

HB1515/803627/1

BY: Senator Pipkin

AMENDMENTS TO HOUSE BILL 1515
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute “Transportation Trust Fund – Use of Funds – Transit Financing”.

On pages 1 and 2, strike beginning with “altering” in line 3 on page 1 down through “investment” in line 39 on page 2 and substitute “requiring that certain funds in the Transportation Trust Fund be allocated for highway expenditures, transit expenditures, and other transportation expenditures in a certain manner; establishing the Mass Transit Account in the Transportation Trust Fund; requiring that certain revenues be credited to the Mass Transit Account; requiring that funds in the Mass Transit Account be used to pay certain costs of transit facilities and transit service; requiring that revenues attributable to certain county taxes be used to pay the cost of transit facilities and transit service in the county where the tax was collected; authorizing the governing body of a county that is served by certain transit agencies to impose a county transportation property tax; requiring a county transportation property tax to be imposed on the same property that is subject to the county property tax in the same manner as the county property tax; authorizing the governing body of a county that is served by certain transit agencies to impose a county motor fuel tax on each gallon of motor fuel that is sold by a distributor to a retail service station dealer in the county; requiring the tax to be imposed at a certain time and collected and paid in a certain manner; requiring a distributor to file a county motor fuel tax return at certain times; allowing a distributor to deduct a certain amount of the county motor fuel tax due to reimburse the distributor for certain expenses; requiring persons that hold motor fuel on a date that the county motor fuel tax is adjusted to remit any county motor fuel tax that is due on the motor fuel; providing that certain exemptions, refunds, procedures, and penalties that apply to the motor fuel tax also apply to the county motor fuel tax, unless certain regulations provide otherwise; requiring the Comptroller to adopt regulations implementing the county motor fuel tax; requiring

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regulations adopted by the Comptroller to address certain matters; requiring that county motor fuel tax revenues be distributed in a certain manner; defining certain terms; and generally relating to the use of funds in the Transportation Trust Fund and the financing of transit facilities and transit service”.

On pages 2 and 3, strike in their entirety the lines beginning with line 40 on page 2 through line 19 on page 3, inclusive, and substitute:

“BY repealing and reenacting, without amendments,

Article – Transportation

Section 3–216(a), (b), and (c)(1)

Annotated Code of Maryland

(2008 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 3–216(c)(2)(i) and (d)(1)

Annotated Code of Maryland

(2008 Replacement Volume and 2012 Supplement)

BY adding to

Article – Transportation

Section 3–216(d)(7), 7–309, and 7–310

Annotated Code of Maryland

(2008 Replacement Volume and 2012 Supplement)

BY adding to

Article – Tax – General

Section 1–101(f–1); 2–11A–01 through 2–11A–03 to be under the new subtitle

“Subtitle 11A. County Motor Fuel Tax Distribution”; and 9–401 through

9–406 to be under the new subtitle “Subtitle 4. County Motor Fuel Tax”

Annotated Code of Maryland

(2010 Replacement Volume and 2012 Supplement)”.

On page 3, after line 21, insert:

“Article - Transportation

3-216.

(a) There is a Transportation Trust Fund for the Department.

(b) Except as otherwise expressly provided by statute, there shall be credited to the Transportation Trust Fund for the account of the Department all taxes, fees, charges, and revenues collected or received by or paid, appropriated, or credited to the account of the Department or any of its units in the exercise of their rights, powers, duties, or obligations, including the cash proceeds of the sale of consolidated transportation bonds, notes, or other evidences of obligation issued by the Department, any General Fund appropriations, and the proceeds of any State loan or federal grant made for transportation purposes.

(c) (1) There shall be maintained in the Transportation Trust Fund one or more sinking fund accounts to which shall be credited and from which shall be paid, from the proceeds of the taxes levied and imposed for that purpose or from any other funds of the Department, amounts sufficient at all times to meet the debt service on all bonds of prior issues and consolidated transportation bonds from time to time outstanding and unpaid.

