

HOUSE BILL 1515

Q5, R2, Q4

3lr0159
CF SB 1054

By: **The Speaker (By Request – Administration)**

Introduced and read first time: March 4, 2013

Assigned to: Rules and Executive Nominations

Re-referred to: Ways and Means, March 6, 2013

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 17, 2013

CHAPTER _____

1 AN ACT concerning

2 **Transportation Infrastructure Investment Act of 2013**

3 FOR the purpose of altering the distribution of motor fuel tax revenue; ~~reducing~~
4 ~~certain motor fuel tax rates on a certain date~~; requiring that certain motor fuel
5 tax rates be increased on a certain date each year based on the percentage
6 growth in a certain index; requiring the Comptroller to determine and announce
7 the percentage growth in a certain index and certain motor fuel tax rates on a
8 certain date each year; requiring that certain motor fuel tax rates remain
9 unchanged if there is a decline or no growth in a certain index; limiting the
10 increase in certain motor fuel tax rates by a certain amount of the motor fuel
11 tax rate effective in the previous year; requiring the Comptroller to determine
12 and announce a certain average retail price of motor fuel and a certain sales
13 and use tax equivalent rate ~~on a certain date each year~~; on certain dates;
14 requiring a certain sales and use tax equivalent rate to be added to certain
15 motor fuel tax rates and collected in the same manner as the motor fuel tax;
16 providing that certain State laws and regulations that apply to the motor fuel
17 tax also apply to a certain sales and use tax equivalent rate; requiring the
18 Comptroller to determine a certain average retail price of motor fuel and a
19 certain sales and use tax equivalent rate in a certain manner; requiring certain
20 persons possessing motor fuel for sale on certain dates to remit certain taxes
21 due on the motor fuel within a certain period of time; increasing a certain limit
22 on the aggregate outstanding and unpaid principal balance of consolidated
23 transportation bonds; providing that revenue attributable to certain motor fuel
24 taxes is pledged for paying the principal and interest on consolidated

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 transportation bonds; altering certain provisions prohibiting the reversion or
2 crediting of funds in the Transportation Trust Fund to the General Fund or a
3 special fund except under certain circumstances; authorizing the use of funds in
4 the Transportation Trust Fund for defense or relief purposes under certain
5 circumstances; altering certain provisions requiring the repayment of funds
6 transferred or diverted from the Transportation Trust Fund in a certain
7 manner; requiring the Governor to include certain appropriations for a certain
8 purpose in the operating or capital budgets for certain fiscal years; requiring the
9 Maryland Transit Administration to increase fares for certain transit services in
10 a certain manner; providing that the Administration is not required to conduct
11 certain public hearings before implementing certain fare increases; altering the
12 amount of a certain surcharge required to be paid in addition to the registration
13 fee required for certain motor vehicles; altering the distribution of sales and use
14 tax revenue to the Transportation Trust Fund under certain circumstances;
15 altering the manner in which a certain sales and use tax equivalent rate
16 imposed on motor fuel is determined under certain circumstances; requiring the
17 Governor to appoint a certain task force to study regional transit financing and
18 local transportation revenues; requiring the task force to submit a report to the
19 Governor and the General Assembly by a certain date; stating the intent of the
20 General Assembly that certain alternative financing mechanisms be utilized to
21 deliver transportation projects; requiring the Department of Transportation to
22 submit a report concerning alternative financing strategies to the Governor and
23 General Assembly on or before a certain date; requiring the Department to issue
24 a certain Request for Information for a certain transit line on or before a certain
25 date; requiring the Department to study the implementation of a certain
26 program to provide transit services at a free or reduced fare for certain
27 individuals; requiring the Department to submit a certain report concerning a
28 certain voucher program to the Governor and the General Assembly on or before
29 a certain date; providing that certain sales and use tax revenue distributed to
30 the Transportation Trust Fund is not pledged for paying the principal and
31 interest on certain bonds; stating the intent of the General Assembly that
32 revenue attributable to an increase in a certain surcharge on motor vehicle
33 registrations be spent in a certain manner; requiring the Department to submit
34 a report concerning certain increases in the motor fuel tax rates to the Governor
35 and certain committees of the General Assembly on or before a certain date;
36 repealing certain obsolete provisions; defining certain terms; providing for the
37 effective dates of this Act; providing for the termination of certain provisions of
38 this Act; and generally relating to transportation financing and transportation
39 infrastructure investment.

40 BY repealing and reenacting, with amendments,
41 Article – Tax – General
42 Section 2–1103, 2–1303, and 9–305
43 Annotated Code of Maryland
44 (2010 Replacement Volume and 2012 Supplement)

45 BY adding to

1 Article – Tax – General
 2 Section 2–1302.2 and 9–306
 3 Annotated Code of Maryland
 4 (2010 Replacement Volume and 2012 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Transportation
 7 Section ~~3–202, 3–215, 3–216, 3–217, and 7–208(b–1)~~ 7–208(b–1), and 7–506(a)
 8 Annotated Code of Maryland
 9 (2008 Replacement Volume and 2012 Supplement)

10 BY adding to
 11 Article – Transportation
 12 Section 7–208(b–2) and 8–613.3
 13 Annotated Code of Maryland
 14 (2008 Replacement Volume and 2012 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article – Transportation
 17 Section 13–954
 18 Annotated Code of Maryland
 19 (2012 Replacement Volume)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article – Tax – General**

23 2–1103.

24 After making the distributions required under §§ 2–1101 and 2–1102 of this
 25 subtitle, the Comptroller shall distribute:

26 (1) the remaining motor fuel tax revenue from aviation fuel to the
 27 Transportation Trust Fund; [and]

28 (2) all remaining motor fuel tax revenue, equal to the average
 29 percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, **NOT**
 30 **INCLUDING REVENUE ATTRIBUTABLE TO AN INCREASE IN THE MOTOR FUEL TAX**
 31 **RATES UNDER ~~§ 9–305(C)~~ § 9–305(B) OF THIS ARTICLE OR REVENUE**
 32 **ATTRIBUTABLE TO THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER**
 33 **§ 9–306 OF THIS ARTICLE**, to the Gasoline and Motor Vehicle Revenue Account in
 34 the Transportation Trust Fund;

1 **(3) REVENUE ATTRIBUTABLE TO AN INCREASE IN THE MOTOR**
 2 **FUEL TAX RATES IMPOSED UNDER ~~§ 9-305(C)~~ § 9-305(B) OF THIS ARTICLE TO**
 3 **THE TRANSPORTATION TRUST FUND; AND**

4 **(4) REVENUE ATTRIBUTABLE TO THE SALES AND USE TAX**
 5 **EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THIS ARTICLE TO THE**
 6 **TRANSPORTATION TRUST FUND.**

7 9-305.

