

income and adjusted assessed valuation of real property.

(4) "Expenditures in which the State shares" shall be the current ~~AND CAPITAL~~ operating AND CAPITAL expenditures of approved public libraries participating in the cooperative program under the provisions of this section within the limits provided in subsection (c).

(5) "Adjusted assessed valuation of real property" shall be the most recent estimate, made by the Department of Assessments and Taxation prior to the submission of the annual State budget to the General Assembly, of the assessed value of real property as reported by the State Department of Assessments and Taxation for State purposes as of July 1 of the first completed fiscal year preceding the fiscal year for which the calculation of library aid pursuant to this section is made. "Real property," as used herein, includes land, improvements to land, land and nonoperating property of railroads, land and nonoperating property of public utilities, and public utility operating property classified as real property. If, for any county, the State Department of Assessments and Taxation shall estimate that real property is assessed at more or less than 55% of market value, the assessed valuation of those categories of real property which are estimated to be assessed at more or less than 55% of market value, on the basis of surveys made pursuant to § 232 (14) of Article 81, which shall be reported as of a date not later than November 1 of the calendar year preceding the fiscal year for which the calculation is being made, shall be adjusted to 55%. The adjustment provided for herein shall not apply to public utility operating property.

(6) "Net taxable income" shall be as certified by the Comptroller of the Treasury for the second completed calendar year preceding the fiscal year for which the calculation of library aid pursuant to this section is made, based upon tax returns filed on or before July 1 succeeding the said calendar year.

(7) "CAPITAL EXPENDITURES" MEANS DEBT SERVICE OR PAY-AS-YOU-GO CAPITAL OUTLAY EXPENDITURES FOR THE PURCHASE OF LAND FOR LIBRARIES, THE PURCHASE AND CONSTRUCTION OF LIBRARY BUILDINGS, REMODELING AND ADDING TO LIBRARY BUILDINGS, AND THE PURCHASE OF EQUIPMENT AND FURNITURE FOR SUCH LIBRARY BUILDINGS. "DEBT SERVICE" IS THE TERM USED TO DESCRIBE THE INTEREST AND AMORTIZATION CHARGES PAID ANNUALLY OVER A PERIOD OF YEARS TO RETIRE BONDS. "PAY-AS-YOU-GO" IS THE TERM USED TO DESCRIBE A CURRENT CAPITAL EXPENDITURE OR ACCUMULATION TOWARD CAPITAL OUTLAY.

(c) For each county which elects to participate in the cooperative program, there shall be provided annually for the purposes of the minimum program for current AND CAPITAL expenditures of libraries from local and State funds, an amount for each resident of the county which is