 9.6% decrease in the teachers' retirement system contribution rate. This year's budget also includes \$1.8 million for the third year of funding for advanced technology centers at the community colleges, a decrease of \$1.0 million. These centers provide technology information, education, and training resources for companies seeking to implement advanced technologies.

Local Health Programs

Funding for local health services increases by \$1.3 million to \$43.8 million. This increase reflects inflation and population growth.

General Government Aid

The State provides grants to counties and municipalities for various governmental functions, including public safety, transportation, and recreation. In addition, the disparity grant program targets aid to low income wealth jurisdictions. Overall, general government aid is estimated to increase \$8.5 million in fiscal 1999.

Police Aid Grants. Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis and jurisdictions with higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The modest growth in formula funding of .8% reflects population growth.

Fire, Rescue, and Ambulance Services. The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovations, not operating costs. The fiscal 1999 budget includes an additional \$2.3 million in formula

funds. In addition, the budget provides a \$300,000 grant to Prince George's County for fire apparatus, equipment, and capital improvements.

Program Open Space Grants. Under the Program Open Space program, the State provides grants to the counties and Baltimore City for land acquisition and the development of park and recreation facilities. State property transfer tax revenues fund Program Open Space and related programs. The fiscal 1999 increase reflects growth in transfer tax revenues and a \$300,000 increase in the special grant for Baltimore City (\$1.5 million in fiscal 1999).

Transportation. The State shares receipts from motor fuel taxes, vehicle excise (titling) taxes, registration fees, and corporate income taxes with local governments, primarily for the construction and maintenance of transportation facilities. Counties, municipalities, and Baltimore City receive 30% of these "highway user" revenues. The Maryland Department of Transportation projects a modest increase in these grants (\$1.5 million) based on estimated growth in tax revenues.

Disparity Grant. The disparity grant targets aid to those counties whose per capita piggyback income tax revenue is less than 75% of the State average. In fiscal 1999, \$64.1 million will be apportioned among eight counties. The eight jurisdictions receiving a disparity grant in fiscal 1999 are Allegany, Caroline, Dorchester, Garrett, Somerset, Washington, and Wicomico counties and Baltimore City.

STATE MANDATES ON LOCAL GOVERNMENTS

Six State mandates were imposed on local governments during the 1998 legislative session. The mandates involved the circuit courts, education, municipal incorporation, and property taxes.

Summary of State Mandates*	
Circuit Courts	2
Education	2
Municipal Incorporation	1
Property Taxes	1
Total	6

***Mandate** is defined as a legislative directive requiring a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit (Maryland Annotated Code, State Government Article, §2-1501(c)). In the following section, legislation that imposes a State mandate is signified by a ✓.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
LEGISLATION AFFECTING ALL/MULTIPLE LOCAL JURISDICTIONS			
SB 68/ HB 309	Juvenile Justice Act of 1998 (Ch. 465/464)	Minimal Increase	
SB 75	Local Tax Returns - Use for Property Valuation (Ch. 15)	Indeterminate Minimal	
SB 77	Housing and Community Development - Neighborhood and Community Assistance Program - Definition of Business Entities (Ch. 578)	Minimal Increase	
SB 80	Income Tax - Refunds and Offsets - Out-of-State Income Tax Liability (Ch. 19)	\$57,000	
SB 147/ HB 420	Personal Property Tax - Small Businesses (Ch. 589/590)	See Footnote ¹	
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	Indeterminate Decrease	
SB 203	State Property Tax Exemption - Property Tax Credits - Land Trusts and Western Shore Conservancy (Ch. 355)	Minimal Decrease ²	
SB 268	Maryland Higher Education Investment Program - Income Tax Subtraction Modification for Contributions (Ch. 572)	(\$600,000) ³	
SB 273/ HB 5	Property Tax Exemptions - Biotechnology and Computer Software - Manufacturing and Research and Development (Ch. 764/659)	See Footnote ⁴	

¹Revenues decrease by a total of \$2.2 million in FY 2000, of which \$2.0 million is county revenues and \$200,000 is municipal revenues.

²Legislation affects Baltimore, Calvert, Frederick, Harford, Howard, Montgomery, Prince George's, and Washington counties.

³Revenues decrease by \$990,000 in FY 2000; increasing by approximately \$440,000 annually thereafter.

⁴County and municipal revenues decrease collectively by \$636,000 beginning in FY 2000. Legislation does not affect Frederick, Kent, Queen Anne's, or Talbot counties.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
SB 284	Business and Economic Development - Enterprise Zones - Designation (Ch. 596)	Indeterminate	
SB 292/ HB 565	Work, Not Welfare Tax Incentive Act - Child Care or Transportation Expenses (Ch. 598/599)	Indeterminate	
SB 333	Judgments - Exemptions from Claims of Creditors - Roth IRA (Ch. 375)	Minimal Decrease	
SB 339/ HB 621	Higher Education - Community Colleges - Innovative Partnerships for Technology Program (Ch. 600/601)	See Footnote ⁵	
SB 378/ HB 1016	Property Tax - Tax Sales (Ch. 326/786)	Minimal Increase	
SB 396	Income Tax - Subtraction Modification for Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel (Ch. 384)	See Footnote ⁶	
SB 415	State Treasurer - Permissible Investments - Money Market Mutual Funds (Ch. 387)	(\$30,000)	
SB 446	Economic Development - Assistance to Local Governments (Ch. 394)	Indeterminate Increase ⁷	
SB 487	County Income Tax (Ch. 399)	Indeterminate ⁸	

⁵State aid to local community colleges could increase by \$8.4 million over the four-year period from FY 2001 through FY 2004.

⁶Revenues decrease by \$112,900 beginning in FY 2000.

⁷Increase in revenues in counties or municipalities that receive a transfer of funds from the Department of Business and Economic Development.

⁸Revenues could decrease by approximately \$107,100 in FY 1999 and by approximately \$73,200 annually thereafter. Revenues would also change indeterminately depending on any local income tax rate change.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
SB 507	Property Tax - Credits - Personal Property Located in Foreign Trade Zones (Ch. 613)	Significant Decrease ⁹	
SB 537	Tax Credits - Employment of Individuals with Disabilities (Ch. 614)	See Footnote ¹⁰	
SB 554/ HB 918	Medicaid - Emergency Service Transporters - Reimbursement (Ch. 410/411)	See Footnote ¹¹	
SB 619	Tax Credits - Businesses That Create New Jobs (Ch. 623)	See Footnote ¹²	
SB 634/ HB 766	Breast Cancer Program (Ch. 114/115)	\$2,600,000	
SB 638	Tax Credit for Employer-Provided Long-Term Care Insurance (Ch. 7)	See Footnote ¹³	
SB 675	Procurement - Security for Construction Contracts (Ch. 636)	Minimal Decrease	
SB 715/ HB 350	Department of Human Resources - Maryland Emergency Food Program (Ch. 643/644)	Significant Increase ¹⁴	
SB 784	Department of Health and Mental Hygiene - Vital Records (Ch. 654)	\$376,700 ¹⁵	

⁹Annual revenues could decrease by approximately \$248,000 in Baltimore County, \$3,900 in Baltimore City, and \$1,400 in Howard County. Prince George's County revenues could also decrease.

