

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC
Form N-Q
October 14, 2004

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: 8/31/04

FORM N-Q

Item 1. Schedule of Investments.

Dreyfus Strategic Municipal Bond Fund, Inc.
Statement of Investments
August 31, 2004 (Unaudited)

Long-Term Municipal Investments--141.8%	Principal Amount (\$)	Value (\$)
Alaska--4.4%		
Alaska Housing Finance Corp.:		
6.25%, 6/1/2035	5,905,000	6,275,421
6.05%, 6/1/2039 (Insured; MBIA)	11,915,000	12,417,098

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Arizona--2.2%

Apache County Industrial Development Authority, PCR (Tucson Electric Power Co.) 5.85%, 3/1/2028	2,220,000	2,197,645
Arizona Water Infrastructure Finance Authority, Revenue 5%, 10/1/2021	3,000,000	3,204,450
Maricopa County Pollution Control Corp., PCR (El Paso Electric Co.) 6.25%, 5/1/2037	4,000,000	4,118,040

Arkansas--2.2%

Arkansas Development Finance Authority, SFMR 6.25%, 1/1/2032	3,840,000	4,043,251
Little Rock School District 5.25%, 2/1/2030 (Insured; FSA)	5,000,000	5,235,050

California--10.2%

California 5.50%, 4/1/2028	5,450,000	5,805,613
California Economic Recovery 5.25%, 7/1/2014 (Insured; FGIC)	7,435,000	8,436,420
California Department of Water Resources, Power Supply Revenue 6%, 5/1/2015	12,500,000	14,273,500
California Department of Veteran Affairs Home Purchase Revenue 5.20%, 12/1/2028	5,000,000	5,014,950
California Health Facilities Financing Authority, Revenue (Cedars-Sinai Medical Center) 6.25%, 12/1/2034	3,750,000	4,023,900
San Diego Unified School District Crossover (Election 1998) 5.50%, 7/1/2023 (Insured; MBIA)	5,000,000	5,765,300

Colorado--3.5%

Colorado Health Facilities Authority, Revenue (American Housing Foundation 1, Inc.) 8.50%, 12/1/2031	2,035,000	2,026,412
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Denver City and County, Special Facilities Airport Revenue

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(United Air Lines) 6.875%, 10/1/2032	2,700,000	a	1,950,750
Northwest Parkway Public Highway Authority, Revenue (First Tier Subordinated) 7.125%, 6/15/2041	5,500,000		5,840,065
Silver Dollar Metropolitan District 7.05%, 12/1/2030	4,885,000		4,945,818
Connecticut--2.7%			
Connecticut Development Authority, PCR (Connecticut Light and Power) 5.95%, 9/1/2028	6,000,000		6,283,260
Connecticut Resource Recovery Authority (American Refunding-Fuel Company) 6.45%, 11/15/2022	4,985,000		5,104,141
District of Columbia--1.3%			
Metropolitan Washington Airports Authority, Special Facilities Revenue (Caterair International Corp.) 10.125%, 9/1/2011	5,620,000		5,627,025
Florida--3.2%			
Florida Housing Finance Corp., Housing Revenue (Seminole Ridge Apartments) 6%, 4/1/2041 (Collateralized; GNMA)	6,415,000		6,712,399
Orange County Health Facilities Authority, Revenue: (Adventist Health System) 6.25%, 11/15/2024	3,000,000		3,250,650
(Orlando Regional Healthcare System) 6%, 10/1/2026	3,500,000		3,664,500
Georgia--1.4%			
Atlanta Airport Revenue 5.25%, 1/1/2025 (Insured; FSA)	3,000,000		3,110,580
Savannah Economic Development Authority, Environmental Improvement Revenue (International Paper Company) 6.20%, 8/1/2027	2,670,000		2,812,685
Idaho--.2%			
Idaho Housing & Finance Association, SFMR 6.35%, 1/1/2030 (Collateralized; FNMA)	890,000		936,093
Illinois--5.3%			

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Chicago O'Hare International Airport General Airport Revenue (3rd Lien B-2 XLCA) 6%, 1/1/2029	5,000,000		5,480,250
Illinois Health Facilities Authority, Revenue: (Advocate Network Health Care) 6.125%, 11/15/2022	5,000,000		5,537,900
(OSF Healthcare Systems) 6.25%, 11/15/2029	10,900,000		11,475,629