8 **(A) [The] EXCEPT AS PROVIDED IN SUBSECTIONS ~~(B) AND (C)~~**
 9 **SUBSECTION (B) OF THIS SECTION, THE motor fuel tax rate is:**

10 (1) 7 cents for each gallon of aviation gasoline;

11 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

12 (3) 24.25 cents for each gallon of special fuel other than clean-burning
 13 fuel or turbine fuel;

14 (4) 7 cents for each gallon of turbine fuel; and

15 (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning
 16 fuel except electricity.

17 **~~(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE MOTOR FUEL~~**
 18 **~~TAX RATE EFFECTIVE JULY 1, 2013, IS:~~**

19 **~~(1) 7 CENTS FOR EACH GALLON OF AVIATION GASOLINE;~~**

20 **~~(2) 18.5 CENTS FOR EACH GALLON OF GASOLINE OTHER THAN~~**
 21 **~~AVIATION GASOLINE;~~**

22 **~~(3) 24.25 CENTS FOR EACH GALLON OF SPECIAL FUEL OTHER~~**
 23 **~~THAN CLEAN BURNING FUEL OR TURBINE FUEL;~~**

24 **~~(4) 7 CENTS FOR EACH GALLON OF TURBINE FUEL; AND~~**

25 **~~(5) 18.5 CENTS FOR EACH GASOLINE-EQUIVALENT GALLON OF~~**
 26 **~~CLEAN BURNING FUEL EXCEPT ELECTRICITY.~~**

27 **~~(C)~~ (1) THE MOTOR FUEL TAX RATES SPECIFIED IN SUBSECTION**
 28 **~~(B)(2), (A)(2), (3), AND (5) OF THIS SECTION SHALL BE INCREASED ON JULY 1,~~**
 29 **2013, AND JULY 1 OF EACH SUBSEQUENT YEAR IN ACCORDANCE WITH THIS**
 30 **SUBSECTION.**

1 (2) ON OR BEFORE JUNE 1 OF EACH YEAR, THE COMPTROLLER
2 SHALL DETERMINE AND ANNOUNCE:

3 (I) THE GROWTH IN THE CONSUMER PRICE INDEX FOR ALL
4 URBAN CONSUMERS AS DETERMINED BY THE COMPTROLLER UNDER
5 PARAGRAPH (3) OF THIS SUBSECTION; AND

6 (II) THE MOTOR FUEL TAX RATES EFFECTIVE FOR THE
7 FISCAL YEAR BEGINNING ON THE FOLLOWING JULY 1 AS DETERMINED BY THE
8 COMPTROLLER UNDER PARAGRAPH (4) ~~OR (5)~~ OF THIS SUBSECTION.

9 (3) (I) IN THIS PARAGRAPH, "CONSUMER PRICE INDEX FOR
10 ALL URBAN CONSUMERS" MEANS THE INDEX PUBLISHED MONTHLY BY THE
11 BUREAU OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR THAT IS
12 THE U.S. CITY AVERAGE OF ALL ITEMS IN A BASKET OF CONSUMER GOODS AND
13 SERVICES.

14 (II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE
15 INDEX FOR ALL URBAN CONSUMERS SHALL BE DETERMINED BY COMPARING
16 THE AVERAGE OF THE INDEX FOR THE 12 MONTHS ENDING ON THE PRECEDING
17 APRIL 30 TO THE AVERAGE OF THE INDEX FOR THE PRIOR 12 MONTHS.

18 (4) ~~SUBJECT TO PARAGRAPH (6) OF THIS SUBSECTION, ON JULY~~
19 ~~1, 2013, THE MOTOR FUEL TAX RATES SPECIFIED IN SUBSECTION (B)(2), (3),~~
20 ~~AND (5) OF THIS SECTION SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO~~
21 ~~THE NEAREST ONE TENTH OF A CENT, THAT EQUALS THE PRODUCT OF~~
22 ~~MULTIPLYING:~~

23 ~~(I) THE MOTOR FUEL TAX RATES SPECIFIED IN~~
24 ~~SUBSECTION (B)(2), (3), AND (5) OF THIS SECTION; AND~~

25 ~~(II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE~~
26 ~~INDEX FOR ALL URBAN CONSUMERS.~~

27 (5) SUBJECT TO PARAGRAPH (6) (5) OF THIS SUBSECTION, ~~ON~~
28 ~~JULY 1, 2014, AND ON JULY 1 OF EACH SUBSEQUENT YEAR, EACH MOTOR FUEL~~
29 ~~TAX RATE RATE SPECIFIED IN SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION~~
30 ~~SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST~~
31 ~~ONE-TENTH OF A CENT, THAT EQUALS THE PRODUCT OF MULTIPLYING:~~

32 (I) THE MOTOR FUEL TAX RATE IN EFFECT ON THE DATE OF
33 THE COMPTROLLER'S ANNOUNCEMENT UNDER PARAGRAPH (2) OF THIS
34 SUBSECTION; AND

1 (II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE
2 INDEX FOR ALL URBAN CONSUMERS.

3 ~~(6)~~ (5) (I) IF THERE IS A DECLINE OR NO GROWTH IN THE
4 CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, THE MOTOR FUEL TAX
5 RATES SHALL REMAIN UNCHANGED.

6 (II) ANY INCREASE IN THE MOTOR FUEL TAX RATES UNDER
7 PARAGRAPH (4) OF THIS SUBSECTION MAY NOT BE GREATER THAN 8% OF THE
8 MOTOR FUEL TAX RATE EFFECTIVE IN THE PREVIOUS YEAR.

9 (6) THE COMPTROLLER SHALL REQUIRE ANY PERSON
10 POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON
11 THE DATE OF AN INCREASE IN THE MOTOR FUEL TAX UNDER THIS SUBSECTION
12 TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE
13 OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30
14 DAYS ANY ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 Article – Tax – General

18 9-306.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
20 MEANINGS INDICATED.

21 (2) “AVERAGE ANNUAL RETAIL PRICE” MEANS THE 12-MONTH
22 AVERAGE RETAIL PRICE PER GALLON OF MOTOR FUEL PURCHASED IN THE
23 STATE DETERMINED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.

24 (3) “SALES AND USE TAX EQUIVALENT RATE” MEANS THE PER
25 GALLON TAX RATE CALCULATED BASED ON A PERCENTAGE OF THE AVERAGE
26 ANNUAL RETAIL PRICE OF MOTOR FUEL IN ACCORDANCE WITH SUBSECTION (E)
27 OF THIS SECTION.

28 (B) ON OR BEFORE ~~JUNE 1 OF EACH YEAR,~~ JUNE 1, 2013, DECEMBER 1,
29 2014, JUNE 1, 2015, AND JUNE 1 OF EACH SUBSEQUENT YEAR, THE
30 COMPTROLLER SHALL DETERMINE AND ANNOUNCE:

31 (1) THE AVERAGE ANNUAL RETAIL PRICE OF MOTOR FUEL; AND

1 (2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON
2 THE FIRST DAY OF THE FOLLOWING ~~JULY 1~~ MONTH.

