

loan authorized for the construction of a new State Office Building in Baltimore City, because of unfavorable building conditions and the decision of State officials to defer the construction of a State Office Building until conditions improve.

The General Assembly, at the 1947 Session, enacted two other laws calling for the issuance of State Bonds, one the General Construction Loan of 1947, authorized by Chapter 694, in the amount of \$11,695,000.00, of which \$5,000,000.00 was sold as of July 1, 1947. The balance of the loan, \$6,695,000.00, will be sold at a later date as the need for this money for construction purposes arises. The other loan authorized is the Armory Loan of 1947, by Chapter 624, in the amount of \$560,000.00, to cover the cost of armories to be erected in several locations in the State. No action has been taken up to this time looking toward the issuance of these bonds, because it has been felt that there is no pressing need in the near future for these armories, and construction of them will be deferred until such time as the Military Department and the State officials feel it is desirable to proceed with their construction.

The ANNUITY BOND FUND, which is the account maintained for servicing the bonded debt, had a credit balance of \$1,379,095.06 at the end of the Fiscal Year. This amount represents taxes collected for the purpose of paying interest on and redeeming the State debt, and will be used, along with taxes on real and personal property to be received in the future, in servicing the bonded debt.

LEGISLATION. It was very gratifying to this office that the General Assembly, at its 1947 Session, gave serious consideration to the recommendation which the State Comptroller's Office has made on several occasions in past years, that the State's finances be placed on an annual basis, as far as budgeting is concerned, rather than on a biennial basis, as has been the case up to this time. Amendment to the State Constitution is necessary to bring about the change from biennial to annual budgeting, and an Enabling Act under which it is proposed to amend the Constitution to provide for the Legislature meeting annually was passed at the 1947 Session, and will be voted upon next year. It is sincerely hoped by this department that the Amendment will be approved by the voters, as annual budgeting will represent quite a forward step in keeping the State's fiscal affairs as current as possible.

POST WAR CONSTRUCTION PROGRAM

Our report for the year ended June 30, 1946 contained a detailed account of the program which was provided to take care of construction which would follow the close of the war. This program was conceived with two thoughts in mind—first, that it would provide for construction which would ordinarily have been done during the war years, but which could not be done because of the war emergency, and, second, it was felt that such a program would be very helpful in relieving the unemployment problem which was