Indiana--1.7%

Franklin Township School Building Corporation 6.125%, 1/15/2022 (Prerefunded 7/15/2010)	6,000,000	b	7,135,380
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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		7,332,671
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Louisiana--2.6%

Parish of De Soto, Environmental Improvement Revenue (International Paper Co.) 6.55%, 4/1/2019	2,900,000		3,030,674
West Feliciana Parish, PCR (Entergy Gulf States): 7%, 11/1/2015	3,000,000		3,049,860
6.60%, 9/1/2028	4,700,000		4,791,133

Maryland--2.7%

Maryland Economic Development Corp., Student Housing Revenue (University of Maryland) 5.75%, 10/1/2033	2,550,000		2,629,892
Maryland Industrial Development Financing Authority, EDR (Medical Waste Associates Limited Partnership) 8.75%, 11/15/2010	3,710,000		3,290,139
Maryland State and Local Facilities Loan 5%, 8/1/2017	5,000,000		5,467,850

Massachusetts--5.1%

Massachusetts Development Finance Agency Revenue			
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(WGBH Educational Foundation):			
5.37%, 1/1/2042 (Insured; AMBAC)	6,500,000		6,800,885
5.75%, 1/1/2042 (Insured; AMBAC)	5,000,000		5,815,900

Massachusetts Health and Educational Facilities

Authority, Revenue:

(Beth Israel) 10.215%, 7/1/2025 (Insured; AMBAC)	3,250,000	c	3,269,435
(Civic Investments) 9%, 12/15/2015	2,000,000		2,314,540
(Partners Healthcare System) 5.75%, 7/1/2032	3,000,000		3,185,040

Pittsfield, SWDR (Vicon Recovery Associates)

7.95%, 11/1/2004	310,000		310,000
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Michigan--2.8%

Michigan Hospital Finance Authority, HR

(Genesys Health System Obligated Group)

8.125%, 10/1/2021 (Prerefunded 10/1/2005)	5,000,000	b	5,449,000
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Michigan Strategic Fund, SWDR

(Genesee Power Station) 7.50%, 1/1/2021	7,550,000		6,534,827
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Mississippi--.8%

Mississippi Business Finance Corporation, PCR

(Systems Energy Resources, Inc.) 5.90%, 5/1/2022

3,160,000		3,192,358
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Missouri--.5%

Saint Louis Industrial Development Authority

(Saint Louis Convention) 7.25%, 12/15/2035

2,625,000		2,261,989
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Nebraska--.6%

Nebraska Investment Finance Authority, SFMR

10.199%, 3/1/2026

2,150,000	c,d	2,542,332
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Nevada--4.6%

Clark County, IDR

(Southwest Gas Corporation) 6.50%, 12/1/2033

5,000,000		5,041,150
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Washoe County:

(Reno-Sparks Convention) 6.40%, 7/1/2029

(Insured; FSA) (Prerefunded 1/1/2010)

8,000,000	b	9,397,760
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Water Facility Revenue (Sierra Pacific Power Co.)

5%, 3/1/2036

5,000,000		5,019,600
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New Hampshire--3.6%

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

6%, Series D 5/1/2021 (Insured; MBIA)	2,690,000	2,978,772
6%, Series E 5/1/2021 (Insured; MBIA)	6,000,000	6,644,100

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

5,400,000	5,553,738
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New Jersey--5.7%

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

6.25%, 9/15/2019	3,620,000	2,847,999
6.25%, 9/15/2029	5,000,000	3,661,750
7.20%, 11/15/2030	7,000,000	5,592,370

New Jersey Educational Facilities Authority, Revenue
Higher Education Capital Improvement
5.25%, 9/1/2019 (Insured; AMBAC)

3,000,000	3,259,920
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Tobacco Settlement Financing Corporation
7%, 6/1/2041

9,095,000	8,782,496
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New Mexico--1.0%

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

4,000,000	4,379,400
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New York--4.6%

New York City 5.75%, 8/1/2014

5,000,000	5,606,200
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New York City Transitional Finance Authority, Revenue
(Future Tax Secured)

5.375%, 11/15/2021	5,000,000	5,445,550
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New York State Dormitory Authority, Revenue:

City University Systems	3,060,000	3,350,088
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(Consolidated 4th General) 5.50%, 7/1/2017

Judicial Facility Lease	605,000	871,515
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(Suffolk County) 9.50%, 4/15/2014

(Marymount Manhattan College) 6.25%, 7/1/2029	4,000,000	4,361,200
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North Carolina--.7%