3 (C) (1) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE ADDED
4 TO THE MOTOR FUEL TAX RATES SPECIFIED IN ~~§ 9-305(B)(2)~~, § 9-305(A)(2), (3),
5 AND (5) OF THIS SUBTITLE AND COLLECTED IN THE SAME MANNER AS THE
6 MOTOR FUEL TAX.

7 (2) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY LAW, ALL
8 REFERENCES TO THE MOTOR FUEL TAX IN STATE LAW AND REGULATIONS
9 APPLY TO THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER THIS
10 SECTION.

11 (D) THE COMPTROLLER SHALL DETERMINE THE AVERAGE ANNUAL
12 RETAIL PRICE OF MOTOR FUEL:

13 (1) USING DATA COMPILED BY THE OIL PRICE INFORMATION
14 SERVICE OR ANOTHER GENERALLY RECOGNIZED AND RELIABLE SOURCE OF
15 INFORMATION; AND

16 (2) BASED ON PRICES FOR REGULAR UNLEADED MOTOR FUEL,
17 EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE 12 MONTHS
18 ENDING ON THE ~~PRECEDING APRIL 30~~ LAST DAY OF THE SECOND IMMEDIATELY
19 PRECEDING MONTH.

20 (E) THE COMPTROLLER SHALL DETERMINE THE SALES AND USE TAX
21 EQUIVALENT RATE BY:

22 (1) MULTIPLYING THE AVERAGE ANNUAL RETAIL PRICE BY THE
23 PERCENTAGE RATE SPECIFIED IN SUBSECTION (F) OF THIS SECTION; AND

24 (2) ROUNDING THE PRODUCT TO THE NEAREST TENTH OF A CENT.

25 (F) THE PERCENTAGE RATE USED TO CALCULATE THE SALES AND USE
26 TAX EQUIVALENT RATE SHALL BE:

27 ~~(1) 2% FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2013; AND~~

28 ~~(2) 4% FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2014, AND~~
29 ~~EACH SUBSEQUENT FISCAL YEAR.~~

30 (1) 1% FOR THE DETERMINATION MADE ON JUNE 1, 2013;

1 (2) 2% FOR THE DETERMINATION MADE ON DECEMBER 1, 2014;
2 AND

3 (3) 3% FOR THE DETERMINATION MADE ON JUNE 1, 2015, AND
4 JUNE 1 OF EACH SUBSEQUENT YEAR.

5 (G) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING
6 TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF
7 AN INCREASE IN THE SALES AND USE TAX EQUIVALENT RATE UNDER THIS
8 SECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT
9 THE CLOSE OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT
10 WITHIN 30 DAYS ANY ADDITIONAL TAX THAT IS DUE ON THE MOTOR FUEL
11 UNDER THIS SECTION.

12 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
13 read as follows:

14 **Article – Transportation**

15 3-202.

16 (a) The Department from time to time may issue its bonds on behalf of this
17 State to finance the cost of any one or more or combination of transportation facilities.

18 (b) The bonds shall be known as “consolidated transportation bonds” and
19 may be issued in any amount as long as the aggregate outstanding and unpaid
20 principal balance of these bonds and bonds of prior issues does not exceed at any one
21 time the sum of [\$2.6 billion] \$4.5 BILLION.

22 (c) The preferred method of issuance of the Department’s consolidated
23 transportation bonds is by a public, competitive sale.

24 (d) The Department may issue its consolidated transportation bonds at a
25 private, negotiated sale provided that:

26 (1) The Secretary determines that extraordinary credit market
27 conditions exist that warrant the use of this method rather than a public, competitive
28 sale; and

29 (2) The Secretary determines that the terms and conditions, including
30 price, interest rates, and payment dates, that can be achieved by a private negotiated
31 sale are more advantageous to the State.

32 (e) The maximum outstanding and unpaid principal balance of consolidated
33 transportation bonds and bonds of prior issues as of June 30 for the next fiscal year:

1 (1) Shall be established each year by the General Assembly in the
2 State budget; and

3 (2) May not exceed the limit established in subsection (b) of this
4 section.

5 3-215.

6 (a) (1) For the purpose of paying the principal of and interest on
7 consolidated transportation bonds as they become due and payable, there is hereby
8 levied and imposed an annual tax that consists of the taxes specified in this section
9 and, to the extent necessary and except as otherwise provided in this subsection, that
10 shall be used and applied exclusively for that purpose.

11 (2) The required use and application of the tax under paragraph (1) of
12 this subsection is subject only to the prior use and application of one or all or any
13 combination of the taxes specified in this section to meet the debt service on all of the
14 following bonds while they are outstanding and unpaid and to the payment of which
15 any part of those taxes has been pledged:

16 (i) Bonds of prior issues; AND

17 (ii) [Bonds of any series of county highway construction bonds
18 or county transportation bonds issued under § 211 or § 211G-1 of Article 89B of the
19 Code of 1957; and

20 (iii) Bonds of any series of county transportation bonds issued
21 under Subtitle 3 of this title.

22 (b) The tax levied and imposed by this section consists of that part of the
23 following taxes that are retained to the credit of the Department after distributions to
24 the political subdivisions:

25 (1) The motor fuel tax revenue distributed under §§ 2-1103(2),
26 2-1103(3), and 2-1104(a)(2) of the Tax – General Article;

27 (2) **THE MOTOR FUEL TAX REVENUE ATTRIBUTABLE TO THE**
28 **SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THE TAX –**
29 **GENERAL ARTICLE AND DISTRIBUTED UNDER § 2-1103(4) OF THE TAX –**
30 **GENERAL ARTICLE;**

31 **[(2)] (3)** The income tax revenue distributed under § 2-614 of the
32 Tax – General Article;

33 **[(3)] (4)** The excise tax imposed on vehicles by Part II of Title 13,
34 Subtitle 8 of this article; and

1 ~~[(4)](5)~~ The sales and use tax revenues distributed under § 2–1302.1
2 of the Tax – General Article.

3 (c) As long as any consolidated transportation bonds are outstanding and
4 unpaid, and except as provided in § 3–104 of this title, there shall be deposited and
5 maintained in a sinking fund to be maintained by the State Treasurer to secure the
6 payment of the principal of and interest on the bonds, annually or more often, as
7 received, so much of the proceeds of the tax levied and imposed under this section,
8 together with all other funds received by the Department and credited to the
9 Transportation Trust Fund, as are necessary to maintain in the sinking fund a sum
10 equal to the amount required to pay the principal of and interest on the outstanding
11 and unpaid bonds that will become due and payable in the current calendar year and
12 the next succeeding calendar year.

13 (d) The tax levied and imposed by this section is irrevocably pledged to the
14 payment of the principal of and interest on consolidated transportation bonds as they
15 become due and payable, and no part of the tax or other funds applicable to debt
16 service on the bonds may be repealed, diminished, or applied to any other purpose
17 until:

18 (1) The bonds and the interest on them have become due and fully
19 paid; or

20 (2) Adequate and complete provision for payment of the principal and
21 interest has been made.

