

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC
Form N-Q
April 27, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act file number 811-5877

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation
200 Park Avenue
New York, New York 10166
(Address of principal executive offices) (Zip code)

Mark N. Jacobs, Esq.
200 Park Avenue
New York, New York 10166
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 11/30

Date of reporting period: 2/28/05

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FORM N-Q

Item 1. Schedule of Investments.

**Dreyfus Strategic Municipal Bond Fund, Inc.
Statement of Investments**

February 28, 2005 (Unaudited)

Long-Term Municipal Investments--141.4%	Principal Amount (\$)		Value (\$)
Alabama--1.0%			
Jefferson County, Limited Obligation School Warrant 5.50%, 1/1/2022	4,000,000		4,322,200
Alaska--4.3%			
Alaska Housing Finance Corp.: 6.25%, 6/1/2035	5,905,000		6,261,662
6.05%, 6/1/2039 (Insured; MBIA)	11,915,000		12,393,506
Arizona--1.5%			
Apache County Industrial Development Authority, PCR (Tucson Electric Power Co.) 5.85%, 3/1/2028	2,220,000		2,219,778
Maricopa County Pollution Control Corp., PCR (El Paso Electric Co.) 6.25%, 5/1/2037	4,000,000		4,055,360
Arkansas--2.1%			
Arkansas Development Finance Authority, SFMR 6.25%, 1/1/2032	3,550,000		3,657,743
Little Rock School District 5.25%, 2/1/2030 (Insured; FSA)	5,000,000		5,313,450
California--8.2%			
California 5.50%, 4/1/2028	5,450,000		5,978,487
California Department of Veteran Affairs, Home Purchase Revenue 5.20%, 12/1/2028	5,000,000		5,008,250
California Department of Water Resources, Power Supply Revenue 6%, 5/1/2015	12,500,000		14,448,125
California Health Facilities Financing Authority, Revenue (Cedars-Sinai Medical Center) 6.25%, 12/1/2034	3,750,000		4,092,825
San Diego Unified School District Crossover (Election 1998) 5.50%, 7/1/2023 (Insured; MBIA)	5,000,000		5,842,850
Colorado--3.6%			
Colorado Health Facilities Authority, Revenue (American Housing Foundation 1, Inc.) 8.50%, 12/1/2031	2,015,000		2,035,089
Denver City and County, Special Facilities Airport Revenue (United Air Lines) 6.875%, 10/1/2032	2,700,000	a	2,308,500
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Northwest Parkway Public Highway Authority, Revenue (First Tier Subordinated) 7.125%, 6/15/2041	5,500,000		5,992,525
Silver Dollar Metropolitan District 7.05%, 12/1/2030 (Prerefunded; 12/1/2006)	4,825,000	b	5,181,471
Connecticut--4.8%			

Connecticut Development Authority, PCR (Connecticut Light and Power) 5.95%, 9/1/2028	9,000,000	9,546,480
Connecticut Health and Educational Facilities Authority, Revenue (Yale University) 5%, 7/1/2042	5,000,000	5,166,350
Connecticut Resource Recovery Authority (American Refunding-Fuel Company) 6.45%, 11/15/2022	4,985,000	5,049,306
Mohegan Tribe Indians Gaming Authority, Public Improvement-Priority Distribution 6.25%, 1/1/2031	1,000,000	1,059,170
District of Columbia--1.3%		
Metropolitan Washington Airports Authority, Special Facilities Revenue (Caterair International Corp.) 10.125%, 9/1/2011	5,420,000	5,427,696
Florida--4.2%		
Florida Housing Finance Corp., Housing Revenue (Seminole Ridge Apartments) 6%, 4/1/2041 (Collateralized; GNMA)	6,415,000	6,713,233
Miami-Dade County Expressway Authority, Toll System Revenue 5.125%, 7/1/2029 (Insured; FGIC)	4,000,000	4,191,520
Orange County Health Facilities Authority, Revenue: (Adventist Health System) 6.25%, 11/15/2024	3,000,000	3,321,420
(Orlando Regional Healthcare System) 6%, 10/1/2026	3,500,000	3,703,350
Georgia--2.0%		
Agusta Airport Revenue 5.45%, 1/1/2031	2,500,000	2,514,175
Atlanta Airport Revenue 5.25%, 1/1/2025 (Insured; FSA)	3,000,000	3,171,060
Savannah Economic Development Authority, Environmental Improvement Revenue (International Paper Company) 6.20%, 8/1/2027	2,670,000	2,866,165