North Carolina Eastern Municipal Power Agency, Power Systems Revenue 6.70%, 1/1/2019	2,500,000		2,809,475
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Ohio--6.4%

Cuyahoga County, HR (Metrohealth Systems) 6.15%, 2/15/2029	10,000,000		10,411,100
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Cuyahoga County Hospital Facilities, Revenue (UHHS/CSAHS Cuyahoga Inc. & CSAHS/UHHS Canton Inc.) 7.50%, 1/1/2030	3,500,000		3,869,495
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Mahoning County Hospital Facilities, Revenue (Forum Health Obligation Group) 6%, 11/15/2032	4,000,000		4,208,960
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Ohio Air Quality Development Authority, PCR (Cleveland Electric Illuminating Co.) 6.10%, 8/1/2020	2,400,000		2,520,960
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Ohio Housing Finance Agency, Mortgage Revenue 10.620%, 3/1/2029 (Collateralized; GNMA)	1,720,000	c,d	1,882,488
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Ohio Water Development Authority, PCR (Cleveland Electric) 6.10%, 8/1/2020	4,000,000		4,201,600
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Oklahoma--3.6%

Oklahoma Development Finance Authority, Revenue (St. John Health System) 6%, 2/15/2029	9,000,000		9,867,240
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Oklahoma Industries Authority, Health System Revenue (Obligation Group) 5.75%, 8/15/2029 (Insured; MBIA)	5,000,000		5,438,100
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Oregon--1.4%

Umatilla County Hospital Facility Authority, Revenue (Catholic Health Initiatives) 5.50%, 3/1/2022	2,395,000		2,538,987
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Western Generation Agency, Cogeneration Project Revenue (Wauna Cogeneration) 7.40%, 1/1/2016	3,250,000		3,312,563
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Pennsylvania--1.4%

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Allegheny County Port Authority, Special Transportation Revenue 6.125%, 3/1/2029 (Insured; MBIA) (Prerefunded 3/1/2009)	4,750,000	b	5,492,235
Pennsylvania Housing Finance Agency, Multi-Family Development Revenue 8.25%, 12/15/2019	265,000		265,649
Rhode Island--1.6%			
Rhode Island Health & Educational Building Corporation Higher Educational Facilities (University of Rhode Island) 5.875%, 9/15/2029 (Insured; MBIA)	5,910,000		6,593,787
South Carolina--7.9%			
Berkeley County School District Installment Purchase Revenue (Securing Assets For Education) 5%, 12/1/2028	2,810,000		2,812,473
Greenville County School District Installment Purchase Revenue (Building Equity Sooner Tomorrow) 5.50%, 12/1/2028	10,000,000		10,415,100
Greenville Hospital System, Hospital Facilities Revenue 5.50%, 5/1/2026 (Insured; AMBAC)	7,000,000		7,506,450
Richland County, Environmental Improvement Revenue (International Paper Company) 6.10%, 4/1/2023	6,500,000		6,891,495
South Carolina Medical Facilities, Hospital Facilities Revenue 6%, 7/1/2019 (Prerefunded 7/1/2009)	5,000,000	b	5,765,750
Tennessee--3.9%			
Johnson City Health and Educational Facilities Board, HR (1st Mortgage-Mountain State Health): 7.50%, 7/1/2025	2,000,000		2,348,460
7.50%, 7/1/2033	3,000,000		3,504,540
Memphis Center City Revenue Finance Corp. Sports Facility Revenue (Memphis Redbirds) 6.50%, 9/1/2028	6,000,000		6,016,680

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Tennessee Housing Development Agency
(Homeownership Program):

6%, 1/1/2028	2,820,000	2,893,066
6.40%, 7/1/2031	1,695,000	1,793,208

Texas--22.2%

Austin Airport System Revenue

5.25%, 11/15/2017 (Insured; MBIA)	2,500,000	2,735,500
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Dallas Fort Worth International Airport, Revenue:

5.50%, 11/1/2021 (Insured; FSA) Facility Improvement Corp.	7,000,000	7,528,780
(2001-A-1 Bombardier Inc.) 6.15%, 1/1/2016	850,000	844,917

Gregg County Health Facilities Development
Corp., HR (Good Shepherd Medical Center)

6.375%, 10/1/2025	2,500,000	2,845,625
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Harris County Health Facilities Development
Corp., HR (Memorial Hermann Healthcare)

6.375%, 6/1/2029	7,000,000	7,616,140
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Harris County-Houston Sports Authority Revenue
(Third Lien-A-3)