22 (e) (1) In this subsection “government obligations” means direct
23 obligations of, or obligations the principal of and interest on which are unconditionally
24 guaranteed by the United States of America.

25 (2) Adequate and complete provision for payment of the principal and
26 interest of any issue or series of consolidated transportation bonds may be made by the
27 Secretary and the State Treasurer by making a transfer of government obligations
28 from the Transportation Trust Fund to the State Treasurer or to a bank or trust
29 company as escrow fund agent in an amount which, together with the income due
30 thereon, will be sufficient to pay in full when due the maturing principal of and
31 interest on the consolidated transportation bonds.

32 (3) To the extent that adequate and complete provision has been made
33 for the payment of consolidated transportation bonds under this title those bonds shall
34 no longer be deemed to be outstanding and unpaid under this title.

35 3–216.

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

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

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

15 (2) (i) The Gasoline and Motor Vehicle Revenue Account, the
16 Driver Education Account, and the Motorcycle Safety Program Account shall be
17 maintained in the Transportation Trust Fund.

18 (ii) In each fiscal year, the Department shall budget from
19 federal funds available to the Department, other funds in the Transportation Trust
20 Fund, and any other funds available to the Department, an amount sufficient to fund
21 projects and programs determined by the Secretary to be necessary to achieve the
22 bicycle and pedestrian transportation goals identified for the fiscal year under Title 2,
23 Subtitle 6 of this article.

24 (d) (1) After meeting its debt service requirements, the Department may
25 use the funds in the Transportation Trust Fund for any lawful purpose related to the
26 exercise of its rights, powers, duties, and obligations.

27 (2) Expenditures under this subsection shall be made in accordance
28 with any appropriation provided for in any applicable budget bill or supplementary
29 appropriation bill. However, an appropriation proposed to be made to any unit in the
30 Department or proposed to be made for any designated transportation activity,
31 function, or undertaking that has been reduced by the General Assembly may not be
32 restored, for the same purpose as originally proposed, except in an emergency, by the
33 budget amendment procedure of § 7-209 of the State Finance and Procurement
34 Article, or otherwise if the General Assembly in striking or reducing the appropriation,
35 prohibited its restoration. However, except for emergency capital projects, if the
36 General Assembly explicitly reduces in the budget bill an appropriation proposed for a
37 major capital project as defined in § 2-103.1(a)(4) of this article, the appropriation may
38 not be restored for the same purpose as originally proposed by the budget amendment
39 procedure of § 7-209 of the State Finance and Procurement Article or otherwise unless
40 the General Assembly, in striking or reducing the appropriation, expressly authorized
41 its restoration.

1 **[(3) (i)** During the period of fiscal years 1988 through 1992 as
2 included in the annual State Report on Transportation, the Department shall utilize
3 all of its share of the revenues attributable to the 5 cent increase of the motor fuel tax
4 under the provisions of Chapter 291 of the Acts of 1987 and credited to the
5 Transportation Trust Fund under § 2–1104 of the Tax – General Article and the
6 proceeds of any increased indebtedness based on that revenue and credited to the
7 Transportation Trust Fund to fund Department projects for the construction,
8 reconstruction, and rehabilitation of the State highway system.

9 (ii) During the period of fiscal year 1988 through fiscal year
10 1992 the total level of State funds appropriated to the State Highway Administration
11 for construction, reconstruction and rehabilitation of the State highway system,
12 including the revenues referred to in subparagraph (i) above, shall be at least 70
13 percent of the total appropriation of State funds in the consolidated transportation
14 capital program.

15 (iii) The Secretary of the Department shall submit, subject to §
16 2–1246 of the State Government Article, to the Legislative Policy Committee and the
17 Department of Legislative Services a report:

18 1. Prior to the beginning of each session through the
19 1991 session, detailing the intended use of the new revenues; and

20 2. Prior to the beginning of each session beginning with
21 the 1989 session and through the 1993 session, detailing the actual use of the new
22 revenues in the prior fiscal year.

23 (4) Of the new revenues derived under the provisions of Chapter 291
24 of the Acts of 1987 and credited to the Department, \$31,000,000 shall be transferred to
25 the Maryland Emergency Medical Service System Fund at such time as determined by
26 the Secretary of Budget and Management.]

27 **[(5) (3)** For each fiscal year, the Department shall use the funds in
28 the Transportation Trust Fund for the purposes specified in subsection (c)(2)(ii) of this
29 section, which may include construction and maintenance of:

30 (i) Public bicycle areas as defined in § 21–101(o) of this article;

31 (ii) Bicycle ways as defined in § 21–101(d) of this article; and

32 (iii) Sidewalks as defined in § 21–101(w) of this article.

33 **[(6) (4)** Each year, before the General Assembly considers the
34 proposed Maryland Transportation Plan and the Consolidated Transportation
35 Program, the Department shall report to the General Assembly, in accordance with §
36 2–1246 of the State Government Article, on:

1 (i) The expenditures made toward the attainment of the bicycle
2 and pedestrian transportation goals during the preceding fiscal year under Title 2,
3 Subtitle 6 of this article; and

4 (ii) The progress made toward attainment of the bicycle and
5 pedestrian transportation goals identified for the fiscal year under Title 2, Subtitle 6 of
6 this article.

7 (e) (1) Except as otherwise provided in this subsection, this section is
8 effective notwithstanding any other provision of law.

9 (2) Nothing in this section may adversely affect in any way the
10 security of any of the following bonds while they are outstanding and unpaid:

11 (i) State highway construction bonds, second issue;

12 (ii) State highway construction bonds, third issue;

13 (iii) County highway construction bonds; or

14 (iv) County highway construction bonds, second issue.

15 (3) It is the intent of the General Assembly that, as long as any of the
16 bonds listed in paragraph (2) of this subsection are outstanding and unpaid:

17 (i) The sinking fund requirements established for the payment
18 of the principal of and interest on those bonds shall remain unchanged, as if this
19 section had not been enacted; and

20 (ii) The taxes and revenues pledged to the payment of the
21 principal of and interest on those bonds as they become due and payable may not be
22 repealed, diminished, or applied to any other purpose until:

23 1. The bonds and the interest on them have become due
24 and fully paid; or

25 2. Adequate and complete provision for payment of the
26 principal and interest has been made.

