DREYFUS STRATEGIC MUNICIPAL BOND FUND INC

Form N-Q

October 24, 2006

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: 8/31/06

FORM N-Q

Item 1. Schedule of Investments.

STATEMENT OF INVESTMENTS

Dreyfus Strategic Municipal Bond Fund, Inc.

August 31, 2006 (Unaudited)

Long-Term Municipal Investments139.3%	Coupon Rate (%)	Maturity Date	Principal Amount (\$)	Value (\$)
Alabama1.0%				
Jefferson County,				
Limited Obligation School				
Warrants	5.50	1/1/22	4,000,000	4,328,960
Alaska3.9%				
Alaska Housing Finance Corp.				
(Veterans Mortgage Program)	6.25	6/1/35	4,490,000	4,708,259

Alaska Housing Finance Corp.,				
General Mortgage Revenue				
(Insured; MBIA)	6.05	6/1/39	11,915,000	12,268,637
Arizona5%				
Apache County Industrial				
Development Authority, PCR				
(Tucson Electric Power Co.				
Project)	5.85	3/1/28	2,220,000	2,221,154
Arkansas2.8%				
Arkansas Development Finance				
Authority, SFMR (Mortgage				
Backed Securities Program)				
(Collateralized: FNMA and GNMA)	6.25	1/1/32	2,680,000	2,737,352
Independence County,				
PCR (Entergy Arkansas Inc.				
Project)	5.00	1/1/21	4,000,000	4,089,520
Little Rock School District				
(Insured; FSA)	5.25	2/1/30	5,000,000	5,202,450
California5.6%				
California				
GO (Various Purpose)	5.25	11/1/27	4,855,000	5,327,149
California				
GO (Various Purpose)	5.50	4/1/28	4,240,000	4,519,586
California Department of Veteran				
Affairs, Home Purchase Revenue	5.20	12/1/28	5,000,000	5,003,000
California Health Facilities				
Financing Authority, Revenue				
(Cedars-Sinai Medical Center)	6.25	12/1/09	3,750,000 a	4,096,837
Chula Vista,				
IDR (San Diego Gas and				
Electric Co.)	5.00	12/1/27	3,000,000	3,110,940
Chula Vista,				
IDR (San Diego Gas and				
Electric Co.)	5.00	12/1/27	2,500,000	2,592,450
Colorado4.5%				
Project)	8.50	12/1/31	1,995,000	2,067,678
Colorado Housing Finance Authority				
(Collateralized; FHA)	6.60	8/1/32	2,090,000	2,164,718
Denver City and County,				
Special Facilities Airport				
Revenue (United Airlines				
Project)	6.88	10/1/32	2,885,000 b	3,649,525
Northwest Parkway Public Highway				
Authority, Revenue	7.13	6/15/41	7,000,000	6,969,480
Silver Dollar Metropolitan				

District	7.05	12/1/06	4,755,000 a	4,795,703
Connecticut4.7%				
Connecticut Development Authority,				
PCR (Connecticut Light and				
Power Co. Project)	5.95	9/1/28	9,000,000	9,438,480
Connecticut Health and Educational				
Facilities Authority, Revenue				
(Yale University Issue)	5.00	7/1/42	4,735,000	4,921,512
Connecticut Resources Recovery				
Authority (American REF-FUEL				
Co. of Southeastern				
Connecticut Project)	6.45	11/15/22	4,985,000	5,096,664
Mohegan Tribe Indians Gaming				
Authority, Public				
Improvement-Priority				
Distribution	6.25	1/1/31	1,000,000	1,065,600
District of Columbia3.1%				
District of Columbia Tobacco				
Settlement Financing Corp.,				
Tobacco Settlement				
Asset-Backed Bonds	0.00	6/15/46	104,040,000	9,179,449
Metropolitan Washington Airports				
Authority, Special Facilities				
Revenue (Caterair				
International Corp.)	10.13	9/1/11	4,300,000	4,306,235
Florida4.1%				
Florida Housing Finance Corp.,				
Housing Revenue (Seminole				
Ridge Apartments)				
(Collateralized; GNMA)	6.00	4/1/41	6,415,000	6,681,992
Highlands County Health Facilities				
Authority, HR (Adventist				
Health System/Sunbelt				
Obligated Group)	5.25	11/15/36	4,000,000	4,217,920
Orange County Health Facilities				
Authority, HR (Orlando				
Regional Healthcare System)	6.00	10/1/09	70,000 a	75,326
Orange County Health Facilities				
Authority, HR (Orlando				
Regional Healthcare System)	6.00	10/1/26	3,430,000	3,635,320
Orange County Health Facilities				
Authority, Revenue (Adventist				
Health System)	6.25	11/15/24	3,000,000	3,331,800
Georgia2.6%				
Atlanta,				
Airport Revenue (Insured; FSA)	5.25	1/1/25	3,000,000	3,174,360