Idaho--.2%

Idaho Housing & Finance Association, SFMR 6.35%, 1/1/2030 (Collateralized; FNMA)	715,000		750,886
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Illinois--7.4%

Chicago O'Hare International Airport: General Airport Revenue (3rd Lien B-2) 6%, 1/1/2029 (Insured; XLCA)	5,000,000		5,617,450
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Special Facility Revenue (American Airlines Incorporated) 8.20%, 12/1/2024	5,000,000		4,203,900
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Illinois Educational Facilities Authority Revenues (University of Chicago) 5.125%, 7/1/2038 (Insured; MBIA)	5,000,000		5,140,800
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Illinois Health Facilities Authority, Revenue: (Advocate Network Health Care) 6.125%, 11/15/2022	5,000,000		5,579,450
(OSF Healthcare Systems) 6.25%, 11/15/2029	10,900,000		11,568,279

Indiana--1.6%

Franklin Township School Building Corp. 6.125%, 1/15/2022 (Prerefunded 7/15/2010)	6,000,000	b	6,991,320
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Kansas--1.7%

Wyandotte County Kansas City, Unified Government Utility Systems Revenue 5.65%, 9/1/2022 (Insured; AMBAC)	6,365,000		7,439,094
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Louisiana--2.5%

Parish of De Soto, Environmental Improvement Revenue (International Paper Co.) 6.55%, 4/1/2019	2,900,000		2,984,709
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West Feliciana Parish, PCR (Entergy Gulf States): 7%, 11/1/2015	3,000,000		3,055,320
6.60%, 9/1/2028	4,700,000		4,783,049

Maryland--1.2%

Maryland Economic Development Corp., Student Housing Revenue (University of Maryland)			
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5.75%, 10/1/2033	2,550,000		2,669,442
Maryland Industrial Development Financing Authority, EDR (Medical Waste Associates Limited Partnership) 8.75%, 11/15/2010	3,710,000	a	2,596,110
Massachusetts--4.4%			
Massachusetts Bay Transportation Authority, Massachusetts Sales Tax Revenue 5%, 7/1/2035	7,000,000		7,179,200
Massachusetts Development Finance Agency Revenue (WGBH Educational Foundation) 5.375%, 1/1/2042 (Insured; AMBAC)	5,750,000		6,112,768
Massachusetts Health and Educational Facilities Authority, Revenue:			
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(Civic Investments) 9%, 12/15/2015	2,000,000		2,316,680
(Partners Healthcare System) 5.75%, 7/1/2032	3,000,000		3,287,280
Michigan--2.9%			
Michigan Hospital Finance Authority, HR (Genesys Health System Obligated Group) 8.125%, 10/1/2021 (Prerefunded 10/1/2005)	5,000,000	b	5,268,750
Michigan Strategic Fund, SWDR (Genesee Power Station) 7.50%, 1/1/2021	7,450,000		7,083,684
Mississippi--.7%			
Mississippi Business Finance Corporation, PCR (Systems Energy Resources, Inc.) 5.90%, 5/1/2022	3,160,000		3,198,489
Nebraska--.6%			
Nebraska Investment Finance Authority, SFMR 9.845%, 3/1/2026	2,150,000	c,d	2,444,464
Nevada--3.3%			
Washoe County: (Reno-Sparks Convention) 6.40%, 7/1/2029 (Insured; FSA) (Prerefunded 1/1/2010)	8,000,000	b	9,203,280
Water Facility Revenue (Sierra Pacific Power Co.) 5%, 3/1/2036	5,000,000		5,092,300