(2) (i) The Gasoline and Motor Vehicle Revenue Account, the Driver Education Account, **THE MASS TRANSIT ACCOUNT**, and the Motorcycle Safety Program Account shall be maintained in the Transportation Trust Fund.

(d) (1) [After] **SUBJECT TO PARAGRAPH (7) OF THIS SUBSECTION,** AFTER meeting its debt service requirements, the Department may use the funds in

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the Transportation Trust Fund for any lawful purpose related to the exercise of its rights, powers, duties, and obligations.

(7) (I) THIS PARAGRAPH DOES NOT APPLY TO HIGHWAY USER REVENUES DISTRIBUTED TO COUNTIES, MUNICIPALITIES, AND BALTIMORE CITY UNDER § 8-403 OF THIS ARTICLE.

(II) BEGINNING IN FISCAL YEAR 2014, THE FUNDS IN THE TRANSPORTATION TRUST FUND SHALL BE ALLOCATED AMONG TRANSIT EXPENDITURES, HIGHWAY EXPENDITURES, AND OTHER TRANSPORTATION EXPENDITURES AS PROVIDED IN THIS PARAGRAPH.

(III) OF THE FUNDS IN THE TRANSPORTATION TRUST FUND, NOT INCLUDING FUNDS CREDITED TO THE MASS TRANSIT ACCOUNT:

1. THE PORTION ALLOCATED FOR HIGHWAY EXPENDITURES SHALL EQUAL:

A. 26.71% IN FISCAL YEAR 2014;

B. 28.42% IN FISCAL YEAR 2015;

C. 30.13% IN FISCAL YEAR 2016;

D. 31.84% IN FISCAL YEAR 2017; AND

E. 33.55% IN FISCAL YEAR 2018 AND IN EACH FISCAL YEAR THEREAFTER;

2. SUBJECT TO § 7-309 OF THIS ARTICLE, THE PORTION ALLOCATED FOR TRANSIT EXPENDITURES SHALL EQUAL:

- A. 44.36% IN FISCAL YEAR 2014;**
- B. 42.72% IN FISCAL YEAR 2015;**
- C. 41.08% IN FISCAL YEAR 2016;**
- D. 39.44% IN FISCAL YEAR 2017; AND**
- E. 37.8% IN FISCAL YEAR 2018 AND IN EACH FISCAL YEAR THEREAFTER; AND**

3. IN EACH FISCAL YEAR, THE FUNDS NOT ALLOCATED TO HIGHWAY EXPENDITURES OR TRANSIT EXPENDITURES UNDER ITEMS 1 AND 2 OF THIS SUBPARAGRAPH SHALL BE ALLOCATED FOR ALL OTHER EXPENDITURES OF THE TRANSPORTATION TRUST FUND.

7-309.

(A) THERE IS A MASS TRANSIT ACCOUNT IN THE TRANSPORTATION TRUST FUND.

(B) THERE SHALL BE CREDITED TO THE MASS TRANSIT ACCOUNT:

(1) REVENUES ATTRIBUTABLE TO ANY INCREASE IN TRANSIT FARES CHARGED BY THE ADMINISTRATION ABOVE THE AMOUNT IN EFFECT ON JULY 1, 2013;

(2) REVENUES ATTRIBUTABLE TO A COUNTY MOTOR FUEL TAX THAT IS DISTRIBUTED TO THE MASS TRANSIT ACCOUNT UNDER § 2-11A-03 OF THE TAX – GENERAL ARTICLE; AND

(3) REVENUES ATTRIBUTABLE TO A COUNTY TRANSPORTATION PROPERTY TAX IMPOSED UNDER § 7-310 OF THIS SUBTITLE.

(C) (1) FUNDS IN THE MASS TRANSIT ACCOUNT SHALL BE USED ONLY TO PAY COSTS OF TRANSIT FACILITIES AND TRANSIT SERVICE THAT ARE IN EXCESS OF THE AMOUNT ALLOCATED FOR TRANSIT EXPENDITURES UNDER § 3-216(D)(7)(III)2 OF THIS ARTICLE.