27 (f) (1) **[No] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (6) OF**
28 **THIS SUBSECTION, NO** part of the Transportation Trust Fund may [revert or] be
29 **[credited] TRANSFERRED OR DIVERTED** to the [general funds] **GENERAL FUND** of
30 **[this State] THE STATE UNLESS APPROVED BY THE GENERAL ASSEMBLY**
31 **THROUGH LEGISLATION PASSED BY A THREE-FIFTHS MAJORITY VOTE OF THE**
32 **FULL STANDING COMMITTEE ASSIGNED THE LEGISLATION IN EACH OF THE TWO**
33 **HOUSES OF THE GENERAL ASSEMBLY AND ENACTED INTO LAW.**

1 **(2) [No] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (6) OF**
2 **THIS SUBSECTION, NO** part of the Transportation Trust Fund may [revert or] be
3 **[credited] TRANSFERRED OR DIVERTED** to a special fund of the State, unless
4 **[otherwise provided by law] APPROVED BY THE GENERAL ASSEMBLY THROUGH**
5 **LEGISLATION PASSED BY A THREE-FIFTHS MAJORITY VOTE OF THE FULL**
6 **STANDING COMMITTEE ASSIGNED THE LEGISLATION IN EACH OF THE TWO**
7 **HOUSES OF THE GENERAL ASSEMBLY AND ENACTED INTO LAW.** No part of the
8 Transportation Trust Fund may [revert or] be [credited] **TRANSFERRED OR**
9 **DIVERTED** to a special fund of the State pursuant to the provisions of § 7-209(e)(2) of
10 the State Finance and Procurement Article, unless [the transfer is approved by the
11 Legislative Policy Committee. Failure of the Legislative Policy Committee to reject the
12 transfer within 15 days after presentation before the Legislative Policy Committee
13 shall be deemed to be approval] **THE REQUIREMENTS OF THIS PARAGRAPH HAVE**
14 **BEEN SATISFIED.**

15 **[(2) Notwithstanding any other provision of law, for fiscal year 1984**
16 **only, \$29,000,000 of the funds in the Transportation Trust Fund which are not**
17 **required by law to be distributed to the counties or Baltimore City and which have not**
18 **been pledged or otherwise committed to the payment of or as security for the payment**
19 **of any bonds or debt issued or incurred pursuant to this article shall be transferred**
20 **and credited to the general funds of the State on or before June 30, 1984 and shall be**
21 **available for appropriation from the general funds in fiscal year 1984.]**

22 **(3) FUNDS IN THE TRANSPORTATION TRUST FUND MAY BE USED**
23 **FOR DEFENSE OR RELIEF PURPOSES ONLY IF:**

24 **(I) THE STATE IS INVADED BY LAND, SEA, OR AIR OR A**
25 **MAJOR CATASTROPHE OCCURS; AND**

26 **(II) THE GOVERNOR:**

27 **1. PROCLAIMS A STATE OF EMERGENCY; AND**

28 **2. DECLARES THAT THE USE OF THE FUNDS FOR**
29 **DEFENSE OR RELIEF PURPOSES IS NECESSARY FOR THE IMMEDIATE**
30 **PRESERVATION OF THE PUBLIC HEALTH OR SAFETY.**

31 **(4) BEFORE THE ENACTMENT OF LEGISLATION UNDER**
32 **PARAGRAPH (1) OR (2) OF THIS SUBSECTION OR THE ISSUANCE OF AN**
33 **EMERGENCY DECLARATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO**
34 **TRANSFER OR DIVERT FUNDS FROM THE TRANSPORTATION TRUST FUND TO**
35 **THE GENERAL FUND OR A SPECIAL FUND, THE TREASURER SHALL ADVISE THE**
36 **GOVERNOR AND THE GENERAL ASSEMBLY OF THE POTENTIAL IMPACT OF THE**

1 TRANSFER OR DIVERSION ON THE CREDIT RATING OF BONDS OR OTHER DEBT
2 INSTRUMENTS ISSUED BY THE DEPARTMENT.

3 (5) (I) BEFORE THE ENACTMENT OF LEGISLATION UNDER
4 PARAGRAPH (1) OR (2) OF THIS SUBSECTION OR THE ISSUANCE OF AN
5 EMERGENCY DECLARATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO
6 TRANSFER OR DIVERT FUNDS FROM THE TRANSPORTATION TRUST FUND TO
7 THE GENERAL FUND OR A SPECIAL FUND, A DETERMINATION SHALL BE MADE
8 OF THE POTENTIAL IMPACT OF THE TRANSFER OR DIVERSION ON THE
9 ADDITIONAL BONDS TEST SET FORTH IN THE SECRETARY'S RESOLUTION AND
10 THE CREDIT RATING OF BONDS OR OTHER DEBT INSTRUMENTS ISSUED BY THE
11 DEPARTMENT.

12 (II) A TRANSFER OR DIVERSION MAY NOT OCCUR IF IT IS
13 DETERMINED THAT THE TRANSFER OR DIVERSION WOULD:

14 1. CAUSE THE DEPARTMENT TO FAIL THE
15 ADDITIONAL BONDS TEST; OR

16 2. RESULT IN A DOWNGRADE OF THE
17 DEPARTMENT'S BONDS.

18 (6) THIS SUBSECTION DOES NOT APPLY TO A DISTRIBUTION OF
19 HIGHWAY USER REVENUES TO COUNTIES, MUNICIPALITIES, AND BALTIMORE
20 CITY UNDER § 8-403 OF THIS ARTICLE.

21 3-217.

22 (a) [Beginning July 1, 2012,] ANY funds in the Transportation Trust Fund
23 [may not be] transferred or diverted from that Fund to the General Fund [unless
24 legislation is enacted prior to the transfer or diversion that provides for repayment of
25 the funds to the Transportation Trust Fund] OR A SPECIAL FUND SHALL BE REPAID
26 within 5 years after the transfer or diversion AS FOLLOWS:

27 (1) AT LEAST 10 PERCENT OF A TRANSFER OR DIVERSION IN A
28 FISCAL YEAR SHALL BE REPAID IN THE FIRST FISCAL YEAR AFTER THE
29 TRANSFER OR DIVERSION;

30 (2) A CUMULATIVE TOTAL OF AT LEAST 30 PERCENT OF A
31 TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 2 FISCAL
32 YEARS AFTER THE TRANSFER OR DIVERSION;

1 **(3) A CUMULATIVE TOTAL OF AT LEAST 55 PERCENT OF A**
 2 **TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 3 FISCAL**
 3 **YEARS AFTER THE TRANSFER OR DIVERSION;**

4 **(4) A CUMULATIVE TOTAL OF AT LEAST 80 PERCENT OF A**
 5 **TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 4 FISCAL**
 6 **YEARS AFTER THE TRANSFER OR DIVERSION; AND**

7 **(5) A CUMULATIVE TOTAL OF 100 PERCENT OF A TRANSFER OR**
 8 **DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 5 FISCAL YEARS AFTER**
 9 **THE TRANSFER OR DIVERSION.**

10 (b) This section does not apply to a [transfer or diversion of funds]
 11 **DISTRIBUTION OF HIGHWAY USER REVENUES TO COUNTIES, MUNICIPALITIES,**
 12 **AND BALTIMORE CITY** under § 8-403 of this article.

