

# SENATE BILL 314

P1

(PRE-FILED)

1lr1176  
CF HB 113

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By: ~~Senator McCray~~ Senators McCray and Elfreth

Requested: October 27, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 15, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Board of Revenue Estimates and Bureau of Revenue Estimates – Organization**  
3 **and Operations**

4 FOR the purpose of requiring the Comptroller, with certain approval, to appoint the Chief  
5 of the Bureau of Revenue Estimates from a list of certain candidates; requiring the  
6 Chief to appoint a certain number of analysts and a Deputy Chief; ~~requiring that the~~  
7 ~~Chief and Deputy Chief be members of the Maryland Executive Pay Plan with~~  
8 ~~salaries set within the limits of certain scales of the Plan; requiring a certain report~~  
9 to be reviewed and approved by the Revenue Monitoring Committee before certain  
10 estimates may be formally adopted by the Board of Revenue Estimates; requiring  
11 the Bureau to submit a certain report to the Board of Revenue Estimates by a certain  
12 date that allows the Board to meet ~~prior to~~ before the passage of the annual budget  
13 bill in the first chamber of the General Assembly to vote on the budget bill in that  
14 year; requiring the Bureau, on or before a certain date each year, to submit a certain  
15 report to the Governor and the General Assembly on the strengths and weaknesses  
16 of the Bureau during a certain period of time; requiring the Department of  
17 Legislative Services, on or before a certain date each year, to submit a certain report  
18 to the General Assembly on the operations of the Bureau; requiring the report  
19 produced by the Department to cover a certain period of time; requiring the  
20 Consensus Revenue Monitoring and Forecasting Group to review and evaluate  
21 certain candidates before a new Chief is appointed; requiring the Comptroller and  
22 the Bureau to provide research and analysis of certain issues to certain persons  
23 under certain circumstances; requiring the Board, on or before a certain date each  
24 year and in coordination with the Chief, to schedule certain meetings; authorizing

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 the Board to reschedule a certain meeting under certain circumstances; requiring a  
2 certain notice to be posted to a certain website and include a certain statement;  
3 requiring the Board to develop and maintain a website that provides access to certain  
4 information, links, and reports; and generally relating to the organization and  
5 operations of the Bureau of Revenue Estimates and the Board of Revenue Estimates.

6 BY repealing and reenacting, without amendments,  
7 Article – State Finance and Procurement  
8 Section 6–101, 6–104(b)(1), and 6–105(a)(1) and (2) and (b)  
9 Annotated Code of Maryland  
10 (2015 Replacement Volume and 2020 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article – State Finance and Procurement  
13 Section 6–103, 6–104(b)(2), 6–105(e) and (f), and 6–106  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume and 2020 Supplement)

16 BY adding to  
17 Article – State Finance and Procurement  
18 Section 6–104(f) and (g)  
19 Annotated Code of Maryland  
20 (2015 Replacement Volume and 2020 Supplement)

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

23 **Article – State Finance and Procurement**

24 6–101.

25 (a) In this subtitle the following words have the meanings indicated.

26 (b) “Board” means the Board of Revenue Estimates.

27 (c) “Bureau” means the Bureau of Revenue Estimates.

28 (d) “Chief” means the Chief of the Bureau.

29 6–103.

30 (a) There is a Bureau of Revenue Estimates in the Office of the Comptroller.

31 (b) (1) The head of the Bureau is the Chief.

32 (2) Subject to the supervision of the Comptroller, the Chief has  
33 administrative control of the Bureau.

1 (3) Unless the Comptroller, with the approval of the Board, determines  
2 that an alternative structure is appropriate, the Chief shall be subject to the supervision of  
3 the Deputy Comptroller with responsibility for tax administration.