New Hampshire--3.5%

New Hampshire Business Finance Authority, PCR
(Public Service Co.):

6%, Series D 5/1/2021 (Insured; MBIA)	2,690,000	2,943,156
6%, Series E 5/1/2021 (Insured; MBIA)	6,000,000	6,564,660

New Hampshire Industrial Development Authority, PCR
(Connecticut Light) 5.90%, 11/1/2016

5,400,000	5,539,860
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New Jersey--3.7%

New Jersey Economic Development Authority
Special Facilities Revenue (Continental Airlines, Inc.):

6.25%, 9/15/2019	3,620,000	3,044,239
6.25%, 9/15/2029	2,500,000	1,990,225

Tobacco Settlement Financing Corporation
7%, 6/1/2041

10,095,000	10,842,131
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New Mexico--1.0%

New Mexico Finance Authority
Transportation Revenue
5.25%, 6/15/2020 (Insured; MBIA)

4,000,000	4,392,920
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New York--4.6%

New York City 5.75%, 8/1/2014

5,000,000	5,603,500
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New York City Transitional Finance Authority, Revenue
(Future Tax Secured) 5.375%, 11/15/2021

5,000,000	5,510,700
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New York State Dormitory Authority, Revenue:
(Consolidated City University Systems)

5.50%, 7/1/2017 (Prerefunded; 7/1/2011)	3,060,000	b	3,439,440
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(Marymount Manhattan College)
6.25%, 7/1/2029 (Insured; Radian)
(Suffolk County Judicial Facility)

4,000,000	4,476,280
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9.50%, 4/15/2014

605,000	866,003
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North Carolina--.6%

North Carolina Eastern Municipal Power Agency,
Power Systems Revenue 6.70%, 1/1/2019

2,500,000	2,804,475
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Ohio--6.3%

Cuyahoga County, HR (Metrohealth Systems) 6.15%, 2/15/2029	10,000,000		10,482,100
Cuyahoga County Hospital Facilities, Revenue (UHHS/CSAHS Cuyahoga Inc. & CSAHS/UHHS Canton Inc.) 7.50%, 1/1/2030	3,500,000		3,949,855
Mahoning County Hospital Facilities, Revenue (Forum Health Obligation Group) 6%, 11/15/2032	4,000,000		4,281,160
Ohio Air Quality Development Authority, PCR (Cleveland Electric Illuminating Co.) 6.10%, 8/1/2020	2,400,000		2,525,064
Ohio Housing Finance Agency, Mortgage Revenue 9.990%, 3/1/2029 (Collateralized; GNMA)	1,465,000	c,d	1,567,975
Ohio Water Development Authority, PCR (Cleveland Electric) 6.10%, 8/1/2020	4,000,000		4,208,440

Oklahoma--4.1%

Oklahoma Development Finance Authority, Revenue (St. John Health System) 6%, 2/15/2029	9,000,000		9,852,840
Oklahoma Industries Authority, Health System Revenue (Obligation Group) 5.75%, 8/15/2029 (Insured; MBIA)	5,000,000		5,521,400
Tulsa Municipal Airport Trust Revenue (American Airlines Project) 5.65%, 12/1/2035	2,550,000		2,417,528

Oregon--1.4%

Umatilla County Hospital Facility Authority, Revenue (Catholic Health Initiatives): 5.50%, 3/1/2022	1,355,000		1,517,708
5.50%, 3/1/2022	1,040,000		1,125,280

Western Generation Agency,

Cogeneration Project Revenue (Wauna Cogeneration) 7.40%, 1/1/2016	3,250,000		3,332,518
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Pennsylvania--2.9%

Allegheny County Port Authority, Special Transportation Revenue 6.125%, 3/1/2029 (Insured; MBIA) (Prerefunded 3/1/2009)	4,750,000	b	5,369,020
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Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue (Reliant Energy): 6.75%, Ser. A 12/1/2036	2,500,000		2,674,925
6.75%, Ser. B 12/1/2036	4,000,000		4,279,880