¹⁰Legislation extends sunset from December 31, 2000 to December 31, 2002; revenues will be maintained.

¹¹Revenues increase by up to \$3.3 million in FY 2000; future year revenue increases reflect inflation.

¹²Legislation extends sunset from December 31, 2000 to December 31, 2002. Indeterminate effect on revenues from FY 2001 through FY 2003.

¹³Revenues decline by \$3,900 annually beginning in FY 2000.

¹⁴Revenues could increase by up to \$500,000 annually.

¹⁵Assumes participation of all jurisdictions except Baltimore City.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
HB 1	School Accountability Funding for Excellence (Ch. 565)	\$67,800,000 ¹⁶	✓
HB 6	Tax Credit for Approved Paid Work-Based Learning Programs for Students (Ch. 660)	See Footnote ¹⁷	
HB 13	Job Creation Tax Credit - County-Designated Priority Funding Areas (Ch. 438)	Indeterminate	
HB 94	Public Libraries - Funding (Ch. 575)	\$3,200,000 ¹⁸	
HB 141	Recordation and Transfer Taxes - Transfers Between Spouses and Former Spouses (Ch. 669)	Minimal Decrease	
HB 194	District Court - Civil Jurisdiction (Ch. 673)	(\$225,000) ¹⁹	
HB 209	State Aid for Public Education - Schools for Success - Extension of Sunset (Ch. 677)	See Footnote ²⁰	
HB 213	Municipal Corporations - Incorporation Process (Ch. 678)	Indeterminate	✓
HB 257	Income Tax - Subtraction Modification for Maryland Higher Education Investment Program Earnings (Ch. 571)	Minimal Decrease ²¹	

¹⁶Revenues increase to \$71.1 million by FY 2002.

¹⁷Revenues decrease by an indeterminate amount beginning in FY 2000.

¹⁸Revenues increase by \$3.8 million in FY 2000; future year revenue increases reflect per capita grant and projected population changes.

¹⁹Revenues decrease by \$300,000 beginning in FY 2000.

²⁰Legislation extends sunset from June 30, 1998 to June 30, 2001; local school systems will continue to receive challenge grants.

²¹Revenue losses become significant in approximately FY 2010.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$200,000 ²²	
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$195,100 ²³	
HB 311	Property Tax Credit - Installation of Fire Sprinkler Systems (Ch. 684)	Minimal Decrease	
HB 412	Maryland Economic Development Revenue Bond Act - Sunset Repeal (Ch. 68)	See Footnote ²⁴	
HB 447	Property Tax Credit - Renovations to Residential Buildings for Computer and Telecommunications Systems (Ch. 72)	Minimal Decrease	
HB 461	Property Tax Exemption - Charitable Organizations - Abatement and Refund of Property Tax in Year of Transfer (Ch. 344)	Significant Decrease ²⁵	✓
HB 464	Maryland Economic Adjustment Fund (Ch. 693)	Indeterminate Increase	
HB 495	Estates and Trusts - Rule Against Perpetuities (Ch. 694)	Minimal Increase	
HB 531	Boat Excise Tax (Ch. 485)	Indeterminate Decrease	

²²Revenues go to Wor-Wic Community College through FY 2002. Includes Somerset, Wicomico, and Worcester counties.

²³Revenues go to Chesapeake College through FY 2002. Includes Kent, Queen Anne's, Caroline, Talbot, and Dorchester counties.

²⁴Legislation removes September 30, 1998 sunset; finances related to the issuance of economic development revenue bonds will continue.

²⁵The magnitude of the decrease depends on the value and timing of any property transfers. Local revenues would have decreased by approximately \$456,000 if this legislation had been in effect for FY 1998.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
HB 548	Vehicle Laws - Improperly Registered Motor Vehicles - Registration Enforcement Program (Ch. 488)	\$360,000 ²⁶	
HB 629	Property Tax Credits - Qualified Brownfields Sites and Enterprise Zone Property (Ch. 703)	Indeterminate Minimal	
HB 705	Income Tax Credits for Alternative-Fuel Vehicles - Termination Date (Ch. 705)	See Footnote ²⁷	
HB 1199	Heritage Structure Rehabilitation Credit (Ch. 735)	Indeterminate	
HB 1233	Public Libraries - Regional Resource Centers - Funding (Ch. 738)	\$8,300 ²⁸	
HB 1233	Public Libraries - Regional Resource Centers - Funding (Ch. 738)	\$76,400 ²⁹	
HB 1233	Public Libraries - Regional Resource Centers - Funding (Ch. 738)	\$30,300 ³⁰	

²⁶Represents minimum possible revenue increase.

²⁷Legislation extends sunset from June 30, 1998 to June 30, 2000; revenues will be maintained.

²⁸Revenues go to Eastern Shore Resource Center. Includes Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties.

²⁹Revenues go to Southern Maryland Resource Center. Includes Calvert, Charles, and St. Mary's counties.