4 (c) (1) Except as otherwise provided by law, subject to the approval of the  
5 Board, the Comptroller shall appoint the Chief **FROM A LIST OF NOT FEWER THAN**  
6 **THREE CANDIDATES REVIEWED AND EVALUATED BY THE REVENUE MONITORING**  
7 **COMMITTEE AND THE CONSENSUS REVENUE MONITORING AND FORECASTING**  
8 **GROUP ESTABLISHED UNDER § 6-105 OF THIS SUBTITLE.**

9 (2) The Chief may be removed only by a majority of the Board for  
10 incompetence or other good cause.

11 ~~(3) (i) THE CHIEF SHALL BE A MEMBER OF THE EXECUTIVE PAY~~  
12 ~~PLAN.~~

13 ~~(ii) THE SALARY FOR THE CHIEF SHALL BE SET AT AN AMOUNT~~  
14 ~~WITHIN THE LIMITS OF THE ES10 SCALE OF THE EXECUTIVE PAY PLAN.~~

15 (D) ~~(1)~~ The Chief shall appoint other employees of the Bureau in accordance  
16 with the provisions of the State Personnel and Pensions Article, **INCLUDING:**

17 ~~(i) (1)~~ **A MINIMUM OF SIX ANALYSTS; AND**

18 ~~(ii) (2)~~ **ONE DEPUTY CHIEF.**

19 ~~(2) (i) THE DEPUTY CHIEF SHALL BE A MEMBER OF THE~~  
20 ~~EXECUTIVE PAY PLAN.~~

21 ~~(ii) THE SALARY FOR THE DEPUTY CHIEF SHALL BE SET AT AN~~  
22 ~~AMOUNT WITHIN THE LIMITS OF THE ES7 SCALE OF THE EXECUTIVE PAY PLAN.~~

23 6-104.

24 (b) (1) After the end of each fiscal year, the Bureau shall submit to the Board  
25 a report that:

26 (i) contains an itemized statement of the State revenues from all  
27 sources for that fiscal year; and

28 (ii) includes any recommendations of the Bureau.

29 (2) (I) In December, March, and September of each year, the Bureau  
30 shall submit to the Board a report that contains an itemized statement of the estimated  
31 State revenues from all sources for the fiscal year following the fiscal year in which the

1 report is made.

2 **(II) THE REPORT REQUIRED UNDER SUBPARAGRAPH (I) OF**  
 3 **THIS PARAGRAPH SHALL BE REVIEWED AND APPROVED BY THE REVENUE**  
 4 **MONITORING COMMITTEE BEFORE THE ESTIMATES IN THE REPORT MAY BE**  
 5 **FORMALLY ADOPTED BY THE BOARD.**

6 ~~(H)~~ **(III) THE BUREAU SHALL SUBMIT THE MARCH REPORT**  
 7 **REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO THE BOARD BY A**  
 8 **DATE THAT ALLOWS THE BOARD TO MEET ~~PRIOR TO~~ BEFORE THE PASSAGE OF THE**  
 9 **ANNUAL BUDGET BILL IN THE FIRST CHAMBER OF THE GENERAL ASSEMBLY TO**  
 10 **VOTE ON THE BUDGET BILL IN THAT YEAR.**

11 **(F) ON OR BEFORE FEBRUARY 1, 2023, AND FEBRUARY 1 OF EVERY**  
 12 **FOURTH YEAR THEREAFTER, THE BUREAU, IN COLLABORATION WITH THE**  
 13 **CONSENSUS REVENUE MONITORING AND FORECASTING GROUP ESTABLISHED**  
 14 **UNDER § 6-105 OF THIS SUBTITLE, SHALL SUBMIT TO THE GOVERNOR AND, IN**  
 15 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE**  
 16 **GENERAL ASSEMBLY A REPORT ON THE STRENGTHS AND WEAKNESSES OF THE**  
 17 **BUREAU IN THE PRECEDING FOUR YEARS, INCLUDING:**