Augusta,				
Airport Revenue	5.45	1/1/31	2,500,000	2,620,850
Georgia Housing and Finance				
Authority, SFMR	5.60	12/1/32	2,445,000	2,526,614
Savannah Economic Development				
Authority, EIR (International				
Paper Co. Project)	6.20	8/1/27	2,670,000	2,892,731
Idaho1%				
Idaho Housing and Finance				
Association, SFMR				
(Collateralized; FNMA)	6.35	1/1/30	460,000	478,138
Illinois8.3%				
Chicago,				
SFMR (Collateralized: FHLMC,				
FNMA and GNMA)	6.25	10/1/32	2,240,000	2,279,603
Chicago O'Hare International				
Airport, General Airport				
Revenue (3rd Lien) (Insured;				
XLCA)	6.00	1/1/29	5,000,000	5,587,750
Chicago O'Hare International				
Airport, Special Facilities				
Revenue (American Airlines				
Inc. Project)	8.20	12/1/24	5,700,000	5,845,350
Illinois Educational Facilities				
Authority, Revenue				
(Northwestern University)	5.00	12/1/38	5,000,000	5,151,300
Illinois Health Facilities				
Authority, Revenue (Advocate				
Health Care Network)	6.13	11/15/10	5,000,000 a	5,481,150
Illinois Health Facilities				
Authority, Revenue (OSF				
Healthcare System)	6.25	11/15/09	10,900,000 a	11,861,925
Indiana1.5%				
Franklin Township School Building				
Corp., First Mortgage	6.13	7/15/10	6,000,000 a	6,647,280
Louisiana1.8%				
West Feliciana Parish,				
PCR (Entergy Gulf States Project)	7.00	11/1/15	3,000,000	3,035,670
West Feliciana Parish,				
PCR (Entergy Gulf States Project)	6.60	9/1/28	4,700,000	4,747,470
Maryland1.2%				
Maryland Economic Development				
Corp., Senior Student Housing				
Revenue (University of				
Maryland, Baltimore Project)	5.75	10/1/33	2,550,000	2,510,297
Maryland Industrial Development				
Financing Authority, EDR				
(Medical Waste Associates				

Limited Partnership Facility)	8.75	11/15/10	3,710,000	2,744,510
Massachusetts3.6%				
Massachusetts Health and				
Educational Facilities				
Authority, Revenue (Civic				
Investments Issue)	9.00	12/15/15	2,000,000	2,450,120
Massachusetts Health and				
Educational Facilities				
Authority, Revenue (Partners				
Healthcare System)	5.75	7/1/32	3,000,000	3,251,190
Massachusetts Housing Finance				
Agency, Housing	5.00	6/1/30	1,000,000	1,032,670
Massachusetts Housing Finance				
Agency, SFHR	5.00	12/1/31	6,000,000 c	6,113,040
Massachusetts Turnpike Authority,				
Metropolitan Highway System				
Revenue (Insured; MBIA)	5.00	1/1/37	2,805,000	2,861,717
Michigan3.2%				
Charyl Stockwell Academy,				
COP	5.90	10/1/35	1,000,000	1,024,780
Kent Hospital Finance Authority,				
Revenue (Metropolitan Hospital				
Project)	6.00	7/1/35	4,000,000	4,375,120
Michigan Strategic Fund,				
SWDR (Genesee Power Station				
Project)	7.50	1/1/21	8,720,000	8,718,954
Minnesota1.0%				
Saint Paul Housing and				
Redevelopement Authority,				
Hospital Facility Revenue				
(HealthEast Project)	6.00	11/15/25	1,000,000	1,105,210
Saint Paul Housing and				
Redevelopment Authority,				
Hospital Facility Revenue				
(HealthEast Project)	6.00	11/15/35	3,000,000	3,296,940
Mississippi7%				
Mississippi Business Finance				
Corp., PCR (System Energy				
Resources, Inc. Project)	5.90	5/1/22	3,160,000	3,165,182
Nebraska3%				
Nebraska Investment Finance				
Authority, SFMR	7.92	3/1/26	1,250,000 d,e	1,263,050
Nevada3.8%				
Clark County,				
IDR (Nevada Power Co. Project)	5.60	10/1/30	3,000,000	3,003,600
Washoe County				

(Reno-Sparks Convention Center) (Insured; FSA) Washoe County,	6.40	1/1/10	8,000,	,000 a	8,698,480
Water Facility Revenue (Sierra Pacific Power Co. Project) New Hampshire3.4%	5.00	7/1/09	5,000,	,000	5,034,700
New Hampshire Business Finance					
Authority, PCR (Public Service					
Co.) (Insured; MBIA)	6.00	5/1,	L/21	2,690,000	2,836,632
New Hampshire Business Finance					
Authority, PCR (Public Service	6.00	F /3	121	5 000 000	6 227 060
Co.) (Insured; MBIA)	6.00	5/1,	1/21	6,000,000	6,327,060
New Hampshire Industrial					
Development Authority, PCR					
(Connecticut Light and Power	5.00	11.	12.12.6	F 400 000	5 551 740
Company Project)	5.90	11/	/1/16	5,400,000	5,551,740
New Jersey3.7%					
New Jersey Economic Development					
Authority, Special Facilities					
Revenue (Continental Airlines,	6.25	0/1	E/10	4 620 000	4 707 264
Inc. Project)	0.25	9/1	15/19	4,620,000	4,707,364
Tobacco Settlement Financing Corp.					
of New Jersey, Tobacco	7.00	6/1	//1	10.005.000	11 511 220
Settlement Asset-Backed Bonds	7.00	6/1,	L/41	10,095,000	11,511,329
New York8.9%	F 00	0/1	/20	F 000 000	E 240 0E0
New York City Industrial	5.00	8/1,	L/28	5,000,000	5,249,050
New York City Industrial					
Development Agency, PILOT Revenue (Yankee Stadium					
•	4.50	2/1	/20	5 000 000	4 002 000
Project) (Insured; FGIC)	4.50	5/1/	L/39	5,000,000	4,983,900
New York City Industrial Development Agency, Special					
Facility Revenue (American					
Airlines, Inc. John F. Kennedy					
International Airport Project)	8.00	8/1	L/28	3,000,000	3,547,980
New York City Industrial	0.00	0/1/	1/20	3,000,000	3,547,900
Development Agency, Special					
Facility Revenue (American					
Airlines, Inc. John F. Kennedy					
International Airport Project)	7.75	8/1	L/31	10,000,000	11,601,500
New York Liberty Development	,.,3	3/1/	-, -	,000,000	
Corp., Revenue (Goldman Sachs					
Headquarters Issue)	5.25	10/	/1/35	7,500,000	8,487,750
New York State Dormitory	3.23	20/	_,_,	- ,= 00,000	_,,.50
Authority, Revenue (Marymount					
Manhattan College) (Insured;					
conege, (modica,					

Radian) New York State Dormitory		6.25	7/1/29	4,000,000	4,277,640
Authority, Revenue (Suffolk County Judicial Facility) North Carolina6%		9.50	4/15/14	605,000	826,497
North Carolina Eastern Municipal Power Agency, Power Systems Revenue Ohio5.3% Cuyahoga County, Hospital Facilities Revenue (UHHS/CSAHS-Cuyahoga, Inc. and		6.70	1/1/19	2,500,000	2,725,100
CSAHS/UHHS-Canton, Inc.					
Project)	7.50	1/1/30		3,500,000	3,877,510
Cuyahoga County, Hospital Improvement Revenue					
(The Metrohealth Systems					
Project)	6.15	2/15/09		10,000,000 a	10,690,200
Ohio Air Quality Development					
Authority, PCR (Cleveland					
Electric Illumimating Co.					
Project) (Insured; ACA)	6.10	8/1/20		2,400,000	2,479,824
Ohio Housing Finance Agency,					
Residential Mortgage Revenue					
(Mortgage-Backed Securities	6.15	2/1/20		1 995 000	1 040 363
Program) (Collateralized; GNMA) Ohio Water Development Authority,	0.15	3/1/29		1,885,000	1,940,362
Pollution Control Facilities					
Revenue (Cleveland Electric					
Illuminating Co. Project)					
(Insured; ACA)	6.10	8/1/20		4,000,000	4,133,040
Oklahoma3.4%					
Oklahoma Development Finance					
Authority, Revenue (Saint John					
Health System)	6.00	2/15/29		9,000,000	9,531,900
Oklahoma Industries Authority,					
Health System Revenue					
(Obligated Group) (Insured;	F 7F	0/15/00		2 105 000 -	2 247 007
MBIA) Oklahoma Industries Authority,	5.75	8/15/09		2,105,000 a	2,247,887
Health System Revenue					
(Obligated Group) (Insured;					
MBIA)	5.75	8/15/29		2,895,000	3,063,923
Oregon1.2%		, -,			
Oregon,					
GO (Veterans Welfare)	5.25	10/1/42		2,000,000	2,039,000

Western Generation Agency, Cogeneration Project Revenue (Wauna Cogeneration Project) Pennsylvania2.6% Allegheny County Port Authority,	7.40	1/1/16	3,250,000	3,262,285
Special Transporation Revenue (Insured; MBIA) Lehman Municipal Trust Receipts (Pennsylvania Economic	6.13	3/1/09	4,750,000 a	5,078,938
Development Financing Authority) Pennsylvania Economic Development Financing Authority, Exempt	7.70	6/1/31	3,500,000 d,e	3,802,470
Facilities Revenue (Reliant Energy Seward, LLC Project) Pennsylvania Housing Finance Agency, Multi-Family	6.75	12/1/36	2,000,000	2,148,420
Development Revenue	8.25	12/15/19	241,000	241,552
Rhode Island1.5% Rhode Island Health and Educational Building Corp., Higher Educational Facilities Revenue (University of Rhode Island) (Insured; MBIA) South Carolina8.0% Greenville County School District, Installment Purchase Revenue (Building Equity Sooner for Tomorrow) Greenville Hospital System, Hospital Facilities Revenue (Insured; AMBAC)	5.8 7.3. 5.5	2 12/1/28		6,351,477 11,506,875 7,503,790
Medical University of South Carolina, Hospital Facilities Revenue	6.0		5,000,000 a	5,367,500
Richland County, EIR (International Paper Co.) Securing Assets for Education, Installment Purchase Revenue (Berkeley County School	6.1	0 4/1/23	6,500,000	7,054,255
District Project) Tennessee3.6% Johnson City Health and Educational Facilities Board, Hospital First Mortgage Revenue (Mountain States	5.1	3 12/1/30	3,280,000	3,439,769

Health Alliance)	7.50	7/1/25	2,000,000	2,347,540
Johnson City Health and	7.50	7/1/25	2,000,000	2,347,340
Educational Facilities Board,				
Hospital First Mortgage				
Revenue (Mountain States				
Health Alliance)	7.50	7/1/33	4,875,000	5,693,269
Memphis Center Revenue Finance	7.50	7/1/33	4,073,000	3,093,209
Corp., Sports Facility Revenue				
	6.50	0/1/20	6 000 000	E 030 930
(Memphis Redbirds)	0.30	9/1/28	6,000,000	5,939,820
Tennessee Housing Development	6.00	1/1/20	1 005 000	1 012 754
Agency (Homeownership Program) Texas18.5%	6.00	1/1/28	1,805,000	1,813,754
Alliance Airport Authority Inc., Special Facilities Revenue				
(American Airlines, Inc.	7.50	12/1/20	F 000 000	F 012 000
Project)	7.50	12/1/29	5,000,000	5,013,900
Cities of Dallas and Fort Worth, Dallas/Fort Worth				
International Airport,				
Facility Improvement Corp.,	6.15	1/1/16	2 000 000	2.022.200
Revenue (Bombardier Inc.)	6.15	1/1/16	3,000,000	3,033,300
Gregg County Health Facilities				
Development Corp., HR (Good				
Shephard Medical Center				
Project) (Insured; Radian)	6.38	10/1/25	2,500,000	2,742,300
Project) (Insured; Radian) Harris County Health Facilities	6.38	10/1/25	2,500,000	2,742,300
	6.38	10/1/25	2,500,000	2,742,300
Harris County Health Facilities	6.38	10/1/25	2,500,000	2,742,300
Harris County Health Facilities Development Corp., HR	6.38	10/1/25 6/1/11	2,500,000 7,000,000 a	2,742,300 7,875,280
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare				
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System)				
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports				
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third	6.38	6/1/11	7,000,000 a	7,875,280
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA)	6.38	6/1/11	7,000,000 a	7,875,280
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District	6.38	6/1/11	7,000,000 a	7,875,280
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund	6.38 0.00	6/1/11 11/15/31	7,000,000 a 9,685,000	7,875,280 2,702,018
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed)	6.38 0.00	6/1/11 11/15/31	7,000,000 a 9,685,000	7,875,280 2,702,018
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing	6.38 0.00	6/1/11 11/15/31	7,000,000 a 9,685,000	7,875,280 2,702,018
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized:	6.380.006.13	6/1/11 11/15/31 2/15/09	7,000,000 a 9,685,000 11,360,000 a	7,875,280 2,702,018 12,041,827
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA)	6.380.006.13	6/1/11 11/15/31 2/15/09	7,000,000 a 9,685,000 11,360,000 a	7,875,280 2,702,018 12,041,827
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA) Sabine River Authority,	6.380.006.136.70	6/1/11 11/15/31 2/15/09 10/1/30	7,000,000 a 9,685,000 11,360,000 a 1,800,000	7,875,280 2,702,018 12,041,827 1,844,136
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA) Sabine River Authority, PCR (TXU Electric Co. Project)	6.380.006.136.70	6/1/11 11/15/31 2/15/09 10/1/30	7,000,000 a 9,685,000 11,360,000 a 1,800,000	7,875,280 2,702,018 12,041,827 1,844,136
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA) Sabine River Authority, PCR (TXU Electric Co. Project) Sabine River Authority,	6.38 0.00 6.13 6.70 5.50	6/1/11 11/15/31 2/15/09 10/1/30 11/1/11	7,000,000 a 9,685,000 11,360,000 a 1,800,000 2,490,000	7,875,280 2,702,018 12,041,827 1,844,136 2,640,570
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA) Sabine River Authority, PCR (TXU Electric Co. Project) Sabine River Authority, PCR (TXU Electric Co. Project)	6.38 0.00 6.13 6.70 5.50	6/1/11 11/15/31 2/15/09 10/1/30 11/1/11	7,000,000 a 9,685,000 11,360,000 a 1,800,000 2,490,000	7,875,280 2,702,018 12,041,827 1,844,136 2,640,570
Harris County Health Facilities Development Corp., HR (Memorial Hermann Healthcare System) Harris County-Houston Sports Authority, Revenue (Third Lien-A-3) (Insured; MBIA) Katy Independent School District (Permanent School Fund Guaranteed) Lubbock Texas Housing Financing Corp., SFMR (Collateralized: FNMA and GNMA) Sabine River Authority, PCR (TXU Electric Co. Project) Sabine River Authority, PCR (TXU Electric Co. Project) Texas	6.38 0.00 6.13 6.70 5.50 6.45	6/1/11 11/15/31 2/15/09 10/1/30 11/1/11 6/1/21	7,000,000 a 9,685,000 11,360,000 a 1,800,000 2,490,000 4,900,000	7,875,280 2,702,018 12,041,827 1,844,136 2,640,570 5,233,984

Program) (Collateralized; FHA)	6.10	6/1/31	8,510,000	8,962,221
Texas Department of Housing and				
Community Affairs, Home				
Mortgage Revenue				
(Collateralized: FHLMC, FNMA				
and GNMA)	9.76	7/2/24	1,450,000 d	1,533,941
Texas Department of Housing and				
Community Affairs, Residential				
Mortgage Revenue				
(Collateralized: FHLMC, FNMA				
and GNMA)	5.35	7/1/33	5,265,000	5,409,103
Texas Turnpike Authority,				
Central Texas Turnpike System				
Revenue (Insured; AMBAC)	5.25	8/15/42	6,775,000	7,212,326
Tomball Hospital Authority,				
Revenue (Tomball Regional				
Hospital)	6.00	7/1/25	4,650,000	4,842,138
Tyler Health Facilities				
Development Corp., HR (East				
Texas Medical Center Regional				
Healthcare System Project)	6.75	11/1/25	5,850,000	5,926,635
Utah4%				
Utah Housing Corp.,				
SFMR	5.00	7/1/37	1,640,000	1,663,714
Virginia5.3%				
Henrico County Industrial				
Development Authority, Revenue				
(Bon Secours Health System)	8.18	8/23/27	7,500,000 d	10,182,525
Tobacco Settlement Financing Corp.				
of Virginia, Tobacco				
Settlement Asset-Backed Bonds	5.63	6/1/37	3,810,000	3,987,203
Virginia Housing Development	5.05	0/1/3/	5,010,000	5,507,205
Authority, Rental Housing	6.20	8/1/24	8,520,000	8,972,838
Washington3.3%	0.20	0/1/24	0,320,000	0,372,030
Energy Northwest,				
Revenue (Wind Project)	6.00	1/1/07	3,670,000 a	3,807,809
Washington Higher Educational	0.00	1/1/07	3,0,0,000 a	3,007,003
Facilities Authority, Revenue				
(Whitman College)	5.88	10/1/09	10,000,000 a	10,665,500
Wisconsin6.9%	3.00	10/1/03	10,000,000 a	10,003,500
Badger Tobacco Asset				
Securitization Corp., Tobacco				
Securitization corp., robacco				
Settlement Asset-Backed Bonds	7 35	6/1/27	4 815 000 d e	5 448 702
Settlement Asset-Backed Bonds Badger Tobacco Asset	7.35	6/1/27	4,815,000 d,e	5,448,702
Badger Tobacco Asset	7.35	6/1/27	4,815,000 d,e	5,448,702
	7.35 7.00	6/1/27 6/1/28	4,815,000 d,e 14,570,000	5,448,702 16,286,637

Net Assets Applicable to Common Shareh	olders		100.0%	437,054,043
Preferred Stock, at redemption value			(42.6%)	(186,000,000)
Cash and Receivables (Net)			2.5%	10,848,849
Total Investments (cost \$582,452,589)			140.1%	612,205,194
(cost \$3,575,000)				3,575,000
Total Short-Term Municipal Investments				
Bank)	3.54	9/1/06	2,000,000 f	2,000,000
(Liquidity Facility; Wachovia				
(Geisinger Health System)				
Health System Revenue				
Geisinger Authority,				
Pennsylvania4%				
(LOC; SunTrust Bank)	3.55	9/1/06	1,575,000 f	1,575,000
Inc., Athletic Program Revenue				
University Athletic Association,				
Florida4%			-	
Investments8%	Rate (%)	Date	Amount (\$)	Value (\$)
Short-Term Municipal	Coupon	Maturity	Principal	, ,
(cost \$578,877,589)				608,630,194
Total Long-Term Municipal Investments	0.00	,,1,,55	10,000,000	2,000,000
Tax Revenue (Insured; AMBAC)	0.00	7/1/35	10,000,000	2,666,000
Financing Authority, Special				
Puerto Rico Infrastructure	0.00	3/13/33	20,000,000	005,000
Asset-Backed Bonds	0.00	5/15/55	20,000,000	685,600
Rico, Tobacco Settlement				
Children's Trust Fund of Puerto				
U.S. Related8%	0.25	0/1/29	3,000,000	3,301,300
Wyoming Student Loan Corp., Student Loan Revenue	6.25	6/1/29	5,000,000	5,301,300
Student Loan Revenue	6.20	6/1/24	5,000,000	5,308,850
Wyoming Student Loan Corp.,	6.20	6/1/10/4	F 000 000	F 200 050
SWDR (FMC Corp. Project)	5.60	12/1/35	5,000,000	5,264,250
Sweetwater County,				
Wyoming3.6%				
(Marshfield Clinic)	5.38	2/15/34	2,000,000	2,107,360
Facilities Authority, Revenue				
Wisconsin Health and Educational				
(Aurora Health Care)	6.40	4/15/33	5,500,000	6,104,670
Facilities Authority, Revenue				
Wisconsin Health and Educational				

These securities are prerefunded; the date shown represents the prerefunded date. 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.

- b Non-income producing security; interest payments in default.
- c Purchased on a delayed delivery basis.
- d Inverse floater security--the interest rate is subject to change periodically.
 - Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold
- e in

transactions exempt from registration, normally to qualified institutional buyers. At August 31, 2006, these ...

securities

amounted to \$22,021,097 or 5.0% of net assets applicable to Common Shareholders.

f Securities payable on demand. Variable interest rate--subject to periodic change.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the annual and semiannual reports previously filed with the Securities and Exchange Commission on Form N-CSR.

Summary of Abbreviations

ACA	American Capital Access	AGC	ACE Guaranty Corporation
AGIC	Asset Guaranty Insurance Company	AMBAC	American Municipal Bond Assurance Corporation
ARRN	Adjustable Rate Receipt Notes	BAN	Bond Anticipation Notes
BIGI	Bond Investors Guaranty Insurance	BPA	Bond Purchase Agreement
CGIC	Capital Guaranty Insurance Company	CIC	Continental Insurance Company
CIFG	CDC Ixis Financial Guaranty	CMAC	Capital Market Assurance Corporation
COP	Certificate of Participation	СР	Commercial Paper
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	FSA	Financial Security Assurance
GAN	Grant Anticipation Notes	GIC	Guaranteed Investment Contract
GNMA	Government National Mortgage Association	GO	General Obligation
HR	Hospital Revenue	IDB	Industrial Development Board
IDC	Industrial Development Corporation	IDR	Industrial Development Revenue
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MBIA	Municipal Bond Investors Assurance Insurance
			Corporation
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	PILOT	Payment-In-Lieu-Of Taxes
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	RRR	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes	SBPA	Standby Bond Purchase Agreement
SFHR	Single Family Housing Revenue	SFMR	Single Family Mortgage Revenue
SONYMA	State of New York Mortgage Agency	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

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: October 18, 2006

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: <u>/s/ Stephen E. Canter</u>

Stephen E. Canter Chief Executive Officer

Date: October 18, 2006

By: <u>/s/ James Windels</u>

James Windels

Chief Financial Officer

Date: October 18, 2006

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)