³⁰Revenues go to Western Maryland Resource Center. Includes Allegany, Garrett, and Washington counties.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
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LEGISLATION AFFECTING LOCAL GOVERNMENTS BY SUBDIVISION

ALLEGANY COUNTY

HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$239,100 ³¹	
HB 306	Allegany County - Board of License Commissioners - Special Alcohol Permits (Ch. 463)	\$3,000	
HB 327	Allegany County - Restaurants - Sunday Sale Permits (Ch. 466)	\$1,750	
HB 1368	Allegany County - Sheriff's Office - Home Detention Program (Ch. 559)	Indeterminate Increase	
HB 1397	Allegany County Sanitary Commission - Collection of Delinquent Charges - Tax Sales (Ch. 315)	Indeterminate Increase	

BALTIMORE CITY

SB 109	Baltimore City - Tax Credit - South Baltimore Little League (Ch. 584)	(\$5,600)	
SB 154	Baltimore City - Alcoholic Beverages - Licensing Restrictions (Ch. 153)	Minimal Increase	
SB 195	Baltimore City - Alcoholic Beverages - License, Transfer, and Administrative Fees (Ch. 155)	\$55,000	
SB 260	Baltimore City - Alcoholic Beverages - Fines and Suspensions (Ch. 161)	Minimal Increase	
SB 359	Baltimore City - Property Tax Credit - Newly Constructed Dwellings (Ch. 379)	Minimal Decrease	
SB 539/ HB 1123	Baltimore City - Property Tax Exemption - Residential Conversion of Commercial Buildings (Ch. 615/616)	Indeterminate Decrease	

³¹Revenues go to Allegany College through FY 2002.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
SB 664	Taxes - Property of the Housing Authority of Baltimore City (Ch. 632)	Indeterminate Decrease	
SB 754	Baltimore City - Alcoholic Beverages - Club License Exemption (Ch. 433)	\$800 ³²	
HB 1043	Baltimore City - Alcoholic Beverages - Beer and Wine Tasting (Ch. 723)	Minimal Increase	
HB 1291	Baltimore City - Property Tax Credit - Northwest Family Sport Center, Inc. (Ch. 309)	(\$6,600)	

CALVERT COUNTY

HB 603	Calvert County - Recordation of Plats - Certification of Payment of Taxes, Assessments, and Charges (Ch. 701)	Minimal Increase	
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CAROLINE COUNTY

SB 48	Caroline County - Alcoholic Beverages - Licenses (Ch. 337)	Minimal Increase	
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CARROLL COUNTY

SB 420	Carroll County - Public Facilities Bonds (Ch. 177)	See Footnote ³³	
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$200,000 ³⁴	

³²Revenues increase in FY 1999 only.

³³Authorizes the issuance of up to \$30.39 million in bonds.

³⁴Revenues go to Carroll Community College through FY 2002.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
CECIL COUNTY			
SB 295	Cecil County - Public School Bonds (Ch. 25)	See Footnote ³⁵	
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$125,900 ³⁶	
CHARLES COUNTY			
SB 770	Harford and Charles Counties - Property Tax Program - Real Property in Rural Legacy Program (Ch. 775)	Indeterminate Decrease	
HB 1009	Charles County - Imposition of Impact Fees for School Construction (Ch. 287)	\$816,400	
HB 1061	Charles County - Zoning - Special Exceptions - Administrative Appeals (Ch. 291)	\$3,500	
DORCHESTER COUNTY			
SB 563	Dorchester County - Property Tax Credit - Agricultural and Forest Land (Ch. 413)	Significant Decrease ³⁷	
HB 854	Dorchester County - Special Alcoholic Beverages Licenses - Caterers (Ch. 278)	Minimal Increase	
HB 1352	Dorchester County - Authority of County Commissioners to Sell Real Property (Ch. 754)	Significant Increase ³⁸	

³⁵ Authorizes the issuance of up to \$5 million in bonds.

³⁶ Revenues go to Cecil Community College through FY 2002.

³⁷ Revenues could decrease by \$477,000 if maximum credits are granted.

³⁸ Revenues could increase by as much as \$1.52 million when and if the property is sold.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
HB 1401	Dorchester County - Eastern Shore Hospital Center Redevelopment Bonds (Ch. 787)	See Footnote ³⁹	

FREDERICK COUNTY

SB 720	Frederick County - Alcoholic Beverages - Jefferson Election District (Ch. 645)	\$2,600 ⁴⁰	
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GARRETT COUNTY

SB 702	Garrett County - Purchase of Real Property and Capital Improvements - Financing (Ch. 425)	See Footnote ⁴¹	
SB 787	Garrett County - Economic Development Bonds (Ch. 655)	See Footnote ⁴²	
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$308,600 ⁴³	
HB 1011	Garrett County - Property Tax Credit - Garrett County Memorial Hospital (Ch. 288)	Minimal Decrease	

HARFORD COUNTY

SB 200	Harford County - Alcoholic Beverages - Chain Stores, Supermarkets, or Discount Houses (Ch. 354)	\$300	
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³⁹ Authorizes the issuance of up to \$3.0 million in bonds.

⁴⁰ Assumes referendum is approved by voters.

⁴¹ Authorizes a \$1 million increase in borrowing.

⁴² Authorizes the issuance of up to \$1.5 million in bonds.

⁴³ Revenues go to Garrett Community College through FY 2002.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
SB 770	Harford and Charles Counties - Property Tax Program - Real Property in Rural Legacy Program (Ch. 775)	Indeterminate Decrease	

HOWARD COUNTY

HB 342	Howard County - Property Tax Credit - Therapeutic Riding Facilities (Ho. Co. 5-98) (Ch. 232)	Minimal Decrease	
HB 343	Howard County - Alcoholic Beverages - Wine Tasting License (Ho. Co. 13-98) (Ch. 233)	\$3,000	

MONTGOMERY COUNTY

SB 204	Transportation - Montgomery and Prince George's Counties - Grants for Purchase of Buses (Ch. 356)	\$2,200,000 ⁴⁴	
HB 367	Montgomery County - Alcoholic Beverages - Hotels and Restaurants (MC 803-98) (Ch. 61)	Minimal Increase	
HB 368	Montgomery County - Alcoholic Beverages - Micro-Brewery Licenses - Class H Beer and Light Wine (MC 804-98) (Ch. 62)	Minimal Increase	
HB 904	Montgomery County - Admissions and Amusement Tax - Enterprise Zones (MC 825-98) (Ch. 523)	Minimal Decrease	
HB 906	Alcoholic Beverages - Town of Kensington - Special License (MC 805-98) (Ch. 281)	\$1,100 ⁴⁵	

⁴⁴Revenues increase by \$2.3 million in FY 2000; future year revenue increases reflect amounts budgeted in Maryland Department of Transportation's capital program.

⁴⁵Represents maximum possible revenue increase.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
PRINCE GEORGE'S COUNTY			
SB 204	Transportation - Montgomery and Prince George's Counties - Grants for Purchase of Buses (Ch. 356)	\$200,000 ⁴⁶	
HB 652	Town of Bladensburg (Prince George's County) - Urban Renewal Authority for Slum Clearance (PG 418-98) (Ch. 86)	Indeterminate Increase ⁴⁷	
HB 657	Prince George's County - School Construction (PG 417-98) (Ch. 704)	\$35,000,000 ⁴⁸	
HB 749	Prince George's County - School Facilities Surcharge (PG 405-98) (Ch. 710)	See Footnote ⁴⁹	
SOMERSET COUNTY			
HB 1275	Somerset County - Property Tax Credit - J. Millard Tawes Foundation (Ch. 105)	(\$1,600) ⁵⁰	
ST. MARY'S COUNTY			
HB 551	St. Mary's County - Public Facilities Bonds (Ch. 77)	See Footnote ⁵¹	

⁴⁶Revenues increase by \$300,000 in FY 2000; future year revenue increases reflect amounts budgeted in Maryland Department of Transportation's capital program.