(2) REVENUES ATTRIBUTABLE TO A COUNTY MOTOR FUEL TAX OR A COUNTY TRANSPORTATION PROPERTY TAX SHALL BE USED ONLY TO PAY THE COST OF TRANSIT FACILITIES OR TRANSIT SERVICE IN THE COUNTY WHERE THE TAX WAS COLLECTED.

7-310.

(A) THE GOVERNING BODY OF A COUNTY THAT IS SERVED BY THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY OR THE ADMINISTRATION MAY IMPOSE A COUNTY TRANSPORTATION PROPERTY TAX IN ACCORDANCE WITH THIS SECTION.

(B) FOR THE PURPOSE OF FINANCING TRANSIT FACILITIES AND TRANSIT SERVICE, A COUNTY MAY IMPOSE A TRANSPORTATION PROPERTY TAX ON THE ASSESSMENT OF PROPERTY THAT IS SUBJECT TO THE COUNTY PROPERTY TAX.

(C) THE PROPERTY TAX AUTHORIZED UNDER THIS SECTION SHALL BE LEVIED IN THE SAME MANNER, ON THE SAME ASSESSMENTS, FOR THE SAME TIME PERIOD OR PERIODS, AND AS OF THE SAME DATE OR DATES OF FINALITY AS ARE NOW OR MAY HEREAFTER BE PRESCRIBED FOR THE COUNTY PROPERTY TAX.

(D) THE PROPERTY TAX AUTHORIZED UNDER THIS SECTION SHALL BE COLLECTED AND SECURED IN THE SAME MANNER AS THE COUNTY PROPERTY TAX AND SHALL BE SUBJECT TO THE SAME PENALTIES AND THE SAME PROCEDURE, SALE, AND LIEN PRIORITY IN CASE OF DELINQUENCY AS PROVIDED FOR THE COUNTY PROPERTY TAX.”;

and after line 22, insert:

“1-101.

(F-1) “COUNTY MOTOR FUEL TAX” MEANS THE TAX IMPOSED UNDER TITLE 9, SUBTITLE 4 OF THIS ARTICLE.

SUBTITLE 11A. COUNTY MOTOR FUEL TAX DISTRIBUTION.

2-11A-01.

FROM THE COUNTY MOTOR FUEL TAX REVENUES, THE COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO PAY REFUNDS RELATING TO THE COUNTY MOTOR FUEL TAX TO A REFUND ACCOUNT.

2-11A-02.

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AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2-11A-01 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER THE COUNTY MOTOR FUEL TAX TO AN ADMINISTRATIVE COST ACCOUNT.

2-11A-03.

AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-11A-01 AND 2-11A-02 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE REMAINING REVENUES FROM THE COUNTY MOTOR FUEL TAX TO THE MASS TRANSIT ACCOUNT IN THE TRANSPORTATION TRUST FUND.

SUBTITLE 4. COUNTY MOTOR FUEL TAX.

9-401.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “DISTRIBUTOR” MEANS A PERSON THAT ENGAGES IN THE BUSINESS OF SELLING MOTOR FUEL AT WHOLESALE TO RETAIL SERVICE STATION DEALERS FOR RETAIL SALE IN THE STATE.

(C) “RETAIL SERVICE STATION DEALER” HAS THE MEANING STATED IN § 10-101 OF THE BUSINESS REGULATION ARTICLE.

9-402.

THE GOVERNING BODY OF A COUNTY THAT IS SERVED BY THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY OR THE MARYLAND TRANSIT ADMINISTRATION MAY IMPOSE, BY LAW, A TAX ON EACH GALLON OF MOTOR FUEL THAT IS SOLD BY A DISTRIBUTOR TO A RETAIL SERVICE STATION DEALER IN THE COUNTY.

9-403.

(A) THE COUNTY MOTOR FUEL TAX IS IMPOSED AT THE TIME OF SALE OF MOTOR FUEL BY A DISTRIBUTOR TO A RETAIL SERVICE STATION DEALER.