13 ~~7-208.~~

14 ~~(b-1) Subject to § 7-506 of this title, the Administration:~~

15 ~~(1) [Shall] **SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS**~~
 16 ~~**SUBSECTION, SHALL set the fare prices and collect other operating revenues in an**~~
 17 ~~**amount sufficient to achieve the farebox recovery requirement established in**~~
 18 ~~**subsection (b) of this section; [and]**~~

19 ~~(2) **BEGINNING IN FISCAL YEAR 2015, SHALL INCREASE BASE**~~
 20 ~~**FARE PRICES TO THE NEAREST 10 CENTS FOR CORE BUS, LIGHT RAIL, AND**~~
 21 ~~**METRO SUBWAY SERVICES BY AT LEAST THE SAME PERCENTAGE AS THE**~~
 22 ~~**TRIENNIAL INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN**~~
 23 ~~**CONSUMERS FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA, AS**~~
 24 ~~**DETERMINED FROM JANUARY 1, 2011, TO DECEMBER 31, 2013, AND EACH**~~
 25 ~~**SUBSEQUENT 3-YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED;**~~
 26 ~~**AND**~~

27 ~~(3) **May not reduce the level of services provided by the**~~
 28 ~~**Administration for the purpose of achieving the farebox recovery requirement.**~~

29 ~~7-208.~~

30 ~~(b-1) Subject to § 7-506 of this title, the Administration:~~

31 ~~(1) [Shall] **SUBJECT TO PARAGRAPHS (2), (3), (4), (5), AND (6) OF**~~
 32 ~~**THIS SUBSECTION, SHALL set the fare prices and collect other operating revenues in**~~
 33 ~~**an amount sufficient to achieve the farebox recovery requirement established in**~~
 34 ~~**subsection (b) of this section; [and]**~~

1 **(2) BEGINNING IN FISCAL YEAR 2015, SHALL:**

2 **(I) ON A BIENNIAL BASIS, INCREASE BASE FARE PRICES**
3 **AND THE COST OF MULTIUSE PASSES TO THE NEAREST 10 CENTS FOR ALL**
4 **TRANSIT SERVICES EXCEPT THOSE SERVICES LISTED IN SUBPARAGRAPH (II) OF**
5 **THIS PARAGRAPH BY THE SAME PERCENTAGE AS THE BIENNIAL INCREASE IN**
6 **THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, AS DETERMINED**
7 **FROM JANUARY 1, 2012, TO DECEMBER 31, 2013, AND EACH SUBSEQUENT**
8 **2-YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED;**

9 **(II) EVERY 5 YEARS, INCREASE ONE-WAY ZONE FARE**
10 **PRICES AND THE COST OF MULTIUSE PASSES TO THE NEAREST DOLLAR FOR**
11 **COMMUTER RAIL AND COMMUTER BUS SERVICE BY:**

12 **1. AT LEAST THE SAME PERCENTAGE AS THE 5-YEAR**
13 **INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, AS**
14 **DETERMINED FROM JANUARY 1, 2009, TO DECEMBER 31, 2013, AND EACH**
15 **SUBSEQUENT 5-YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED;**
16 **AND**

17 **2. ANY ADDITIONAL AMOUNT THE ADMINISTRATION**
18 **DETERMINES IS NECESSARY AFTER CONSIDERING FACTORS AFFECTING**
19 **COMMUTING COSTS APPLICABLE TO THE JURISDICTIONS IN WHICH THE**
20 **ADMINISTRATION PROVIDES COMMUTER SERVICE, INCLUDING:**

21 **A. MONTHLY PARKING FEES;**

22 **B. THE RETAIL PRICE PER GALLON OF MOTOR FUEL;**

23 **C. THE AMOUNT OF ANY MONTHLY FEDERAL**
24 **COMMUTING SUBSIDY;**

25 **D. FARE PRICES FOR INTERCITY RAIL SERVICE; AND**

26 **E. ANY OTHER RELEVANT COMMUTING COSTS; AND**

27 **[(2)] (3) May not reduce the level of services provided by the**
28 **Administration for the purpose of achieving the farebox recovery requirement;**

29 **(4) MAY NOT INCREASE FARES FOR ALL TRANSIT SERVICES**
30 **EXCEPT THOSE SERVICES LISTED IN PARAGRAPH (2)(II) OF THIS SUBSECTION**
31 **BY MORE THAN THE AMOUNT REQUIRED UNDER PARAGRAPH (2)(I) OF THIS**
32 **SUBSECTION;**

1 (5) MAY NOT INCREASE FARES UNDER PARAGRAPH (2)(I) AND
2 (II)1 OF THIS SUBSECTION IF THERE IS A DECLINE OR NO GROWTH IN THE
3 CONSUMER PRICE INDEX; AND

4 (6) SHALL INCLUDE THE AMOUNT OF ANY INCREASE IN FARES
5 THAT WOULD HAVE OCCURRED PREVIOUSLY IN THE ABSENCE OF ROUNDING TO
6 THE NEAREST 10 CENTS OR NEAREST DOLLAR WHEN CALCULATING FARE
7 INCREASES FOR SUBSEQUENT PERIODS UNDER PARAGRAPH (2)(I) AND (II)1 OF
8 THIS SUBSECTION.

9 (B-2) AN INCREASE IN THE ADMINISTRATION'S FARE PRICES BY THE
10 MINIMUM AMOUNT REQUIRED UNDER SUBSECTION (B-1) OF THIS SECTION IS
11 NOT SUBJECT TO THE REQUIREMENTS OF § 7-506 OF THIS ARTICLE.

12 7-506.

13 (a) (1) Except as provided in subsection (b) of this section OR §
14 7-208(B-2) OF THIS TITLE, until a public hearing is held on the matter, the
15 Administration may not:

16 (i) Fix or revise any fare or rate charged the general public;

17 (ii) Establish or abandon any bus or rail route listed on a
18 published timetable;

19 (iii) Change a bus or rail route alignment listed on a published
20 timetable, unless the change is needed because of temporary construction or changes
21 in the road network;

22 (iv) Reduce the frequency, number of days, or days of service for
23 a commuter bus or commuter rail route without substituting a comparable level of
24 service, unless the reduction is temporary or a result of:

25 1. A natural disaster;

26 2. Weather or other emergency conditions;

27 3. Schedule adjustments required by a third party that
28 operates service on the same right-of-way; or

29 4. Other circumstances beyond the control of the
30 Administration; or

31 (v) Establish or abandon a rail transit station.

1 (2) The Administration may only implement a change described in
2 paragraph (1) of this subsection during the time period that begins 6 weeks after the
3 public hearing and ends 6 months after the public hearing.

4 (3) (i) If the Administration gives inadequate or defective notice of
5 a public hearing on a change described in paragraph (1) of this subsection, the
6 Administration may not implement the change unless the Administration makes a
7 reasonable effort to correct the inadequacy or defect and a legally sufficient public
8 hearing is held.

9 (ii) For the purposes of this paragraph, notice shall be
10 considered inadequate or defective if:

11 1. The Administration does not comply with the
12 newspaper publication requirements under subsection (d) of this section;

13 2. The Administration does not comply with the notice
14 requirements for affected jurisdictions prescribed under subsection (d) of this section;

15 3. At least 30% of the Administration's facilities are not
16 posted as required under subsection (d) of this section; or

17 4. The notice contains erroneous information.