⁴⁷Legislation relates to Town of Bladensburg only.

⁴⁸Revenues increase from FY 1999 through FY 2002 only.

⁴⁹Revenues increase by \$27.7 million over the five-year period from FY 1999 through FY 2003.

⁵⁰Represents maximum possible revenue decrease.

⁵¹Authorizes the issuance of up to \$20 million in bonds.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT REVENUES

Bill	Title	FY 1999 Revenues	Mandate
WASHINGTON COUNTY			
HB 258	Higher Education - Small Community Colleges - Annual Grant (Ch. 570)	\$234,800 ⁵²	
HB 296	Washington County - Tip Jar Regulation - Repeal of Sunset (Ch. 229)	See Footnote ⁵³	
HB 703	Washington County - Alcoholic Beverages - Golf Courses (Ch. 261)	Minimal Increase	
HB 1188	Washington County Gaming Commission - Tip Jar Regulation (Ch. 548)	\$300,000	
WASHINGTON SUBURBAN SANITARY COMMISSION			
HB 824	Washington Suburban Sanitary Commission - Water and Sewer Subdivision Lines (PG/MC 15-98) (Ch. 516)	(\$2,800,000)	
HB 832	WSSC - System Development Charge, Compensation, and Hookups - Task Force on Privatization (PG/MC 4-98) (Ch. 713)	Indeterminate Increase ⁵⁴	
WICOMICO COUNTY			
HB 1268	Wicomico County - Alcoholic Beverages - Substitution Fee (Ch. 306)	\$1,200	

⁵²Revenues go to Hagerstown Junior College through FY 2002.

⁵³Legislation repeals sunset of June 30, 1999; annual revenues of approximately \$150,000 will continue.

⁵⁴Revenues could increase by \$40.6 million over the five-year period from FY 1999 through FY 2003, assuming the system development charge provision of the legislation does not sunset on December 31, 1999. If that provision sunsets, revenues would only increase by \$10.9 million.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
LEGISLATION AFFECTING ALL/MULTIPLE LOCAL JURISDICTIONS			
SB 36/ HB 372	Workers' Compensation - Use of Controlled Dangerous Substances or Alcohol (Ch. 64/108)	Minimal Decrease	
SB 68/ HB 309	Juvenile Justice Act of 1998 (Ch. 464/465)	Minimal Increase	
SB 85	Children and Families First Health Care Act of 1998 (Ch. 110)	Significant Decrease ¹	
SB 137/ HB 45	Health Insurance - Medical Clinical Trial - Coverage (Ch. 118/119)	Indeterminate Increase	
SB 164/ HB 584	Life Insurance - Public Entities - Authority to Pool (Ch. 346/347)	Minimal Decrease ²	
SB 177	Environment - Linked Deposit - Use in Maryland Water Quality and Drinking Water Revolving Loan Fund Programs (Ch. 328)	Minimal Decrease	
SB 241	Parole Hearings - Oral Testimony by Victims (Ch. 362)	Indeterminate Increase	
SB 320	Pension Systems - Eligibility Service (Ch. 371)	See Footnote ³	
SB 333	Judgments - Exemptions from Claims of Creditors - Roth IRA (Ch. 375)	Minimal Increase	
SB 373	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 605)	Minimal Increase ⁴	

¹Local expenditures for health services could decrease to the extent that the bill results in fewer uninsured individuals in a jurisdiction.

²Legislation could also affect municipalities.

³Expenditures increase by \$596,000 in FY 2000, increasing by 5% annually thereafter.

⁴Expenditures increase in FY 1999 only.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
SB 401/ HB 3	Health Insurance - Complaint Process for Adverse Decisions and Grievances (Ch. 111/112)	Indeterminate Increase	
SB 436	Vehicle Laws - Speeding Violations in School Zones - Penalties (Ch. 391)	Minimal Increase	
SB 446	Economic Development - Assistance to Local Governments (Ch. 394)	Indeterminate Increase	
SB 479	Health Insurance - Coverage for General Anesthesia for Dental Care (Ch. 398)	Minimal Increase	
SB 542	Workers' Compensation - Notice of Termination of Medical Benefits and Temporary Total Benefits (Ch. 408)	Minimal Increase	
SB 545/ HB 507	Health Insurance - Cleft Lip and Cleft Palate - Coverage (Ch. 120/121)	Minimal Increase	
SB 580	The Maryland School for the Blind - Board of Directors, Funding, and Services (Ch. 617)	\$54,000	
SB 592	Courts - Efficiency and Equity (Ch. 771)	See Footnote ⁵	
SB 619	Tax Credits - Businesses That Create New Jobs (Ch. 623)	See Footnote ⁶	
SB 633	Private Home Detention Monitoring Agencies (Ch. 331)	Indeterminate	
SB 634/ HB 766	Breast Cancer Program (Ch. 114/115)	\$2,600,000	
SB 643	Health Insurance - Reimbursements to Health Care Practitioners - Costs of Oncology Drugs (Ch. 192)	Minimal Increase	

⁵Expenditures decrease by \$1.4 million annually beginning in FY 2000.

⁶Legislation extends sunset from December 31, 2000 to December 31, 2002; administrative expenditures will continue.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
SB 675	Procurement - Security for Construction Contracts (Ch. 636)	Minimal Decrease	
SB 699	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 423)	Minimal Increase	
SB 784	Department of Health and Mental Hygiene - Vital Records (Ch. 654)	\$376,700 ⁷	
HB 1	School Accountability Funding for Excellence (Ch. 565)	Indeterminate Increase	✓
HB 56	Vehicle Laws - Weight Tolerances - Agricultural Products (Ch. 441)	Indeterminate Increase	
HB 65	Soil Conservation Districts - Funding (Ch. 37)	Minimal	
HB 99	Home- and Community-Based Services for Autistic Children and Seriously Emotionally Disturbed Individuals - Medicaid Waivers (Ch. 134)	Significant Decrease ⁸	
HB 122	Election Laws - Recount - Waiver of Cost (Ch. 666)	Minimal Increase	
HB 192	Jury Trials - Civil Proceedings (Ch. 322)	Minimal Decrease	
HB 226	Public Service Commission - Motor Carriers (Ch. 455)	Minimal Decrease	
HB 270	Arrest Warrant Inspection - Public Information (Ch. 332)	Indeterminate	✓
HB 286	Public Schools - Integrated Pest Management (Ch. 461)	Indeterminate Increase	✓

⁷ Assumes participation of all jurisdictions except Baltimore City.