(B) A DISTRIBUTOR SHALL PAY THE COUNTY MOTOR FUEL TAX IN ACCORDANCE WITH § 9-404 OF THIS SUBTITLE.

(C) A DISTRIBUTOR SHALL STATE SEPARATELY THE AMOUNT OF THE COUNTY MOTOR FUEL TAX AND ADD THE AMOUNT OF THE TAX TO THE SALES PRICE OF MOTOR FUEL.

(D) THE COUNTY MOTOR FUEL TAX IS:

(1) A DEBT OF A RETAIL SERVICE STATION DEALER TO THE DISTRIBUTOR UNTIL PAID; AND

(2) RECOVERABLE BY A DISTRIBUTOR FROM A RETAIL SERVICE STATION DEALER IN THE SAME MANNER AS OTHER DEBTS.

9-404.

(A) A DISTRIBUTOR SHALL COMPLETE, UNDER OATH, AND FILE WITH THE COMPTROLLER A COUNTY MOTOR FUEL TAX RETURN FOR EACH MONTH IN WHICH THE DISTRIBUTOR SELLS MOTOR FUEL IN A COUNTY THAT IMPOSES THE COUNTY MOTOR FUEL TAX.

(B) THE COUNTY MOTOR FUEL TAX RETURN IS DUE AT THE TIME A MOTOR FUEL TAX RETURN IS DUE UNDER § 9-308(A) OF THIS TITLE.

(C) A DISTRIBUTOR MAY DEDUCT 0.5% OF THE COUNTY MOTOR FUEL TAX DUE ON A MONTHLY BASIS TO REIMBURSE THE DISTRIBUTOR FOR EXPENSES INCURRED FOR THE STATE IN KEEPING RECORDS AND COLLECTING THE COUNTY MOTOR FUEL TAX.

(D) EACH PERSON HOLDING MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON A DAY THAT THE COUNTY MOTOR FUEL TAX RATE IS ADJUSTED SHALL COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON THE DAY BEFORE THE DAY THAT THE COUNTY MOTOR FUEL TAX RATE IS ADJUSTED AND REMIT WITHIN 30 DAYS ANY MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

9-405.

EXCEPT AS OTHERWISE PROVIDED IN REGULATIONS ADOPTED BY THE COMPTROLLER:

(1) EXEMPTIONS AND REFUNDS THAT APPLY TO THE MOTOR FUEL TAX ALSO APPLY TO THE COUNTY MOTOR FUEL TAX; AND

(2) PROCEDURES AND PENALTIES THAT APPLY TO THE MOTOR FUEL TAX UNDER TITLE 13 OF THIS ARTICLE ALSO APPLY TO THE COUNTY MOTOR FUEL TAX.

9-406.

(A) THE COMPTROLLER SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SUBTITLE.

(B) REGULATIONS ADOPTED BY THE COMPTROLLER UNDER THIS SECTION SHALL:

(1) ESTABLISH REQUIREMENTS FOR THE MAINTENANCE OF RECORDS BY DISTRIBUTORS AND OTHER PERSONS AS NECESSARY TO ADMINISTER THE COUNTY MOTOR FUEL TAX AND PROVIDE FOR INSPECTION OF THOSE RECORDS BY THE COMPTROLLER; AND

(2) PROVIDE FOR ALL ASPECTS OF THE LICENSING OF DISTRIBUTORS, INCLUDING:

(I) QUALIFICATIONS FOR A LICENSE;

(II) THE LICENSE APPLICATION PROCESS;

(III) THE TERM OF A LICENSE;

(IV) RIGHTS OF LICENSE HOLDERS;

(V) CANCELLATION OF A LICENSE; AND

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**(VI) THE PROCESS FOR APPEALING A DECISION TO DENY OR
CANCEL A LICENSE.**

On pages 3 through 26, strike in their entirety the lines beginning with line 23 on page 3 through line 9 on page 26, inclusive.

On page 26, in line 10, strike "13." and substitute "2."; strike beginning with ",", except" in line 10 down through "Act," in line 11; and in line 11, strike "June" and substitute "July".