18 **(1) THE ACCURACY OF BUREAU ESTIMATES OF STATE REVENUE;**

19 **(2) THE IMPACT OF THE REVENUE VOLATILITY CAP ON REPORTING;**

20 **AND**

21 **(3) THE CHALLENGES FACED BY THE BUREAU IN FORECASTING**  
 22 **STATE REVENUES.**

23 **(G) (1) ON OR BEFORE AUGUST 1, 2023, AND AUGUST 1 OF EVERY**  
 24 **FOURTH YEAR THEREAFTER, THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL**  
 25 **SUBMIT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO**  
 26 **THE GENERAL ASSEMBLY A REPORT ON THE OPERATIONS OF THE BUREAU,**  
 27 **INCLUDING:**

28 **(I) AN ANALYSIS OF THE TRANSPARENCY AND USABILITY OF**  
 29 **DATA AND REPORTS PRODUCED BY THE BUREAU;**

30 **(II) AN OVERVIEW OF APPROPRIATIONS FOR THE BUREAU AND**  
 31 **MAJOR EXPENDITURES;**

32 **(III) AN ANALYSIS OF THE STAFFING NEEDS OF THE BUREAU;**  
 33 **AND**

1                   **(IV) ISSUES PREVENTING THE BUREAU FROM CARRYING OUT ITS**  
2 **DUTIES UNDER THIS SUBTITLE.**

3                   **(2) THE REPORT SHALL COVER THE OPERATIONS OF THE BUREAU**  
4 **DURING THE SAME PERIOD AS THE REPORT ISSUED BY THE BUREAU UNDER**  
5 **SUBSECTION (F) OF THIS SECTION.**

6 6–105.

7           (a)   (1)   In this section the following words have the meanings indicated.

8                   (2)   “Group” means the Consensus Revenue Monitoring and Forecasting  
9 Group established under this section.

10           (b)   There is a Consensus Revenue Monitoring and Forecasting Group.

11           (e)   The Group and its constituent units shall:

12                   (1)   review and analyze attainment of revenues on a monthly basis;

13                   (2)   advise and collaborate with the Bureau:

14                           (i)   in the development of revenue forecasts and any necessary  
15 revisions to those forecasts; and

16                           (ii)  in the performance of any pertinent studies or analyses as  
17 requested by the Chief or as directed by the Board; [and]

18                   (3)   develop and recommend to the Bureau a methodology for determining  
19 the State share of nonwithholding income tax revenues for each fiscal year; **AND**

20                   **(4) BEFORE A NEW CHIEF IS APPOINTED, REVIEW AND EVALUATE**  
21 **CANDIDATES FOR THE POSITION.**

22           (f)   To assist the Group in performing its function, the Comptroller and the  
23 Bureau shall:

24                   (1)   within 7 calendar days after the end of each month, provide to members  
25 of the Group detailed data on revenue collections; [and]

26                   (2)   before any document relating to the work of the Bureau is published,  
27 provide a draft of the document to the members of the Group for review and comment; **AND**

28                   **(3) AT THE REQUEST OF THE GROUP, PROVIDE RESEARCH AND**  
29 **ANALYSIS OF PARTICULAR ISSUES IDENTIFIED BY THE GROUP IN THE COURSE OF**  
30 **ITS DUTIES.**

1 6–106.

2 (a) (1) In this section, “nonwithholding income tax revenues” means the State  
3 share of income tax quarterly estimated and final payments with returns made by  
4 individuals, as defined in § 10–101 of the Tax – General Article.

5 (2) “Nonwithholding income tax revenues” does not include:

6 (i) the county share of income tax quarterly estimated and final  
7 payments with returns made by individuals;

8 (ii) income tax payments made by corporations;

9 (iii) income tax refunds paid to individuals or corporations; or

10 (iv) income tax withholding.

11 (a–1) The Board shall:

12 (1) study the information that the Bureau provides; and

13 (2) consider the recommendations of the Bureau.

14 (b) (1) In December, March, and September of each year, the Board shall  
15 submit to the Governor and, in accordance with § 2–1257 of the State Government Article,  
16 to the General Assembly, a report that:

17 (i) contains an itemized statement of the estimated State revenues  
18 from all sources for the fiscal year following the fiscal year in which the report is made; and

19 (ii) includes any recommendations of the Board.