⁸ Combined State and local net expenditure decreases could total \$4.1 million annually.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 213	Municipal Corporations - Incorporation Process (Ch. 678)	Indeterminate	✓
HB 335	Employees' and Teachers' Retirement Systems - Combination Formula - Computation of Early Service Retirement Allowance (Ch. 470)	Minimal Increase	
HB 337	Disability Retirement Benefits - Employees of Participating Governmental Units - Offset for Workers' Compensation Benefits - Exclusion (Ch. 471)	(\$68,400)	
HB 338	Retirement and Pensions - Termination of Membership - Applications for Disability Retirement (Ch. 472)	Minimal Increase	
HB 381	Office on Aging - Senior Centers - Grants (Ch. 687)	Indeterminate Decrease	
HB 398	Convictions for Certain Crimes Against Children, Sexually Violent Offenses, or Other Sexual Offenses - Registration Procedures (Ch. 473)	Indeterminate Decrease	
HB 412	Maryland Economic Development Revenue Bond Act - Sunset Repeal (Ch. 68)	See Footnote ⁹	
HB 430	Retirement and Pensions - Participating Governmental Units - Deficits (Ch. 476)	See Footnote ¹⁰	
HB 431	Workers' Compensation - Death Benefits for Partly Dependent Individuals (Ch. 690)	Indeterminate Increase	
HB 452	Department of Housing and Community Development - Rental Housing Production Program - Office and Commercial Space Conversion (Ch. 691)	Indeterminate Increase	

⁹Legislation removes September 30, 1998 sunset; finances related to the issuance of economic development revenue bonds will continue.

¹⁰Increase in State actuarial pension liabilities of \$4.45 million, and corresponding decrease in pension liabilities for certain participating local governments, to be funded beginning in FY 1999 through FY 2020. The participating governmental units include the cities of Hagerstown, Cumberland, Takoma Park, Greenbelt, and Hyattsville; the Talbot County Board of Education; and the Dorchester County Road Board.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 457	Health Benefit Plans - Coverage for Prescription Contraceptive Drugs or Devices (Ch. 117)	Indeterminate Increase	
HB 464	Maryland Economic Adjustment Fund (Ch. 693)	Indeterminate Increase	
HB 506	Victims' Rights - Notification (Ch. 480)	Indeterminate Increase	
HB 528	Signatures and Seals of Architects - Buildings in Municipal Corporations (Ch. 780)	Minimal Decrease	
HB 622	Local Law Enforcement Officers - Participation in State System (Ch. 494)	Indeterminate Increase	
HB 770	Education - Transitioning Youth - Report on Postsecondary Service Needs (Ch. 266)	Indeterminate Increase	
HB 874	Health Maintenance Organizations - Reimbursement to Hospital Emergency Facilities and Providers (Ch. 606)	Minimal Increase ¹¹	
HB 940	Estates and Trusts - Limitation Period for Refund Claims (Ch. 785)	Indeterminate Decrease	
HB 1025	Environment - Drinking Water (Ch. 533)	See Footnote ¹²	
HB 1093	Family Law - Children in Out-of-Home Placements (Ch. 539)	Significant Increase ¹³	
HB 1097	State Fire Marshal - Fees - Exemptions (Ch. 540)	Indeterminate Decrease	

¹¹Expenditures increase in FY 1999 only.

¹²Expenditures could increase in future years as a result of regulations adopted.

¹³Local expenditures could increase to the extent that local governments need to hire additional staff to handle more court cases. Expenditures for Baltimore City could increase by \$280,000 in FY 1999.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 1129	Workers' Compensation - Funeral Expenses (Ch. 725)	Minimal Increase	
HB 1131	Washington County - Procurement - Intergovernmental Cooperative Purchasing (Ch. 543)	Minimal Decrease	
HB 1162	Health Insurance - Compensation of Health Care Practitioners - Capitated Fees (Ch. 424)	Minimal Increase	
HB 1223	Workers' Compensation Insurance - Scheduled Credits (Ch. 737)	Indeterminate	
HB 1336	State Retirement and Pension System - Administration and Operation (Ch. 556)	Minimal Increase	
HB 1393	Flood Management Grants - Local and State Contributions (Ch. 314)	Significant Decrease ¹⁴	
HB 1426	Vehicle Laws - Weight Tolerances - Forest Products (Ch. 563)	Indeterminate Increase	

¹⁴Potential 50% reduction in local government expenditures for flood control projects.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
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LEGISLATION AFFECTING LOCAL GOVERNMENTS BY SUBDIVISION

ALLEGANY COUNTY

HB 265	Allegany and Garrett Counties - Confinement as Condition of Probation Before Judgment (Ch. 460)	Minimal Increase	
HB 307	Allegany County State's Attorney - Salary (Ch. 58)	\$20,600 ¹⁵	
HB 1368	Allegany County - Sheriff's Office - Home Detention Program (Ch. 559)	Indeterminate Decrease	

BALTIMORE CITY

SB 169/ HB 256	Higher Education - Baltimore City Community College - Funding (Ch. 568/569)	See Footnote ¹⁶	
SB 297	Baltimore City - Sheriff - Salary (Ch. 369)	\$3,300 ¹⁷	
SB 302	Baltimore City - Board of License Commissioners - Personnel (Ch. 165)	\$61,200 ¹⁸	
SB 519/ HB 1122	Baltimore City - Sheriff - Personnel (Ch. 103/402)	Indeterminate Increase ¹⁹	
SB 664	Taxes - Property of the Housing Authority of Baltimore City (Ch. 632)	Indeterminate	

¹⁵Expenditures increase by \$48,500 in FY 2000 and by \$55,900 annually thereafter.

¹⁶Expenditures increase by \$200,000 annually beginning in FY 2000.

¹⁷Expenditures increase by \$7,700 in FY 2000; future year expenditure increases reflect the incremental salary increases specified by the legislation.

¹⁸Expenditures increase by \$81,600 annually thereafter.