18 (4) A public hearing required under paragraph (1) of this subsection
19 shall be at a place and time that is reasonably accessible and convenient to the
20 patrons of the service to be affected.

21 (5) The Administration shall accept written comments for 30 days
22 after a hearing held on a change described in paragraph (1) of this subsection.

23 **8-613.3.**

24 **THE GOVERNOR SHALL INCLUDE IN THE ANNUAL OPERATING OR CAPITAL**
25 **BUDGET AN APPROPRIATION TO THE ADMINISTRATION TO BE USED TO COMPLY**
26 **WITH THE WATERSHED IMPLEMENTATION PLAN IN THE AMOUNT OF:**

27 **(1) \$45,000,000 FOR FISCAL YEAR 2015;**

28 **(2) \$65,000,000 FOR FISCAL YEAR 2016;**

29 **(3) \$85,000,000 FOR FISCAL YEAR 2017;**

30 **(4) \$100,000,000 FOR FISCAL YEAR 2018; AND**

31 **(5) \$100,000,000 FOR FISCAL YEAR 2019.**

1 13-954.

2 (a) In this section, "motor vehicle" means a:

3 (1) Class A (passenger) vehicle;

4 (2) Class B (for hire) vehicle;

5 (3) Class C (funeral and ambulance) vehicle;

6 (4) Class D (motorcycle) vehicle;

7 (5) Class E (truck) vehicle;

8 (6) Class F (tractor) vehicle;

9 (7) Class H (school) vehicle;

10 (8) Class J (vanpool) vehicle;

11 (9) Class M (multipurpose) vehicle;

12 (10) Class P (passenger bus) vehicle;

13 (11) Class Q (limousine) vehicle;

14 (12) Class R (low speed) vehicle; or

15 (13) Vehicle within any other class designated by the Administrator.

16 (b) (1) In addition to the registration fee otherwise required by this title,
17 the owner of any motor vehicle registered under this title shall pay a surcharge of
18 ~~[\$13.50]~~ **\$17.00** per year for each motor vehicle registered.

19 (2) \$2.50 of the surcharge collected under paragraph (1) of this
20 subsection shall be paid into the Maryland Trauma Physician Services Fund
21 established under § 19-130 of the Health – General Article.

22 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
23 read as follows:

24 **Article – Tax – General**

25 **2-1302.2.**

1 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301
 2 THROUGH 2-1302.1 OF THIS SUBTITLE, THE COMPTROLLER SHALL PAY 4% OF
 3 THE REMAINING SALES AND USE TAX REVENUE INTO THE TRANSPORTATION
 4 TRUST FUND ESTABLISHED UNDER § 3-216 OF THE TRANSPORTATION
 5 ARTICLE.

6 2-1303.

7 After making the distributions required under §§ 2-1301 through [2-1302.1]
 8 2-1302.2 of this subtitle, the Comptroller shall pay:

9 (1) revenues from the hotel surcharge into the Dorchester County
 10 Economic Development Fund established under § 10-130 of the Economic
 11 Development Article; and

12 (2) the remaining sales and use tax revenue into the General Fund of
 13 the State.

14 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 15 read as follows:

16 **Article – Tax – General**

17 **9-306.**

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
 19 MEANINGS INDICATED.

20 (2) “AVERAGE ANNUAL RETAIL PRICE” MEANS THE 12-MONTH
 21 AVERAGE RETAIL PRICE PER GALLON OF MOTOR FUEL PURCHASED IN THE
 22 STATE DETERMINED IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.

23 (3) “SALES AND USE TAX EQUIVALENT RATE” MEANS THE PER
 24 GALLON TAX RATE CALCULATED BASED ON A PERCENTAGE OF THE AVERAGE
 25 ANNUAL RETAIL PRICE OF MOTOR FUEL IN ACCORDANCE WITH SUBSECTION (E)
 26 OF THIS SECTION.

27 (B) ON OR BEFORE ~~JUNE 1 OF EACH YEAR~~ **DECEMBER 1, 2015, JUNE 1,**
 28 **2016, AND JUNE 1 OF EACH SUBSEQUENT YEAR,** THE COMPTROLLER SHALL
 29 DETERMINE AND ANNOUNCE:

30 (1) THE AVERAGE ANNUAL RETAIL PRICE OF MOTOR FUEL; AND

31 (2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON
 32 THE FIRST DAY OF THE FOLLOWING ~~JULY 1~~ MONTH.

1 (C) (1) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE ADDED
2 TO THE MOTOR FUEL TAX RATES SPECIFIED IN ~~§ 9-305(B)(2)~~ § 9-305(A)(2), (3),
3 AND (5) OF THIS SUBTITLE AND COLLECTED IN THE SAME MANNER AS THE
4 MOTOR FUEL TAX.

5 (2) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY LAW, ALL
6 REFERENCES TO THE MOTOR FUEL TAX IN STATE LAW AND REGULATIONS
7 APPLY TO THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER THIS
8 SECTION.

9 (D) THE COMPTROLLER SHALL DETERMINE THE AVERAGE ANNUAL
10 RETAIL PRICE OF MOTOR FUEL:

11 (1) USING DATA COMPILED BY THE OIL PRICE INFORMATION
12 SERVICE OR ANOTHER GENERALLY RECOGNIZED AND RELIABLE SOURCE OF
13 INFORMATION; AND

14 (2) BASED ON PRICES FOR REGULAR UNLEADED MOTOR FUEL,
15 EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE 12 MONTHS
16 ENDING ON THE ~~PRECEDING APRIL 30~~ LAST DAY OF THE SECOND IMMEDIATELY
17 PRECEDING MONTH.

18 (E) THE COMPTROLLER SHALL DETERMINE THE SALES AND USE TAX
19 EQUIVALENT RATE BY:

20 (1) MULTIPLYING THE AVERAGE ANNUAL RETAIL PRICE BY ~~6%~~
21 THE PERCENTAGE RATE SPECIFIED IN SUBSECTION (F) OF THIS SECTION; AND

22 (2) ROUNDING THE PRODUCT TO THE NEAREST TENTH OF A CENT.

23 (F) THE PERCENTAGE RATE USED TO CALCULATE THE SALES AND USE
24 TAX EQUIVALENT RATE SHALL BE:

25 (1) 4% FOR THE DETERMINATION MADE ON DECEMBER 1, 2015;
26 AND

27 (2) 5% FOR THE DETERMINATION MADE ON JUNE 1, 2016, AND
28 JUNE 1 OF EACH SUBSEQUENT YEAR.

29 (G) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING
30 TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF
31 AN INCREASE IN THE SALES AND USE TAX EQUIVALENT RATE UNDER THIS
32 SECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT

1 THE CLOSE OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT
2 WITHIN 30 DAYS ANY ADDITIONAL TAX THAT IS DUE ON THE MOTOR FUEL
3 UNDER THIS SECTION.