Pennsylvania Housing Finance Agency, Multi-Family Development Revenue 8.25%, 12/15/2019	261,000		261,699
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Rhode Island--1.5%

Rhode Island Health & Educational Building Corporation Higher Educational Facilities (University of Rhode Island) 5.875%, 9/15/2029 (Insured; MBIA)	5,910,000		6,585,277
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South Carolina--6.0%

Greenville County School District Installment Purchase Revenue (Residuals-Series 982) 8.71%, 12/1/2028	5,000,000	c,d	5,766,550
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Greenville Hospital System, Hospital Facilities Revenue 5.50%, 5/1/2026 (Insured; AMBAC)	7,000,000		7,703,780
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Richland County, Environmental Improvement Revenue (International Paper Company) 6.10%, 4/1/2023	6,500,000		6,990,945
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South Carolina Medical Facilities, Hospital Facilities Revenue 6%, 7/1/2019 (Prerefunded 7/1/2009)	5,000,000	b	5,651,150
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Tennessee--3.9%

Johnson City Health and Educational Facilities Board, HR (1st Mortgage-Mountain State Health): 7.50%, 7/1/2025	2,000,000		2,393,740
7.50%, 7/1/2033	4,875,000		5,784,188

Memphis Center City Revenue Finance Corp. Sports Facility Revenue (Memphis Redbirds) 6.50%, 9/1/2028	6,000,000		6,061,620
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Tennessee Housing Development Agency
(Homeownership Program):

6%, 1/1/2028	2,415,000	2,436,035
6.40%, 7/1/2031	305,000	313,702

Texas--22.9%Alliance Airport Authority, Special Facilities Revenue
(American Airlines Incorporated Project)

7.50%, 12/1/2029	5,095,000	3,672,017
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Dallas - Fort Worth International Airport:

Joint Revenue 5.50%, 11/1/2021 (Insured; FSA) Facility Improvement Corp. Revenue (Bombardier Inc.) 6.15%, 1/1/2016	7,000,000	7,610,330
	2,000,000	2,013,280

Gregg County Health Facilities Development
Corp., HR (Good Shepherd Medical Center)
6.375%, 10/1/2025

2,500,000	2,841,025
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Harris County Health Facilities Development
Corp., HR (Memorial Hermann Healthcare)
6.375%, 6/1/2029

7,000,000	7,673,120
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Harris County-Houston Sports Authority,
Revenue (Third Lien-A-3)
Zero Coupon, 11/15/2031 (Insured; MBIA)

9,685,000	2,293,989
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Katy Independent School District
6.125%, 2/15/2032

11,360,000	12,507,587
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Sabine River Authority, PCR (TXU Electric):
6.45%, 6/1/2021
5.50%, 5/1/2022

4,900,000	5,260,395
5,490,000	5,944,517

Springhill Courtland Heights Public
Facility Corp., MFHR 5.85%, 12/1/2028

6,030,000	5,830,467
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Texas:

(Veterans) 6%, 12/1/2030
(Veterans Housing Assistance Program)
6.10%, 6/1/2031

3,935,000	4,258,968
8,510,000	9,129,273

Texas Department of Housing and Community Affairs:
Collateralized Home Mortgage Revenue