¹⁹Expenditures could increase significantly if Baltimore City appoints additional deputy sheriffs pursuant to the legislation.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
SB 716/ HB 1299	Maryland African American Museum Corporation (Ch. 428/429)	Indeterminate ²⁰	
HB 1120	Baltimore City - Board of License Commissioners - Adult Entertainment Licenses (Ch. 294)	\$5,000 ²¹	
HB 1422	Baltimore City - Orphans' Court (Ch. 318)	\$15,100 ²²	

BALTIMORE COUNTY

HB 730	Baltimore County - Community Colleges - Change of Name (Ch. 707)	Minimal Increase
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CALVERT COUNTY

HB 602	Calvert County - Competitive Bidding (Ch. 84)	Indeterminate
HB 609	Calvert County - Gambling Permit Review Committee - Quorum (Ch. 702)	Minimal Increase

CAROLINE COUNTY

HB 1425	Caroline County - Treasurer - Salary (Ch. 319)	See Footnote ²³
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CARROLL COUNTY

SB 420	Carroll County - Public Facilities Bonds (Ch. 177)	\$2,500,000 ²⁴
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²⁰The bill does not require local funding.

²¹Expenditures increase in FY 1999 only. Represents maximum possible expenditure increase.

²²Expenditures increase by \$25,800 annually thereafter.

²³Expenditures increase by \$2,600 annually beginning in FY 2000.

²⁴Annual debt service of \$2.5 million for 30 years on a \$30.39 million bond issue.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
SB 531	Carroll County - Board of Education - Compensation (Ch. 185)	\$2,100 ²⁵	
SB 623	Carroll County - Orphans' Court Judges - Salary (Ch. 190)	\$4,700 ²⁶	
SB 626	Election Code - Carroll County Election Board - Salaries (Ch. 625)	See Footnote ²⁷	
HB 1181	Carroll County - Sheriff's Salary (Ch. 104)	\$5,700 ²⁸	

CECIL COUNTY

SB 295	Cecil County - Public School Bonds (Ch. 25)	\$500,000 ²⁹	
SB 511	Cecil County - Commission for Women (Ch. 182)	\$5,000	
SB 557	Cecil County - Board of County Commissioners (Ch. 33)	See Footnote ³⁰	
SB 724	Cecil, Kent, and Wicomico Counties - Orphans' Court Judges - Salaries (Ch. 430)	\$1,900 ³¹	

²⁵Expenditures increase by \$4,200 in FY 2000; future year expenditure increases reflect staggering of board elections.

²⁶Expenditures increase by \$8,100 annually thereafter.

²⁷Expenditures increase by \$2,000 annually beginning in FY 2002.

²⁸Expenditures increase by \$9,800 annually thereafter.

²⁹Annual debt service of \$500,000 for 15 years on a \$5 million bond issue.

³⁰Assuming voter approval, expenditures will increase by \$46,400 in FY 2003 and by \$92,900 annually thereafter.

³¹Expenditures increase by \$3,200 annually thereafter.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
CHARLES COUNTY			
HB 713	Charles County - Sheriff's Salary (Ch. 88)	\$6,800 ³²	
HB 718	Charles County State's Attorney - Salary (Ch. 263)	\$4,900 ³³	
DORCHESTER COUNTY			
HB 1311	Dorchester County - State's Attorney - Salary (Ch. 745)	\$8,100 ³⁴	
HB 1401	Dorchester County - Eastern Shore Hospital Center Redevelopment Bonds (Ch. 787)	\$294,000 ³⁵	
FREDERICK COUNTY			
SB 671	Frederick County - Alcoholic Beverages Inspector - Term and Salary (Ch. 194)	\$8,890	
SB 774	Frederick County - One Day - One Trial Jury System (Ch. 207)	(\$46,000) ³⁶	
GARRETT COUNTY			
SB 702	Garrett County - Purchase of Real Property and Capital Improvements - Financing (Ch. 425)	Indeterminate Increase	

³²Expenditures increase by \$13,600 annually thereafter.

³³Expenditures increase by \$9,900 annually thereafter.

³⁴Expenditures increase by \$16,100 annually thereafter.

³⁵Annual debt service of \$294,000 on a \$3 million bond issue.

³⁶Represents maximum possible expenditure decrease.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
SB 787	Garrett County - Economic Development Bonds (Ch. 655)	\$141,600 ³⁷	
HB 265	Allegany and Garrett Counties - Confinement as Condition of Probation Before Judgment (Ch. 460)	Minimal Increase	
HB 569	Garrett County - Sheriff's Office Employees - Classified Service (Ch. 79)	Indeterminate Minimal	
HB 571	Garrett County - Purchase of Used Property - Procurement Process (Ch. 490)	Minimal Decrease	
HB 600	Garrett County - Delinquent Municipal Property Taxes - Obligation of County Treasurer to Conduct Sale (Ch. 83)	Minimal Increase ³⁸	

HARFORD COUNTY

SB 238	Harford County - School Board Hearing Examiner - Bar Membership Optional for Certain Proceedings (Ch. 361)	Minimal Decrease
HB 1165	Harford County - State's Attorney - Salaries (Ch. 732)	\$800 ³⁹

HOWARD COUNTY

HB 341	Howard County - Alcoholic Beverage Act of 1998 (Ch. 686)	Minimal Increase
HB 104	Howard County - Board of Education - Compensation (Ho. Co. 12-98) (Ch. 42)	\$5,000

³⁷Annual debt service of \$141,600 on a \$1.5 million bond issue.

³⁸Municipal expenditures would be reduced to the extent that Garrett County expenditures increase.

³⁹Expenditures increase by \$1,600 in FY 2000 and 2001, and \$3,200 in FY 2002 and thereafter.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 105	Howard County - Orphans' Court - Salaries of Judges (Ho. Co. 11-98) (Ch. 43)	\$1,000 ⁴⁰	
HB 132	Howard County - Deputy State's Attorneys (Ho. Co. 3-98) (Ch. 48)	\$66,400 ⁴¹	
HB 345	Howard County - Sheriff - Salary (Ho. Co. 10-98) (Ch. 59)	\$4,700 ⁴²	

KENT COUNTY

SB 724	Cecil, Kent, and Wicomico Counties - Orphans' Court Judges - Salaries (Ch. 430)	\$2,900 ⁴³	
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MONTGOMERY COUNTY

SB 205	Washington Suburban Transit District - Capital Equipment - Funding (Ch. 357)	See Footnote ⁴⁴	
SB 207	Washington Suburban Transit District - Debt Service Grants (Ch. 358)	See Footnote ⁴⁵	

⁴⁰Expenditures increase by \$2,000 annually thereafter.

⁴¹Expenditures increase by \$105,600 in FY 2000; future year expenditure increases reflect 6% annual salary increases.