4 SECTION 6. AND BE IT FURTHER ENACTED, That:

5 (a) The Governor, in consultation with the President of the Senate of
6 Maryland and the Speaker of the House of Delegates, shall appoint a Local and
7 Regional Transportation Funding Task Force that includes representatives of the
8 State and local governments. The Task Force shall study and make recommendations
9 on the feasibility of creating regional transit financing entities and local-option
10 transportation revenues for the purpose of raising additional funds to support regional
11 and local transportation system needs throughout the State.

12 (b) On or before December 15, 2013, the Task Force shall report its findings
13 and recommendations to the Governor and, in accordance with § 2-1246 of the State
14 Government Article, the General Assembly.

15 SECTION 7. AND BE IT FURTHER ENACTED, That:

16 (a) It is the intent of the General Assembly that the State maximize the
17 delivery of transportation projects through public-private partnerships, the use of an
18 infrastructure bank, or other alternative financing mechanisms when appropriate.

19 (b) The Department of Transportation shall:

20 (1) Evaluate the opportunities for future alternative financing
21 strategies for the Red Line, Purple Line, Corridor Cities Transitway, highway projects,
22 commuter rail projects, and any other relevant transportation projects;

23 (2) Submit a report that includes specific findings and
24 recommendations concerning alternative financing strategies to the Governor and, in
25 accordance with § 2-1246 of the State Government Article, the General Assembly on
26 or before November 1, 2013; and

27 (3) Issue a Request for Information for the Red Line, Purple Line, or
28 Corridor Cities Transitway on or before July 1, 2013, for the purpose of seeking
29 private sector input and to more fully explore the potential for delivering one of the
30 transit lines as a public-private partnership project.

31 (c) The Department of Transportation shall:

32 (1) Study the implementation of a voucher program to provide transit
33 services at a free or reduced fare for individuals whose household income does not
34 exceed 125% of the federal poverty guidelines; and

1 (2) On or before December 31, 2013, submit a report to the Governor
2 and, in accordance with § 2-1246 of the State Government Article, the General
3 Assembly that includes specific findings and recommendations on implementing a
4 voucher program described in paragraph (1) of this subsection.

5 SECTION 8. AND BE IT FURTHER ENACTED, That sales and use tax
6 revenue distributed to the Transportation Trust Fund under Section 4 of this Act may
7 not be pledged to the payment of the principal of and interest on consolidated
8 transportation bonds as they become due and payable.

9 SECTION 9. AND BE IT FURTHER ENACTED, That:

10 (a) It is the intent of the General Assembly that the \$3.50 vehicle
11 registration surcharge increase provided for in this Act be used to:

12 (1) Sustain the long-term viability of the Maryland Emergency
13 Medical System Operations Fund; and

14 (2) Enhance funding provided to the user agencies of the Fund, as
15 described in subsection (b) of this section.

16 (b) It is the intent of the General Assembly that the Governor:

17 (1) Include the following appropriations in the State budget to fund
18 the upgrade of the Maryland Institute for Emergency Medical Services Systems
19 communications system:

20 (i) \$2,497,277 in fiscal year 2014;

21 (ii) \$8,540,803 in fiscal year 2015;

22 (iii) \$37,500 in fiscal year 2016; and

23 (iv) \$12,500 in fiscal year 2017;

24 (2) Include an appropriation in the State budget to fund the operations
25 and maintenance of the Maryland Institute for Emergency Medical Services Systems
26 communications system;

27 (3) Increase the base salary for pilots and maintenance technicians
28 employed by the Department of State Police, Aviation Division to \$70,000 and \$60,000,
29 respectively;

30 (4) Hire 20 additional pilots for the purpose of improving the safety of
31 flight operations at the Department of State Police, Aviation Division;

1 (5) Increase the annual appropriation to the R Adams Cowley Shock
2 Trauma Center at the University of Maryland Medical System to \$3,200,000;

3 (6) Purchase high temperature tiles for the Maryland Fire and Rescue
4 Institute;

5 (7) Increase the salary of field instructors employed by the Maryland
6 Fire and Rescue Institute by \$2 per hour; and

7 (8) Increase the annual appropriation to the Senator William H.
8 Amoss Fire, Rescue, and Ambulance Fund to the following amounts:

9 (i) \$11,700,000 in fiscal year 2015;

10 (ii) \$13,300,000 in fiscal year 2016; and

11 (iii) \$15,000,000 in fiscal year 2017.

12 SECTION 10. AND BE IT FURTHER ENACTED, That on or before January 1,
13 2019, the Department of Transportation shall submit a report to the Governor and, in
14 accordance with § 2-1246 of the State Government Article, Senate Budget and
15 Taxation Committee, House Appropriations Committee, and House Committee on
16 Ways and Means that:

17 (1) Assesses the impact of cumulative increases in the motor fuel tax
18 rates under § 9-305(b) of the Tax – General Article as enacted by this Act on the
19 State’s transportation investment program, consumers, and the State’s economy; and

20 (2) Makes a recommendation concerning the advisability of continuing
21 to allow future increases in the motor fuel tax rates under § 9-305(b) of the Tax –
22 General Article as enacted by this Act.

23 ~~SECTION 7.~~ SECTION 11. AND BE IT FURTHER ENACTED, That:

24 (a) Section 4 of this Act shall take effect on the taking effect, on or after June
25 1, 2013, but before ~~June~~ December 1, 2015, of regulations adopted by the Comptroller
26 that require out-of-state sellers to collect the State sales and use tax on sales by
27 out-of-state sellers to buyers in the State as authorized under a federal law that takes
28 effect before ~~June~~ December 1, 2015.

29 (b) If Section 4 of this Act does not take effect in accordance with subsection
30 (a) of this section, Section 4 of this Act, with no further action required by the General
31 Assembly, shall be abrogated and of no further force and effect on ~~June~~ December 1,
32 2015.

33 ~~SECTION 8.~~ SECTION 12. AND BE IT FURTHER ENACTED, That:

1 (a) Section 5 of this Act shall take effect ~~June~~ December 1, 2015, if Section 4
2 of this Act does not take effect before that date in accordance with Section ~~7~~ 11 of this
3 Act.

4 (b) If Section 4 of this Act takes effect, Section 5 of this Act, with no further
5 action required by the General Assembly, shall be abrogated and of no further force
6 and effect on the date that Section 4 of this Act becomes effective.

7 (c) If Section 5 of this Act takes effect on ~~June~~ December 1, 2015, in
8 accordance with subsection (a) of this section, Section 2 of this Act shall be abrogated
9 and of no further force and effect on ~~June~~ December 1, 2015.

10 SECTION ~~9~~ 13. AND BE IT FURTHER ENACTED, That, except as provided in
11 Sections ~~7 and 8~~ 11 and 12 of this Act, this Act shall take effect June 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.