20 (2) (i) Subject to subparagraph (ii) of this paragraph, the Governor  
21 shall state the most recent estimates of revenues reported by the Board in the proposed  
22 budget and any supplemental budget submitted to the General Assembly.

23 (ii) If the Governor uses different estimates of revenues in the  
24 formulation of the proposed budget and any supplemental budget submitted to the General  
25 Assembly than those reported by the Board, a statement providing an explanation as to the  
26 differences shall be included together with those submissions.

27 (3) The report required under paragraph (1) of this subsection shall include  
28 estimated revenues from nonwithholding income taxes calculated in accordance with §  
29 6–104(e) of this subtitle.

30 (c) The Board shall approve a methodology for determining the State share of

1 nonwithholding income tax revenues for each fiscal year.

2 (D) (1) ON OR BEFORE JULY 31 EACH YEAR, THE BOARD, IN  
3 COORDINATION WITH THE CHIEF, SHALL SCHEDULE THE BOARD'S ANNUAL  
4 MEETINGS FOR MARCH, DECEMBER, AND SEPTEMBER OF THAT FISCAL YEAR.

5 (2) NOT LATER THAN 5 DAYS BEFORE THE SCHEDULED DATE OF THE  
6 MEETING, THE BOARD, ON THE RECOMMENDATION OF THE CHIEF, MAY  
7 RESCHEDULE A MEETING UNDER THIS SUBSECTION.

8 (3) NOTICE OF A MEETING RESCHEDULED UNDER PARAGRAPH (2) OF  
9 THIS SUBSECTION SHALL:

10 (I) BE POSTED TO THE WEBSITE ESTABLISHED UNDER  
11 SUBSECTION (E) OF THIS SECTION; AND

12 (II) INCLUDE A STATEMENT FROM THE CHIEF CONCERNING THE  
13 REASON THE MEETING IS RESCHEDULED.

14 (E) THE BOARD SHALL DEVELOP AND MAINTAIN A WEBSITE THAT:

15 (1) PROVIDES ACCESS TO THE REVENUE ESTIMATES, PROJECTIONS,  
16 AND REPORTS DEVELOPED BY THE BOARD;

17 (2) PROVIDES A SCHEDULE OF UPCOMING BOARD MEETINGS AND  
18 AGENDAS FOR OPEN MEETINGS OF THE BOARD;

19 (3) PROVIDES LINKS TO LIVE VIDEO STREAMING OF EACH OPEN  
20 MEETING OF THE BOARD;

21 (4) PROVIDES A COMPLETE AND UNEDITED ARCHIVED VIDEO  
22 RECORDING OF EACH OPEN MEETING FOR WHICH LIVE VIDEO STREAMING WAS  
23 MADE AVAILABLE UNDER ITEM (3) OF THIS SUBSECTION FOR A MINIMUM OF 5 YEARS  
24 AFTER THE DATE OF THE MEETING;

25 (5) PROVIDES ACCESS TO REPORTS AND PROJECTIONS OF THE  
26 GENERAL FUND OF THE STATE AND THE FOLLOWING SPECIAL FUNDS:

27 (I) THE BLUEPRINT FOR MARYLAND'S FUTURE FUND  
28 ESTABLISHED UNDER § 5-219 OF THE EDUCATION ARTICLE;

29 (II) THE EDUCATION TRUST FUND ESTABLISHED UNDER §  
30 9-1A-30 OF THE STATE GOVERNMENT ARTICLE; AND

1 (III) THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER  
2 § 3-216 OF THE TRANSPORTATION ARTICLE;

3 (6) PROVIDES ACCESS TO REPORTS AND PROJECTIONS OF  
4 APPROPRIATIONS FOR, DISTRIBUTIONS FROM, AND FUNDS MAINTAINED BY  
5 PROGRAM OPEN SPACE; AND

6 (7) PROVIDES ANY OTHER INFORMATION THE BOARD CONSIDERS  
7 RELEVANT.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2021.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.