⁴²Expenditures increase by \$10,000 in FY 2000; future year expenditure increases reflect the incremental salary increases specified by the legislation.

⁴³Expenditures increase by \$4,900 annually thereafter.

⁴⁴Expenditures decrease by \$2 million annually beginning in FY 2000.

⁴⁵Expenditures decrease by \$1.2 million annually beginning in FY 2000.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 369	Education - Montgomery Community College - Board of Trustees (MC 806-98) (Ch. 234)	See Footnote ⁴⁶	
PRINCE GEORGE'S COUNTY			
SB 205	Washington Suburban Transit District - Capital Equipment - Funding (Ch. 357)	See Footnote ⁴⁷	
SB 207	Washington Suburban Transit District - Debt Service Grants (Ch. 358)	See Footnote ⁴⁸	
SB 300	Circuit Courts - District Court - Judges (Ch. 370)	\$240,000 ⁴⁹	✓
HB 626	Prince George's County - AIDS Prevention Sterile Needle and Syringe Exchange Program (PG 416-98) (Ch. 251)	\$553,000 ⁵⁰	
HB 652	Town of Bladensburg (Prince George's County) - Urban Renewal Authority for Slum Clearance (PG 418-98) (Ch. 86)	Indeterminate Increase ⁵¹	
HB 657	Prince George's County - School Construction (PG 417-98) (Ch. 704)	\$32,000,000 ⁵²	
HB 743	Prince George's County - Inmates - Conditions of Work Release (PG 300-98) (Ch. 508)	Indeterminate Decrease	

⁴⁶Expenditures increase by \$2,600 in FY 2001 and by \$5,100 annually thereafter.

⁴⁷Expenditures decrease by \$2.8 million annually beginning in FY 2000.

⁴⁸Expenditures decrease by \$1.2 million annually beginning in FY 2000.

⁴⁹Future year expenditure increases will reflect annualization.

⁵⁰Represents maximum possible expenditure increase, if Prince George's County chooses to establish a program authorized by the legislation.

⁵¹Legislation relates to Town of Bladensburg only.

⁵²Expenditures increase from FY 1999 through FY 2002 only.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 755	Prince George's County - Correctional Officer Applicants - Lie Detector Tests (PG 306-98) (Ch. 711)	\$10,000	
HB 778	Prince George's County Sheriff's Office - Compensation (PG 314-98) (Ch. 269)	\$15,200 ⁵³	
HB 1048	Prince George's County - State's Attorney's Office - Assistant State's Attorneys (Ch. 290)	\$21,100	

State-mandated expenditures of \$240,000 is less than two-tenths of one cent on Prince George's County's property tax.

SOMERSET COUNTY

HB 1361	Somerset County - County Commissioners - Donation to Friends of Teackle Mansion (Ch. 558)	Indeterminate Increase ⁵⁴
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ST. MARY'S COUNTY

SB 300	Circuit Courts - District Court - Judges (Ch. 370)	\$175,000 ⁵⁵	✓
HB 551	St. Mary's County - Public Facilities Bonds (Ch. 77)	\$2,000,000 ⁵⁶	
HB 736	St. Mary's County - State's Attorney - Investigators (Ch. 93)	Indeterminate	

⁵³Expenditures increase by \$17,500 in FY 2000 and by \$21,000 annually thereafter.

⁵⁴Somerset County is planning to include \$10,000 in the county's FY 1999 budget for capital improvements at the historical Teackle Mansion.

⁵⁵Future year expenditure increases will reflect annualization.

⁵⁶Annual debt service of \$2 million for 15 years on a \$20 million bond issue.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 1418	St. Mary's County - Salaries - Sheriff, Treasurer, and Orphans' Court Judges (Ch. 316)	\$6,800 ⁵⁷	

State-mandated expenditures of \$175,000 is less than one cent on St. Mary's County's property tax.

WASHINGTON COUNTY

HB 296	Washington County - Tip Jar Regulation - Repeal of Sunset (Ch. 229)	See Footnote ⁵⁸
HB 679	Washington County - State's Attorney - Salary (Ch. 87)	\$13,600 ⁵⁹
HB 701	Washington County - Board of License Commissioners - Salaries (Ch. 503)	\$11,300 ⁶⁰
HB 815	Election Code - Washington County Election Board - Salaries (Ch. 274)	\$500 ⁶¹
HB 1130	Washington County - Sale and Purchase of Real Estate (Ch. 542)	Minimal Decrease
HB 1131	Washington County - Procurement - Intergovernmental Cooperative Purchasing (Ch. 543)	Indeterminate Decrease

⁵⁷Expenditures increase by \$13,500 annually thereafter.

⁵⁸Legislation repeals sunset of June 30, 1999; annual expenditures of approximately \$100,000 will continue.

⁵⁹Expenditures increase by \$27,100 annually thereafter.

⁶⁰Expenditures increase by \$15,000 annually thereafter.

⁶¹Expenditures increase by \$900 annually thereafter.

STATE LEGISLATION AFFECTING LOCAL GOVERNMENT EXPENDITURES

Bill	Title	FY 1999 Expenditures	Mandate
HB 1188	Washington County Gaming Commission - Tip Jar Regulation (Ch. 548)	\$300,000	

WASHINGTON SUBURBAN SANITARY COMMISSION

HB 824	Washington Suburban Sanitary Commission - Water and Sewer Subdivision Lines (PG/MC 15-98) (Ch. 516)	(\$2,800,000)	
HB 832	WSSC - System Development Charge, Compensation, and Hookups - Task Force on Privatization (PG/MC 4-98) (Ch. 713)	Indeterminate Increase	

WICOMICO COUNTY

SB 724	Cecil, Kent, and Wicomico Counties - Orphans' Court Judges - Salaries (Ch. 430)	\$3,000 ⁶²	
HB 1161	Wicomico County - Sheriff - Salary (Ch. 299)	Indeterminate	
HB 1270	Wicomico County - Board of License Commissioners - Salary of Chairman and Members (Ch. 307)	\$2,500	
HB 1271	Wicomico County - Board of License Commissioners Attorney - Salary (Ch. 308)	\$1,100 ⁶³	

WORCESTER COUNTY

HB 792	Worcester County Election Board - Counsel - Salary (Ch. 95)	Indeterminate Increase	
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⁶²Expenditures increase by \$5,200 annually thereafter.

⁶³Expenditures increase by \$1,500 annually thereafter.