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11.691%, 7/2/2024 Residential Mortgage Revenue	2,250,000	c	2,308,792
5.35%, 7/1/2033	5,735,000		5,857,729
Texas Turnpike Authority, Central Texas Turnpike System Revenue 5.25%, 5/15/2042 (Insured; AMBAC)	6,875,000		7,224,043
Tomball Hospital Authority, Revenue: 6.125%, 7/1/2023	3,680,000		3,705,760
(Tomball Regional Hospital) 6%, 7/1/2025	4,650,000		4,716,774
Tyler Health Facilities Development Corp., HR (East Texas Medical Center Regional Health) 6.75%, 11/1/2025	5,850,000		5,862,227
Utah--.9%			
Carbon County, SWDR (Sunnyside Cogeneration) 7.10%, 8/15/2023	4,122,000		4,060,252
Virginia--6.5%			
Henrico County Economic Development Authority,			
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Revenue (Bon Secours Health System) 5.60%, 11/15/2030	3,140,000		3,300,517
Henrico County Industrial Development Authority, Revenue (Bon Secours Health System) 9.647%, 8/23/2027	7,500,000	c	10,488,675
University of Virginia, University Revenues 5%, 6/1/2033	4,975,000		5,188,229
Virginia Housing Development Authority, Rental Housing 6.20%, 8/1/2024	8,520,000		9,105,580
Washington--3.5%			
Energy Northwest, Revenue (Wind Project) 6%, 7/1/2023 (Prerefunded; 1/1/2007)	3,670,000	b	3,989,070
Washington Higher Education Facilities Authority, Revenue (Whitman College) 5.875%, 10/1/2029 (Prerefunded; 10/1/2009)	10,000,000	b	11,240,300

Wisconsin--5.0%

Badger Tobacco Asset Securitization Corp.

Tobacco Settlement Revenue

7%, 6/1/2028	14,570,000	15,481,353
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Wisconsin Health and Educational Facilities

Authority, Revenue (Aurora Health Care)

6.40%, 4/15/2033	5,500,000	6,065,620
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Wyoming--3.6%

Sweetwater County, SWDR (FMC Corp.):

7%, 6/1/2024	2,140,000	2,174,860
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6.90%, 9/1/2024	2,465,000	2,499,534
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Wyoming Student Loan Corp.,

Student Loan Revenue:

6.20%, 6/1/2024	5,000,000	5,395,000
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6.25%, 6/1/2029	5,000,000	5,359,500
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Total Long-Term Investments

(cost \$581,418,901)

610,539,201**Short-Term Municipal Investments--2.0%****Alaska--1.1%**

Valdez Alaska Marine Terminal Revenue, VRDN

(Exxon Pipeline Company):

Project A 1.78%	800,000	800,000
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Project B 1.78%	2,000,000	2,000,000
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Project C 1.78%	2,050,000	2,050,000
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Louisiana--.2%

East Baton Rouge Parish, PCR, VRDN

(Exxon Project) 1.71%	800,000	800,000
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Rhode Island--.2%

Rhode Island Industrial Facilities Corp.

Marine Terminal Revenue, VRDN

(ExxonMobil Project) 1.78%	1,000,000	1,000,000
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Texas--.5%

Lower Neches Valley Authority, IDC,

Exempt Facilities Revenue, VRDN

(ExxonMobil Project) 1.78%	1,900,000	1,900,000
Total Short-Term Investments (cost \$8,550,000)		8,550,000
Total Investments (cost \$589,968,901)	143.4%	619,089,201
Liabilities, Less Cash and Receivables	-0.3%	(1,426,191)
Preferred Stock, at redemption value	(43.1%)	(186,000,000)
Net Assets	100.0%	431,663,010

Notes to Statement of Investments:

- a Non-income producing security, interest payments in default.
- b Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.
- c Inverse floater security - the interest rate is subject to change periodically.
- d Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in private transactions exempt from registration, normally to qualified institutional buyers. These Securities have been deemed to be liquid by the Investment Advisor. At February 28, 2005 these securities amounted to \$9,778,989 or 2.3% of net assets.
- e Securities payable on demand. Variable interest rate--subject to periodic change.
- f Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the annual and semi annual reports previously filed with the Securities and Exchange on Form N-CSR.

Item 2. Controls and Procedures.

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes to the Registrant's internal control over financial reporting that occurred during the Registrant's most recently ended fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

DREYFUS STRATEGIC MUNICIPAL BOND FUND, INC.

By: /s/ Stephen E. Canter
Stephen E. Canter
President

Date: April 20, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Stephen E. Canter
Stephen E. Canter
Chief Executive Officer

Date: April 20, 2005

By: /s/ James Windels
James Windels
Chief Financial Officer

Date: April 20, 2005

EXHIBIT INDEX

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940. (EX-99.CERT)

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