

(i) funds to offset reductions in federal appropriations shall be in the form of a special fund appropriation in the State budget bill; and

(ii) funds to offset revenue reductions shall be expressly authorized in an act of the General Assembly other than the State budget bill.

(2) Funds in the Account may only be transferred from the Account as provided in this section and are not subject to transfer by budget amendment.

(f) The Governor may propose use of funds in this Account to offset:

(1) substantial reductions in federal revenues due to changes in federal law or fiscal policies;

(2) reductions in State revenues attributable to changes in federal income tax law; or

(3) substantial downturns in revenues resulting from significant changes in the economy or federal actions that lay off or terminate Maryland employees.

(g) (1) As part of the information submitted with the State budget bill at the 1996, 1997, and 1998 Sessions of the General Assembly, the Governor shall submit a report that indicates for the current fiscal year and for the fiscal year for which the State budget is proposed, the estimated effects on revenues and expenditures of changes in federal law or federal fiscal policies.

(2) The report shall include:

(i) by program, to the extent possible, where federal aid has been reduced or proposed for reduction; and

(ii) by program, where funds from this account are being requested to offset any reduction in federal aid.]

7-311.

(a) In this section ["Account"] "FUND" means the Revenue Stabilization [Account] FUND.

(b) The Revenue Stabilization [Account] FUND is established to retain State revenues for future needs and reduce the need for future tax increases by moderating revenue growth.

(c) The [Account] FUND is a continuing, nonlapsing fund which is not subject to § 7-302 of this subtitle.

(d) The [Account] FUND consists of:

(1) moneys appropriated in the State budget to the [Account] FUND; and

(2) interest or other income earned from the investment of any portion of this [Account] FUND or any other account in the State Reserve Fund.

(e) Except as provided in subsection (f) of this section, beginning in Fiscal Year