CHAPTER FIVE
PENALTY LEGISLATION

PENALTY LEGISLATION

The following is a list of bills passed by the 1998 General Assembly that impose a penalty provision. Penalty provisions can increase revenues through fines and expenditures through incarceration expenses. These increases are not accounted for in the State or local sections. The following abbreviations are used: FO for first offense and SO for subsequent offense. Legislation with multiple entries indicates more than one penalty provision.

Bill	Title	Maximum Penalty Provision
FINES ONLY		
SB 178/ HB 599	Water Quality Improvement Act of 1998 (Ch. 324/325)	\$100, \$250, \$1,000, \$2,000
SB 200	Harford County - Alcoholic Beverages - Chain Stores, Supermarkets, or Discount Houses (Ch. 354)	Increased Fine
SB 401/ HB 3	Health Insurance - Complaint Process for Adverse Decisions and Grievances (Ch. 111/112)	Expanded Application of Existing Penalties
SB 436	Vehicle Laws - Speeding Violations in School Zones - Penalties (Ch. 391)	Increased Fine
SB 632	Optometrists and Physicians - Replacement Contact Lens Prescriptions (Ch. 626)	\$1,000
SB 650	Medical Assistance - Managed Care Organizations - Comprehensive Outreach Services (Ch. 631)	Unspecified Fines
SB 679/ HB 1260	Fisheries Management - Limited Entry to the Commercial Fishery - Apprenticeship - Noncommercial Crabbing License (Ch. 418/419)	FO: \$500 SO: \$1,000 or \$2,000
HB 48	Commercial Law - Abandoned Property (Ch. 663)	Decreased Fine
HB 296	Washington County - Tip Jar Regulation - Repeal of Sunset (Ch. 229)	Continues Existing Penalties
HB 437	Nursing - Notification of Ownership, Name, or Address Change (Ch. 71)	\$100

PENALTY LEGISLATION

Bill	Title	Maximum Penalty Provision
HB 525	St. Mary's County - Alcoholic Beverages - Bottle Clubs (Ch. 246)	\$1,000
HB 1025	Environment - Drinking Water (Ch. 533)	\$1,000, \$5,000, \$20,000, or \$50,000
HB 1034	Fishing - Pound Nets and Pound Net Stakes (Ch. 289)	Expanded Application of Existing Penalties
HB 1062	Consumer Protection - Drug Storage and Shipment Safety Act (Ch. 125)	Expanded Application of Existing Penalties
HB 1351	Hospital of Nursing Facility - Employee Name Tags (Ch. 127)	\$25
HB 1355	Insurance - Penalties (Ch. 755)	Increased Existing Fines

FINE AND/OR INCARCERATION

SB 22	Natural Resources - Livery Vessel Owner - Safety Requirements (Ch. 9)	\$1,000 and/or 1 year
SB 53	Crimes - Fraudulent Title (Ch. 143)	Expanded Application of Existing Penalties
SB 78	Unemployment Insurance - Information - Release to Child Support Enforcement Units (Ch. 17)	\$1,000 and/or 1 year
SB 105/ HB 202	Consumer Credit - Mortgage Lending Business Reforms (Ch. 760/761)	Expanded Application of Existing Penalties
SB 429	Crimes - Malicious Destruction of Property (Ch. 389)	Altered and Expanded Application of Existing Penalties
SB 711	Baltimore City - Alcoholic Beverages - Bottle Clubs (Ch. 427)	\$10,000 and/or 2 years
SB 738	Vehicle Laws - Fleeing or Eluding a Police Officer - Penalties (Ch. 649)	Increased Existing Penalties

PENALTY LEGISLATION

Bill	Title	Maximum Penalty Provision
SB 799	Prince George's County - Alcoholic Beverages - Nudity and Sexual Displays (PG 322-98) (Ch. 658)	Increased Existing Penalties
HB 129	Emergency Medical Services Providers (Ch. 46)	\$1,000 and/or 1 year
HB 140	Crimes - Electronic Mail Misuse - Penalties (Ch. 668)	\$500 and/or 1 year
HB 161	Health - Female Genital Mutilation (Ch. 128)	\$5,000 and/or 5 years
HB 339	Family Law - Domestic Violence - Penalties (Ch. 685)	Increased Existing Penalties
HB 468	Lawyers - Solicitation of Clients - Requirements (Ch. 478)	\$1,000 and/or 1 year
HB 620	Crimes - Possession of Vehicle Identification Numbers (Ch. 249)	Expanded Application and Increased Existing Penalties
HB 644	St. Mary's Metropolitan Commission - Public Sewer Use Regulations - Enforcement Remedies (Ch. 85)	Increased Existing Penalties
HB 659	Vehicle Laws - Accident Resulting in Bodily Injury or Death - Penalties and Limitations (Ch. 781)	Alters Existing Penalties
HB 673	Fishing - Interference with Fishing Activities (Ch. 254)	Expanded Application of Existing Penalties
HB 722	Charles County - County Roads - Restricted Access (Ch. 92)	\$1,000 and/or 60 days
HB 925	Crimes - Computers - Exceeding Authorized Access (Ch. 525)	Expanded Application of Existing Penalties
HB 1178	Crimes - Telecommunications Act (Ch. 733)	Expanded Application of Existing Penalties
HB 1192	Frederick County - Alcoholic Beverages - Bottle Clubs (Ch. 549)	\$10,000 and/or 2 years
HB 1359	Sexual Offenses - Correctional Employees and Inmates (Ch. 557)	\$3,000 and/or 3 years

PENALTY LEGISLATION

Bill	Title	Maximum Penalty Provision
HB 1368	Allegany County - Sheriff's Office - Home Detention Program (Ch. 559)	\$10,000 and/or 1 year

INCARCERATION ONLY

SB 329/ HB 1080	Child Abuse - Death of a Child - Penalties (Ch. 372/373)	Increased Incarceration Penalty
SB 368	Child Sexual Offenses and Kidnapping - Imprisonment for Life Without Possibility of Parole (Ch. 380)	Increased from Life to Life Without Possibility of Parole

DEATH PENALTY

HB 1067	Homicide - Penalties (Ch. 538)	Expanded Application of Death Penalty
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CHAPTER SIX
VETOED LEGISLATION

VETOED LEGISLATION

The following is a list of all bills passed by the 1998 General Assembly and vetoed by the Governor for policy reasons.

SB 291 Recordation Tax - Payment and Collection

SB 536/ Personal Property Tax - Lien for Unpaid Taxes
HB 585

SB 291 could have resulted in an annual decrease of \$5 million in general fund revenues, and a corresponding increase in local revenues, beginning in FY 2000. SB 536/HB 585 would have caused a significant decrease in local revenues.