Zero Coupon, 11/15/2031 (Insured; MBIA)	9,685,000	2,107,553
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Katy Independent School District

6.125%, 2/15/2032	11,360,000	12,588,016
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Sabine River Authority, PCR (TXU Electric):

6.45%, 6/1/2021	2,900,000	3,046,624
5.50%, 5/1/2022	5,490,000	5,819,345

Springhill Courtland Heights Public Facility Corp. MFHR

5.85%, 12/1/2028	6,030,000	6,203,543
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Texas:

(Veterans) 6%, 12/1/2030	3,935,000	4,205,413
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(Veterans Housing Assistance Program)

6.10%, 6/1/2031	8,510,000	9,048,938
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Texas Department of Housing and Community Affairs:

Collateralized Home Mortgage Revenue

12.015%, 7/2/2024	2,500,000	c 2,586,025
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Residential Mortgage Revenue

5.35%, 7/1/2033	5,735,000	5,842,130
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Texas Turnpike Authority, Central Texas Turnpike System Revenue 5.25%, 5/15/2042 (Insured; AMBAC)	6,875,000		7,084,275
Tomball Hospital Authority, Revenue: 6.125%, 7/1/2023 (Tomball Regional Hospital) 6%, 7/1/2025	3,680,000 4,650,000		3,679,926 4,616,753
Tyler Health Facilities Development Corp., HR (East Texas Medical Center Regional Health) 6.75%, 11/1/2025	5,850,000		5,864,801
Utah--.9%			
Carbon County, SWDR (Sunnyside Cogeneration) 7.10%, 8/15/2023	4,122,000		4,007,862
Virginia--5.2%			
Henrico County Economic Development Authority, Revenue (Bon Secours Health System) 5.60%, 11/15/2030 (Insured; FSA)	3,140,000		3,230,369
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Henrico County Industrial Development Authority, Revenue (Bon Secours Health System) 10.256%, 8/23/2027	7,500,000	c	9,924,600
Virginia Housing Development Authority, Rental Housing 6.20%, 8/1/2024	8,520,000		9,106,432
Washington--3.4%			
Energy Northwest, Revenue (Wind Project) 6%, 7/1/2023	3,670,000		3,948,259
Washington Higher Education Facilities Authority, Revenue (Whitman College) 5.875%, 10/1/2029	10,000,000		10,632,200
Wisconsin--5.0%			
Badger Tobacco Asset Securitization Corp. Tobacco Settlement Revenue: 7%, 6/1/2028 6.375%, 6/1/2032	13,500,000 2,150,000		13,474,755 1,906,427
Wisconsin Health and Educational Facilities			

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Authority, Revenue (Aurora Health Care) 6.40%, 4/15/2033	5,500,000		5,780,720
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Wyoming--3.6%

Sweetwater County, SWDR (FMC Corp.): 7%, 6/1/2024	2,140,000		2,176,915
6.90%, 9/1/2024	2,465,000		2,509,000

Wyoming Student Loan Corp., Student Loan Revenue:			
6.20%, 6/1/2024	5,000,000		5,378,850
6.25%, 6/1/2029	5,000,000		5,337,800

Total Long-Term Investments (cost \$581,167,037)			601,804,662
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Short-Term Municipal Investments--3.0%

Alaska--1.8%

Valdez, Marine Terminal Revenue, VRDN (Exxon Pipeline Co. Project):			
1.27%, Series A	1,200,000	e	1,200,000
1.27%, Series C	6,300,000	e	6,300,000

Louisiana--.7%

East Baton Rouge Parish, PCR, VRDN (Exxon Project) 1.23%	3,100,000	e	3,100,000
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Texas--.5%

Lower Neches Valley Authority, IDC Exempt Facilities Revenue, VRDN (ExxonMobil Project) 1.27%	2,100,000 e		2,100,000
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Total Short-Term Investments (cost \$12,700,000)			12,700,000
Total Investments (cost \$593,867,037)	144.8%		614,504,662
Liabilities, Less Cash and Receivables	(1.0%)		(4,207,011)
Preferred Stock, at redemption value	(43.8%)		(186,000,000)
Net Assets	100.0%		424,297,651

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 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

transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2004 these securities amount to \$4,424,820 or 1.0% 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 reports previously filed with the Securities and Exchange Commission 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.

-2-

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: October 14, 2004

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: October 14, 2004

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

Date: October 14, 2004

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)