

to the Revenue Stabilization Account, except under certain circumstances; authorizing the transfer of funds from the Revenue Stabilization Account under certain circumstances; requiring certain reductions in transfers from the account under certain circumstances; and generally relating to the establishment of a State Reserve Fund.

BY adding to

Article - State Finance and Procurement
Section 2-701, 2-702, and 2-703 to be under the new subtitle
"Subtitle 7 - Tax Avoidance Reserve Fund"
Section 7-309, 7-310, 7-311, and 7-312 and 7-311
Annotated Code of Maryland
(1985 Volume)

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

Article - State Finance and Procurement

SUBTITLE 7 - TAX AVOIDANCE RESERVE FUND

2-701:

(A) -- THERE IS A TAX AVOIDANCE RESERVE FUND.

(B) -- THE TAX AVOIDANCE RESERVE FUND CONSISTS OF:

(1) -- MONEYS APPROPRIATED IN THE STATE BUDGET TO THE RESERVE FUND;

(2) -- UNAPPROPRIATED STATE GENERAL FUND SURPLUS MONEY TRANSFERRED TO THE RESERVE FUND UNDER § 2-702 OF THIS SUBTITLE; AND

(3) -- SUBJECT TO § 2-702 OF THIS SUBTITLE, INTEREST OR OTHER INCOME EARNED FROM THE INVESTMENT OF ANY PORTION OF THE FUND.

(C) -- ANY UNEXPENDED FUNDS REMAINING IN THE TAX AVOIDANCE RESERVE FUND AT THE END OF A FISCAL YEAR MAY NOT REVERT TO THE GENERAL FUND OF THE STATE.

2-702:

(A) (1) -- SUBJECT TO THE PROVISIONS OF PARAGRAPH (2) OF THIS SUBSECTION, BEGINNING IN FISCAL YEAR 1988 AND FOR EACH SUBSEQUENT FISCAL YEAR, THE GOVERNOR SHALL APPROPRIATE \$5 MILLION IN THE STATE BUDGET TO THE TAX AVOIDANCE RESERVE FUND.

(2) -- IF THE TOTAL AMOUNT OF THE TAX AVOIDANCE RESERVE FUND IS AT LEAST \$100 MILLION, THE APPROPRIATION REQUIREMENT OF PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY.