

DREYFUS STRATEGIC MUNICIPAL BOND FUND INC  
 Form N-Q  
 October 27, 2008

**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)

Michael A. Rosenberg, 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: 8/31/08

**FORM N-Q**

**Item 1. Schedule of Investments.**

**STATEMENT OF INVESTMENTS**

**Dreyfus Strategic Municipal Bond Fund, Inc.  
 August 31, 2008 (Unaudited)**

| <b>Long-Term Municipal<br/>Investments--152.0%</b>  | <b>Coupon<br/>Rate (%)</b> | <b>Maturity<br/>Date</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|---|----------------------------|--------------------------|----------------------------------|-------------------|
| <b>Alaska--4.1%</b>   |                            |                          |                                  |                   |
| Alaska Housing Finance  |                            |                          |                                  |                   |
| Corporation, General Mortgage<br>Revenue (Insured; MBIA, Inc.)                            | 6.05                       | 6/1/39                   | 11,915,000                       | 11,961,111        |
| Alaska Housing Finance  |                            |                          |                                  |                   |
| Corporation, Single-Family<br>Residential Mortgage Revenue<br>(Veterans Mortgage Program) | 6.25                       | 6/1/35                   | 3,975,000                        | 4,027,788         |
| <b>Arizona--2.6%</b>  |                            |                          |                                  |                   |

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|   |      |         |              |           |
|---|------|---------|--------------|-----------|
| Apache County Industrial<br>Development Authority, PCR<br>(Tucson Electric Power Company<br>Project)  | 5.85 | 3/1/28  | 2,220,000    | 2,143,699 |
| Arizona Health Facilities<br>Authority, Revenue (Banner<br>Health)  | 5.50 | 1/1/38  | 4,500,000    | 4,428,810 |
| Pima County Industrial Development<br>Authority, Education Revenue<br>(American Charter Schools<br>Foundation Project)  | 5.50 | 7/1/26  | 4,000,000    | 3,697,960 |
| <b>Arkansas--.6%</b>  |      |         |              |           |
| Arkansas Development Finance<br>Authority, SFMR (Mortgage<br>Backed Securities Program)<br>(Collateralized: FNMA and GNMA)                                    | 6.25 | 1/1/32  | 2,380,000    | 2,452,876 |
| <b>California--5.9%</b>   |      |         |              |           |
| California,<br>GO (Various Purpose)   | 5.25 | 11/1/27 | 4,240,000    | 4,320,348 |
| California Department of Veteran<br>Affairs, Home Purchase Revenue  | 5.20 | 12/1/28 | 2,950,000    | 2,950,944 |
| <hr/>   |      |         |              |           |
| California Educational Facilities<br>Authority, Revenue (University<br>of Southern California)  | 4.50 | 10/1/33 | 7,650,000    | 7,242,255 |
| California Enterprise Development<br>Authority, Sewage Facilities<br>Revenue (Anheuser-Busch<br>Project)  | 5.30 | 9/1/47  | 1,000,000    | 895,090   |
| California Health Facilities<br>Financing Authority, Revenue<br>(Cedars-Sinai Medical Center)   | 6.25 | 12/1/09 | 3,750,000 a  | 3,990,112 |
| California Statewide Communities<br>Development Authority,<br>Environmental Facilities<br>Revenue (Microgy Holdings<br>Project)                               | 9.00 | 12/1/38 | 2,000,000    | 2,005,460 |
| Silicon Valley Tobacco<br>Securitization Authority,<br>Tobacco Settlement<br>Asset-Backed Bonds (Santa<br>Clara County Tobacco<br>Securitization Corporation) | 0.00 | 6/1/36  | 15,290,000 b | 1,701,165 |
| <b>Colorado--3.5%</b>   |      |         |              |           |
| Colorado Health Facilities<br>Authority, Revenue (American<br>Baptist Homes of the Midwest<br>Obligated Group)  | 5.90 | 8/1/37  | 2,500,000    | 2,156,575 |
| Colorado Health Facilities<br>Authority, Revenue (American  |      |         |              |           |

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| Housing Foundation I, Inc.<br>Project)   | 8.50  | 12/1/31  | 1,920,000     | 2,004,192 |
| Colorado Housing Finance Authority<br>(Single Family Program)<br>(Collateralized; FHA)   | 6.60  | 8/1/32   | 1,560,000     | 1,660,573 |
| Northwest Parkway Public Highway<br>Authority, Revenue   | 7.13  | 6/15/11  | 7,000,000 a   | 7,895,230 |
| <b>Connecticut--6.8%</b>   |       |          |               |           |
| Connecticut Development Authority,   |       |          |               |           |
| <hr/>  |       |          |               |           |
| PCR (Connecticut Light and<br>Power Company Project)   | 5.95  | 9/1/28   | 9,000,000     | 8,765,100 |
| Connecticut Health and Educational<br>Facilities Authority, Revenue<br>(Yale University Issue)   | 5.05  | 7/1/42   | 9,650,000     | 9,863,361 |
| Connecticut Resources Recovery<br>Authority, Special Obligation<br>Revenue (American REF-FUEL<br>Company of Southeastern<br>Connecticut Project) | 6.45  | 11/15/22 | 4,985,000     | 4,875,280 |
| Mohegan Tribe of Indians of<br>Connecticut Gaming Authority,<br>Priority Distribution Payment<br>Public Improvement Revenue                      | 6.25  | 1/1/31   | 3,470,000     | 3,172,274 |
| <b>District of Columbia--3.4%</b>  |       |          |               |           |
| District of Columbia Tobacco<br>Settlement Financing<br>Corporation, Tobacco<br>Settlement Asset-Backed Bonds                                    |       |          |               |           |
|  | 0.00  | 6/15/46  | 104,040,000 b | 4,864,910 |
| Metropolitan Washington Airports<br>Authority, Airport System<br>Revenue   | 5.13  | 10/1/24  | 5,275,000     | 5,186,855 |
| Metropolitan Washington Airports<br>Authority, Special Facility<br>Revenue (Caterair<br>International Corporation)                               | 10.13 | 9/1/11   | 3,100,000     | 3,101,271 |
| <b>Florida--5.6%</b>   |       |          |               |           |
| Escambia County,<br>EIR (International Paper<br>Company Project)   |       |          |               |           |
|  | 5.00  | 8/1/26   | 1,825,000     | 1,476,991 |
| Florida Housing Finance<br>Corporation, Housing Revenue<br>(Seminole Ridge Apartments)<br>(Collateralized; GNMA)                                 | 6.00  | 4/1/41   | 6,415,000     | 6,306,458 |
| Highlands County Health Facilities<br>Authority, HR (Adventist<br>Health System/Sunbelt  |       |          |               |           |
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|---|------|----------|----------------|------------|
| Obligated Group)  | 5.25 | 11/15/36 | 5,000,000      | 4,838,850  |
| Jacksonville Economic Development<br>Commission, Health Care<br>Facilities Revenue (Florida<br>Proton Therapy Institute<br>Project) | 6.25 | 9/1/27   | 2,095,000 c    | 2,088,066  |
| Orange County Health Facilities<br>Authority, HR (Orlando<br>Regional Healthcare System)  | 6.00 | 10/1/09  | 70,000 a       | 73,595     |
| Orange County Health Facilities<br>Authority, HR (Orlando<br>Regional Healthcare System)  | 6.00 | 10/1/26  | 3,675,000      | 3,739,312  |
| Orange County Health Facilities<br>Authority, Revenue (Adventist<br>Health System)  | 6.25 | 11/15/12 | 3,000,000 a    | 3,401,640  |
| <b>Georgia--1.7%</b>  |      |          |                |            |
| Augusta,<br>Airport Revenue   | 5.45 | 1/1/31   | 2,500,000      | 2,083,625  |
| Georgia Housing and Finance<br>Authority, SFMR  | 5.60 | 12/1/32  | 2,090,000      | 2,218,848  |
| Savannah Economic Development<br>Authority, EIR (International<br>Paper Company Project)  | 6.20 | 8/1/27   | 2,670,000      | 2,483,287  |
| <b>Idaho--.1%</b>   |      |          |                |            |
| Idaho Housing and Finance<br>Association, SFMR<br>(Collateralized; FNMA)  | 6.35 | 1/1/30   | 260,000        | 261,193    |
| <b>Illinois--8.5%</b>   |      |          |                |            |
| Chicago,<br>SFMR (Collateralized: FHLMC,<br>FNMA and GNMA)  | 6.25 | 10/1/32  | 1,605,000      | 1,650,004  |
| Chicago O'Hare International<br>Airport, Special Facility<br>Revenue (American Airlines,<br>Inc. Project)                           | 5.50 | 12/1/30  | 4,000,000      | 2,340,320  |
| Illinois Educational Facilities<br>Authority, Revenue   |      |          |                |            |
| (Northwestern University)   | 5.00 | 6/1/12   | 11,720,000 c,d | 11,767,466 |
| Illinois Health Facilities<br>Authority, Revenue (Advocate<br>Health Care Network)  | 6.13 | 11/15/10 | 5,000,000 a    | 5,413,200  |
| Illinois Health Facilities<br>Authority, Revenue (OSF<br>Healthcare System)   | 6.25 | 11/15/09 | 10,900,000 a   | 11,539,285 |
| <b>Indiana--1.7%</b>  |      |          |                |            |
| Franklin Township School Building<br>Corporation, First Mortgage<br>Bonds   | 6.13 | 7/15/10  | 6,000,000 a    | 6,555,600  |
| <b>Kentucky--1.0%</b>   |      |          |                |            |

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|---|------|----------|-------------|------------|
| Louisville/Jefferson County Metro<br>Government, Health Facilities<br>Revenue (Jewish Hospital and<br>Saint Mary's Healthcare, Inc.<br>Project)       | 6.13 | 2/1/37   | 4,000,000   | 4,067,000  |
| <b>Louisiana--6.1%</b>  |      |          |             |            |
| Lakeshore Villages Master<br>Community Development<br>District, Special Assessment<br>Revenue   | 5.25 | 7/1/17   | 1,987,000   | 1,785,419  |
| Louisiana Local Government<br>Environmental Facilities and<br>Community Development<br>Authority, Revenue (Westlake<br>Chemical Corporation Projects) | 6.75 | 11/1/32  | 4,000,000   | 3,936,320  |
| Saint John the Baptist Parish,<br>Revenue (Marathon Oil<br>Corporation Project)   | 5.13 | 6/1/37   | 12,000,000  | 10,370,880 |
| West Feliciana Parish,<br>PCR (Entergy Gulf States<br>Project)  | 7.00 | 11/1/15  | 3,000,000   | 3,010,320  |
| West Feliciana Parish,<br>PCR (Entergy Gulf States<br>Project)  | 6.60 | 9/1/28   | 4,700,000   | 4,701,598  |
| <b>Maryland--2.7%</b>   |      |          |             |            |
| Maryland Economic Development<br>Corporation, Senior Student<br>Housing Revenue (University of<br>Maryland, Baltimore Project)                        | 5.75 | 10/1/33  | 2,550,000   | 2,137,486  |
| Maryland Health and Higher<br>Educational Facilities<br>Authority, Revenue (The Johns<br>Hopkins University Issue)                                    | 5.25 | 7/1/38   | 5,000,000   | 5,206,300  |
| Maryland Industrial Development<br>Financing Authority, EDR<br>(Medical Waste Associates<br>Limited Partnership Facility)                             | 8.75 | 11/15/10 | 3,710,000   | 3,188,226  |
| <b>Massachusetts--2.0%</b>  |      |          |             |            |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Civic<br>Investments Issue)   | 9.00 | 12/15/12 | 2,000,000 a | 2,415,260  |
| Massachusetts Health and<br>Educational Facilities<br>Authority, Revenue (Partners<br>HealthCare System Issue)  | 5.75 | 7/1/32   | 115,000     | 116,986    |
| Massachusetts Housing Finance<br>Agency, SFHR   | 5.00 | 12/1/31  | 6,000,000   | 5,260,380  |
| <b>Michigan--4.4%</b>   |      |          |             |            |

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| Kent Hospital Finance Authority,<br>Revenue (Metropolitan Hospital<br>Project)   | 6.00 | 7/1/35   | 4,000,000   | 3,737,560  |
| Michigan Strategic Fund,<br>SWDR (Genesee Power Station<br>Project)  | 7.50 | 1/1/21   | 8,120,000   | 7,841,484  |
| Michigan Tobacco Settlement<br>Finance Authority, Tobacco<br>Settlement Asset-Backed Bonds                                     | 6.00 | 6/1/48   | 6,900,000   | 5,752,737  |
| <b>Minnesota--2.8%</b>   |      |          |             |            |
| Saint Paul Housing and<br>Redevelopment Authority,<br>Hospital Facility Revenue  |      |          |             |            |
| (HealthEast Project)   | 6.00 | 11/15/35 | 11,250,000  | 11,005,313 |
| <b>Mississippi--1.1%</b>   |      |          |             |            |
| Mississippi Business Finance<br>Corporation, PCR (System<br>Energy Resources, Inc. Project)                                    | 5.90 | 5/1/22   | 4,260,000   | 4,137,184  |
| <b>Missouri--2.2%</b>  |      |          |             |            |
| Missouri Health and Educational<br>Facilities Authority, Health<br>Facilities Revenue (BJC Health<br>System)                   | 5.25 | 5/15/32  | 8,400,000   | 8,399,328  |
| <b>Nebraska--.2%</b>   |      |          |             |            |
| Nebraska Investment Finance<br>Authority, SFMR   | 8.51 | 3/1/26   | 800,000 c,e | 820,040    |
| <b>Nevada--2.8%</b>  |      |          |             |            |
| Clark County,<br>IDR (Nevada Power Company<br>Project)   | 5.60 | 10/1/30  | 3,000,000   | 2,565,420  |
| Washoe County,<br>GO Convention Center Revenue<br>(Reno-Sparks Convention and<br>Visitors Authority) (Insured;<br>FSA)         | 6.40 | 1/1/10   | 8,000,000 a | 8,457,520  |
| <b>New Hampshire--3.6%</b>   |      |          |             |            |
| New Hampshire Business Finance<br>Authority, PCR (Public Service<br>Company of New Hampshire<br>Project) (Insured; MBIA, Inc.) | 6.00 | 5/1/21   | 2,690,000   | 2,717,922  |
| New Hampshire Business Finance<br>Authority, PCR (Public Service<br>Company of New Hampshire<br>Project) (Insured; MBIA, Inc.) | 6.00 | 5/1/21   | 6,000,000   | 6,062,280  |
| New Hampshire Industrial<br>Development Authority, PCR<br>(Connecticut Light and Power<br>Company Project)                     | 5.90 | 11/1/16  | 5,400,000   | 5,469,336  |
| <b>New Jersey--4.0%</b>  |      |          |             |            |

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New Jersey Economic Development

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|   |      |         |                |            |
|---|------|---------|----------------|------------|
| Authority, Special Facility<br>Revenue (Continental Airlines,<br>Inc. Project)  | 6.25 | 9/15/19 | 4,620,000      | 3,781,193  |
| Tobacco Settlement Financing<br>Corporation of New Jersey,<br>Tobacco Settlement<br>Asset-Backed Bonds  | 7.00 | 6/1/13  | 10,095,000 a   | 11,961,061 |
| <b>New York--5.9%</b>   |      |         |                |            |
| Austin Trust<br>(Port Authority of New York<br>and New Jersey, Consolidated<br>Bonds, 151th Series)   | 6.00 | 9/15/28 | 10,000,000 c,d | 10,751,400 |
| New York City Industrial<br>Development Agency, Special<br>Facility Revenue (American<br>Airlines, Inc. John F. Kennedy<br>International Airport Project) | 8.00 | 8/1/28  | 3,000,000      | 2,774,670  |
| New York City Industrial<br>Development Agency, Special<br>Facility Revenue (American<br>Airlines, Inc. John F. Kennedy<br>International Airport Project) | 7.75 | 8/1/31  | 5,000,000      | 4,483,500  |
| New York State Dormitory<br>Authority, Revenue (Marymount<br>Manhattan College) (Insured;<br>Radian)  | 6.25 | 7/1/29  | 4,000,000      | 4,085,080  |
| New York State Dormitory<br>Authority, Revenue (Suffolk<br>County Judicial Facility)  | 9.50 | 4/15/14 | 605,000        | 794,831    |
| <b>North Carolina--1.3%</b>   |      |         |                |            |
| North Carolina Eastern Municipal<br>Power Agency, Power System<br>Revenue   | 6.70 | 1/1/19  | 2,500,000      | 2,599,675  |
| North Carolina Housing Finance<br>Agency, Home Ownership Revenue  | 5.88 | 7/1/31  | 2,605,000      | 2,585,358  |
| <b>Ohio--5.2%</b>   |      |         |                |            |
| Buckeye Tobacco Settlement  |      |         |                |            |
| Financing Authority, Tobacco<br>Settlement Asset-Backed Bonds   | 6.50 | 6/1/47  | 7,000,000      | 6,250,160  |
| Cuyahoga County,<br>Hospital Facilities Revenue<br>(UHHS/CSAHS-Cuyahoga, Inc. and<br>CSAHS/UHHS-Canton, Inc.<br>Project)                                  | 7.50 | 1/1/30  | 3,500,000      | 3,701,880  |
| Cuyahoga County,  |      |         |                |            |

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| Hospital Improvement Revenue<br>(The Metrohealth Systems<br>Project)  | 6.15 | 2/15/09  | 8,115,000 a      | 8,352,526  |
| Port of Greater Cincinnati<br>Development Authority, Tax<br>Increment Development Revenue<br>(Fairfax Village Red Bank<br>Infrastructure Project) | 5.63 | 2/1/36   | 2,530,000        | 2,180,683  |
| <b>Oklahoma--1.4%</b>   |      |          |                  |            |
| Oklahoma Development Finance<br>Authority, Revenue (Saint John<br>Health System)  | 6.00 | 2/15/29  | 2,250,000        | 2,294,032  |
| Oklahoma Industries Authority,<br>Health System Revenue<br>(Obligated Group) (Insured;<br>MBIA, Inc.)   | 5.75 | 8/15/09  | 2,895,000 a      | 3,027,967  |
| <b>Pennsylvania--2.9%</b>   |      |          |                  |            |
| Allegheny County Port Authority,<br>Special Transportation Revenue<br>(Insured; MBIA, Inc.)   | 6.13 | 3/1/09   | 4,750,000 a      | 4,902,997  |
| Pennsylvania Economic Development<br>Financing Authority, SWDR (USG<br>Corporation Project)   | 6.00 | 6/1/31   | 7,000,000        | 6,104,350  |
| Pennsylvania Housing Finance<br>Agency, Multi-Family<br>Development Revenue   | 8.25 | 12/15/19 | 235,000          | 235,444    |
| <b>South Carolina--9.5%</b>   |      |          |                  |            |
| Greenville County School District,<br>Installment Purchase Revenue  |      |          |                  |            |
| (Building Equity Sooner for<br>Tomorrow)  | 5.50 | 12/1/12  | 19,000,000 a,c,d | 21,337,095 |
| Greenville Hospital System,<br>Hospital Facilities Revenue<br>(Insured; AMBAC)  | 5.50 | 5/1/26   | 7,000,000        | 7,262,080  |
| Richland County,<br>EIR (International Paper<br>Company Project)  | 6.10 | 4/1/23   | 8,500,000        | 8,170,455  |
| <b>Tennessee--4.6%</b>  |      |          |                  |            |
| Johnson City Health and<br>Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance)               | 7.50 | 7/1/12   | 2,000,000 a      | 2,389,220  |
| Johnson City Health and<br>Educational Facilities Board,<br>Hospital First Mortgage<br>Revenue (Mountain States<br>Health Alliance)               | 7.50 | 7/1/12   | 4,875,000 a      | 5,823,724  |
| Knox County Health, Educational   |      |          |                  |            |



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| and Housing Facility Board,<br>Revenue (University Health<br>System, Inc.)   | 5.25 | 4/1/36   | 3,750,000    | 3,419,700  |
| Memphis Center City Revenue<br>Finance Corporation, Sports<br>Facility Revenue (Memphis<br>Redbirds Baseball Foundation<br>Project)                      | 6.50 | 9/1/28   | 6,000,000    | 5,143,140  |
| Tennessee Housing Development<br>Agency Homeownership Program<br>Revenue   | 6.00 | 1/1/28   | 1,340,000    | 1,355,852  |
| <b>Texas--27.7%</b>  |      |          |              |            |
| Brazos River Authority,<br>PCR (TXU Electric Company<br>Project)   | 8.25 | 5/1/33   | 3,000,000    | 3,016,470  |
| Brazos River Harbor Navigation<br>District, Revenue (The Dow<br>Chemical Company Project)  | 5.13 | 5/15/33  | 7,300,000    | 6,014,835  |
| Cities of Dallas and Fort Worth,<br>Dallas/Fort Worth<br>International Airport,<br>Facility Improvement<br>Corporation Revenue (Learjet<br>Inc. Project) | 6.15 | 1/1/16   | 3,000,000    | 2,828,190  |
| Gregg County Health Facilities<br>Development Corporation, HR<br>(Good Shepherd Medical Center<br>Project) (Insured; Radian)                             | 6.38 | 10/1/10  | 2,500,000 a  | 2,734,425  |
| Gulf Coast Industrial Development<br>Authority, Environmental<br>Facilities Revenue (Microgy<br>Holdings Project)  | 7.00 | 12/1/36  | 5,000,000    | 4,099,050  |
| Harris County Health Facilities<br>Development Corporation, HR<br>(Memorial Hermann Healthcare<br>System)  | 6.38 | 6/1/11   | 7,000,000 a  | 7,776,020  |
| Harris County Hospital District,<br>Senior Lien Revenue (Insured;<br>MBIA, Inc.)   | 5.25 | 2/15/42  | 5,000,000    | 4,957,050  |
| Harris County-Houston Sports<br>Authority, Third Lien Revenue<br>(Insured; MBIA, Inc.)   | 0.00 | 11/15/31 | 9,685,000 b  | 2,279,752  |
| Katy Independent School District,<br>Unlimited Tax School Building<br>Bonds (Permanent School Fund<br>Guarantee Program)                                 | 6.13 | 2/15/09  | 10,000,000 a | 10,206,000 |
| Lubbock Housing Financing<br>Corporation, SFMR<br>(Collateralized: FNMA and GNMA)  | 6.70 | 10/1/30  | 1,065,000    | 1,083,606  |

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| North Texas Tollway Authority,<br>First Tier System Revenue  | 5.75 | 1/1/40 | 14,705,000 | 14,472,808 |
| North Texas Tollway Authority,<br>Second Tier System Revenue | 5.75 | 1/1/38 | 6,650,000  | 6,438,996  |
| Sabine River Authority,                                      |      |        |            |            |

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| PCR (TXU Electric Company<br>Project)  | 6.45  | 6/1/21  | 4,900,000   | 4,148,046 |
| Texas<br>(Veterans Housing Assistance<br>Program) (Collateralized; FHA)  | 6.10  | 6/1/31  | 8,510,000   | 8,604,206 |
| Texas<br>(Veterans' Land)  | 6.00  | 12/1/30 | 3,935,000   | 4,006,696 |
| Texas Department of Housing and<br>Community Affairs, Home<br>Mortgage Revenue<br>(Collateralized: FHLMC, FNMA<br>and GNMA)  | 10.23 | 7/2/24  | 1,000,000 e | 1,078,600 |
| Texas Department of Housing and<br>Community Affairs, Residential<br>Mortgage Revenue<br>(Collateralized: FHLMC, FNMA<br>and GNMA)                                 | 5.35  | 7/1/33  | 5,110,000   | 4,677,336 |
| Texas Turnpike Authority,<br>Central Texas Turnpike System<br>Revenue (Insured; AMBAC)   | 5.25  | 8/15/42 | 5,375,000   | 5,379,246 |
| Tomball Hospital Authority,<br>Revenue (Tomball Regional<br>Hospital)  | 6.00  | 7/1/25  | 4,650,000   | 4,673,576 |
| Tyler Health Facilities<br>Development Corporation, HR,<br>Refunding and Improvement<br>Bonds (East Texas Medical<br>Center Regional Healthcare<br>System Project) | 5.25  | 11/1/32 | 6,915,000   | 6,005,332 |
| Willacy County Local Government<br>Corporation, Project Revenue  | 6.88  | 9/1/28  | 4,000,000   | 3,806,880 |

**Virginia--4.4%**

|  |      |         |             |           |
|--|------|---------|-------------|-----------|
| Henrico County Industrial<br>Development Authority, Revenue<br>(Bon Secours Health System)<br>(Insured; FSA) | 7.20 | 8/23/27 | 7,450,000 e | 8,644,459 |
| Virginia Housing Development   |      |         |             |           |

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|                                      |      |        |           |           |
|--------------------------------------|------|--------|-----------|-----------|
| Authority, Rental Housing<br>Revenue | 6.20 | 8/1/24 | 8,520,000 | 8,623,859 |
|--------------------------------------|------|--------|-----------|-----------|

**Washington--4.3%**

Washington Health Care Facilities

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|  |                        |                      |                              |                      |
|--|------------------------|----------------------|------------------------------|----------------------|
| Authority, Insured Mortgage Revenue (Highline Medical Center) (Collateralized; FHA)  | 6.25                   | 8/1/36               | 6,000,000                    | 6,284,160            |
| Washington Higher Educational Facilities Authority, Revenue (Whitman College)  | 5.88                   | 10/1/09              | 10,000,000 a                 | 10,425,600           |
| <b>Wisconsin--7.4%</b>   |                        |                      |                              |                      |
| Badger Tobacco Asset Securitization Corporation, Tobacco Settlement Asset-Backed Bonds   | 6.13                   | 6/1/27               | 8,360,000 c,d                | 8,322,213            |
| Badger Tobacco Asset Securitization Corporation, Tobacco Settlement Asset-Backed Bonds   | 7.00                   | 6/1/28               | 14,570,000                   | 15,091,169           |
| Wisconsin Health and Educational Facilities Authority, Revenue (Aurora Health Care, Inc.)  | 6.40                   | 4/15/33              | 5,500,000                    | 5,616,820            |
| <b>Total Long-Term Municipal Investments</b><br>(cost \$611,229,113)   |                        |                      |                              | <b>593,826,751</b>   |
| <b>Short-Term Municipal Investment--.5%</b>  | <b>Coupon Rate (%)</b> | <b>Maturity Date</b> | <b>Principal Amount (\$)</b> | <b>Value (\$)</b>    |
| <b>North Carolina;</b>   |                        |                      |                              |                      |
| North Carolina Education Assistance Authority, Student Loan Revenue (Insured; AMBAC and Liquidity Facility; Wachovia Bank)<br>(cost \$1,800,000) | 10.20                  | 9/7/08               | 1,800,000 f                  | <b>1,800,000</b>     |
| <b>Total Investments</b> (cost \$613,029,113)  |                        |                      | <b>152.5%</b>                | <b>595,626,751</b>   |
| <b>Liabilities, Less Cash and Receivables</b>  |                        |                      | <b>(4.9%)</b>                | <b>(19,054,621)</b>  |
| <b>Preferred Stock, at redemption value</b>  |                        |                      | <b>(47.6%)</b>               | <b>(186,000,000)</b> |
| <b>Net Assets Applicable to Common Shareholders</b>  |                        |                      | <b>100.0%</b>                | <b>390,572,130</b>   |

a 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 Security issued with a zero coupon. Income is recognized through the accretion of discount.

c 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, 2008, these securities amounted to \$55,086,280 or 14.1% of net assets applicable to Common Shareholders.

d Collateral for floating rate borrowings.

e Inverse floater security--the interest rate is subject to change periodically.

f Variable rate demand note - rate shown is the interest rate in effect at August 31, 2008. Maturity date represents the next demand date, not the ultimate maturity date.

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g At August 31, 2008, the fund had \$104,647,379 or 26.8% of net assets applicable to common shareholders invested in securities whose payment of principal and interest is dependent upon revenues generated from health care projects.

At August 31, 2008, the aggregate cost of investment securities for income tax purposes was \$613,029,113. Net unrealized depreciation on investments was \$17,402,362 of which \$16,308,313 related to appreciated investment securities and \$33,710,675 related to depreciated investment securities.

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 Commission on Form N-CSR.

### Summary of Abbreviations

|              |   |             |                                      |
|--------------|---|-------------|--------------------------------------|
| <b>ABAG</b>  | Association Of Bay Area Governments           | <b>ACA</b>  | American Capital Access              |
| <b>AGC</b>   | ACE Guaranty Corporation                      | <b>AGIC</b> | Asset Guaranty Insurance Company     |
| <b>AMBAC</b> | American Municipal Bond Assurance Corporation | <b>ARRN</b> | Adjustable Rate Receipt Notes        |
| <b>BAN</b>   | Bond Anticipation Notes                       | <b>BIGI</b> | Bond Investors Guaranty Insurance    |
| <b>BPA</b>   | Bond Purchase Agreement                       | <b>CGIC</b> | Capital Guaranty Insurance Company   |
| <b>CIC</b>   | Continental Insurance Company                 | <b>CIFG</b> | CDC Ixis Financial Guaranty          |
| <b>CMAC</b>  | Capital Market Assurance Corporation          | <b>COP</b>  | Certificate of Participation         |
| <b>CP</b>    | Commercial Paper                              | <b>EDR</b>  | Economic Development Revenue         |
| <b>EIR</b>   | Environmental Improvement Revenue             | <b>FGIC</b> | Financial Guaranty Insurance Company |

|               |  |              |  |
|---------------|--|--------------|--|
| <b>FHA</b>    | Federal Housing Administration         | <b>FHLB</b>  | Federal Home Loan Bank                   |
| <b>FHLMC</b>  | Federal Home Loan Mortgage Corporation | <b>FNMA</b>  | Federal National Mortgage Association    |
| <b>FSA</b>    | Financial Security Assurance           | <b>GAN</b>   | Grant Anticipation Notes                 |
| <b>GIC</b>    | Guaranteed Investment Contract         | <b>GNMA</b>  | Government National Mortgage Association |
| <b>GO</b>     | General Obligation                     | <b>HR</b>    | Hospital Revenue                         |
| <b>IDB</b>    | Industrial Development Board           | <b>IDC</b>   | Industrial Development Corporation       |
| <b>IDR</b>    | Industrial Development Revenue         | <b>LOC</b>   | Letter of Credit                         |
| <b>LOR</b>    | Limited Obligation Revenue             | <b>LR</b>    | Lease Revenue                            |
| <b>MFHR</b>   | Multi-Family Housing Revenue           | <b>MFMR</b>  | Multi-Family Mortgage Revenue            |
| <b>PCR</b>    | Pollution Control Revenue              | <b>PILOT</b> | Payment in Lieu of Taxes                 |
| <b>RAC</b>    | Revenue Anticipation Certificates      | <b>RAN</b>   | Revenue Anticipation Notes               |
| <b>RAW</b>    | Revenue Anticipation Warrants          | <b>RRR</b>   | Resources Recovery Revenue               |
| <b>SAAN</b>   | State Aid Anticipation Notes           | <b>SBPA</b>  | Standby Bond Purchase Agreement          |
| <b>SFHR</b>   | Single Family Housing Revenue          | <b>SFMR</b>  | Single Family Mortgage Revenue           |
| <b>SONYMA</b> | State of New York Mortgage Agency      | <b>SWDR</b>  | Solid Waste Disposal Revenue             |
| <b>TAN</b>    | Tax Anticipation Notes                 | <b>TAW</b>   | Tax Anticipation Warrants                |
| <b>TRAN</b>   | Tax and Revenue Anticipation Notes     | <b>XLCA</b>  | XL Capital Assurance                     |

Various inputs are used in determining the value of the fund's investments relating to Financial Accounting Standard No. 157 (FAS 157), Fair Value Measurements.

These inputs are summarized in the three broad levels listed below. **Level 1** - quoted prices in active markets for identical securities.

**Level 2** - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) **Level 3** - significant unobservable inputs (including fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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The following is a summary of the inputs used as of August 31, 2008 in valuing the fund's investments carried at fair value:

| <u>Valuation Inputs</u>                       | <u>Investments in Securities (\$)</u> | <u>Other Financial Instruments* (\$)</u> |
|---|---------------------------------------|--|
| Level 1 - Quoted Prices                       | 0                                     | 0  |
| Level 2 - Other Significant Observable Inputs | 595,626,751                           | 0  |
| Level 3 - Significant Unobservable Inputs     | 0                                     | 0  |
| Total   | 595,626,751                           | 0  |

\*Other financial instruments include derivative instruments, such as futures, forward currency exchange contracts and swap contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

### 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/ J. David Officer  
J. David Officer  
President

Date: October 27, 2008

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/ J. David Officer

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J. David Officer  
President

Date: October 27, 2008

By: /s/ James Windels  
James Windels  
Treasurer

Date: October 27, 2008

**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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