

SENATE BILL 830

Q5, Q1, Q4

3lr1741

By: **Senators Miller, Garagiola, Currie, Kasemeyer, Madaleno, Manno, McFadden, and Raskin**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Financing Act**

3 FOR the purpose of authorizing the Maryland Transit Administration, after a
4 preparing a certain report and holding a certain hearing, to establish up to a
5 certain number of transit benefit districts to finance, construct, and operate
6 transit facilities and transit services; authorizing the Administration to
7 establish the governing body of each transit benefit district; prohibiting the
8 Department of Transportation from exercising jurisdiction or authority over a
9 transit benefit district; authorizing a transit benefit district to take certain
10 actions in performance of its duties; authorizing a transit benefit district to
11 impose certain taxes; providing that certain taxes shall be administered in
12 accordance with certain other taxes; authorizing a transit benefit district to
13 issue bonds payable from certain fees, fares, and taxes for the purpose of
14 financing transit facilities; providing that bonds issued by a transit benefit
15 district do not constitute a debt or pledge of the full faith and credit of certain
16 entities; providing that bonds issued by a transit benefit district do not obligate
17 certain entities to impose any tax; requiring a transit benefit district to
18 determine certain matters concerning certain bonds; providing for the issuance
19 and execution of the bonds; authorizing a transit benefit district to issue bonds
20 to refinance the cost of transit facilities; authorizing a transit benefit district to
21 issue refunding bonds for certain purposes; authorizing a transit benefit district
22 to issue interim certificates or temporary bonds; authorizing a transit benefit
23 district to issue bond anticipation notes; authorizing bonds issued by a transit
24 benefit district to be secured by certain trust agreements; requiring certain fees,
25 fares, and taxes designated by a transit benefit district as security for bonds to
26 be adjusted in a certain manner; requiring that certain revenues of a transit
27 benefit district be deemed to be trust funds to be used only in a certain manner;
28 authorizing the trustee or a holder of bonds issued by a transit benefit district
29 to bring a legal action to enforce certain rights and compel the performance of
30 certain duties; providing that bonds issued by a transit benefit district are

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 securities in which certain persons may invest and that may be deposited with
2 certain persons; exempting bonds issued by a transit benefit district from
3 taxation; authorizing the local governing body of a county to impose a certain
4 motor fuel tax; imposing a certain additional tax on certain motor fuel in certain
5 counties after a certain date; establishing the rate of the tax; requiring the tax
6 to be imposed at a certain time and collected and paid in a certain manner;
7 allowing a distributor to deduct a certain amount of the county motor fuel tax
8 due to reimburse the distributor for certain expenses; providing that certain
9 exemptions, refunds, procedures, and penalties that apply to the motor fuel tax
10 also apply to the county motor fuel tax; providing for the distribution of the
11 county motor fuel tax revenue; requiring the Comptroller to make certain
12 determinations and announcements regarding certain average retail prices of
13 motor fuel and certain sales and use tax equivalent rates for certain periods;
14 providing that under certain circumstances, certain sales and use tax
15 equivalent rates, effective for certain periods, are added to certain motor fuel
16 tax rates and shall be collected in the same manner as the motor fuel tax;
17 providing that certain State laws and regulations that apply to the motor fuel
18 tax also apply to certain sales and use tax equivalent rates; providing that
19 certain motor fuel is subject to a sales and use tax equivalent rate added to the
20 motor fuel tax rate under certain circumstances; requiring the Maryland
21 Transportation Authority to report and make recommendations on a certain
22 long-term lease; defining certain terms; providing for the effective dates of this
23 Act; and generally relating to transportation financing.

24 BY adding to
25 Article – Transportation
26 Section 9–101 through 9–413 to be under the new title “Title 9. Transit Benefit
27 Districts”
28 Annotated Code of Maryland
29 (2008 Replacement Volume and 2012 Supplement)

30 BY adding to
31 Article – Tax – General
32 Section 1–101(f–1); 2–11A–01 through 2–11A–03 to be under the new subtitle
33 “Subtitle 11A. County Motor Fuel Tax Distribution”; 9–306; and 9–401
34 through 9–406 to be under the new subtitle “Subtitle 4. County Motor
35 Fuel Tax”
36 Annotated Code of Maryland
37 (2010 Replacement Volume and 2012 Supplement)

38 BY repealing and reenacting, with amendments,
39 Article – Tax – General
40 Section 11–221
41 Annotated Code of Maryland
42 (2010 Replacement Volume and 2012 Supplement)

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

3 **Article – Transportation**

4 **TITLE 9. TRANSIT BENEFIT DISTRICTS.**

5 **SUBTITLE 1. DEFINITIONS.**

6 **9–101.**

7 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (B) “ADMINISTRATION” HAS THE MEANING STATED IN § 7–101 OF THIS
10 ARTICLE.

11 (C) “COST” HAS THE MEANING STATED IN § 3–101 OF THIS ARTICLE.

12 (D) “TRANSIT FACILITY” HAS THE MEANING STATED IN § 7–101 OF THIS
13 ARTICLE.

14 (E) “TRANSIT SERVICE” HAS THE MEANING STATED IN § 7–101 OF THIS
15 ARTICLE.

16 **SUBTITLE 2. TRANSIT BENEFIT DISTRICTS – ESTABLISHMENT.**

17 **9–201.**

18 (A) AFTER A PUBLIC HEARING REQUIRED UNDER § 9–203 OF THIS
19 SUBTITLE, THE ADMINISTRATION MAY ESTABLISH A TRANSIT BENEFIT DISTRICT
20 TO CONSTRUCT AND OPERATE A TRANSIT FACILITY OR TRANSIT SERVICE.

21 (B) (1) THE ADMINISTRATION MAY NOT ESTABLISH MORE THAN TWO
22 TRANSIT BENEFIT DISTRICTS IN THE STATE.

23 (2) THE ADMINISTRATION MAY ESTABLISH A TRANSIT BENEFIT
24 DISTRICT FOR:

25 (I) THE BALTIMORE METROPOLITAN REGION; AND

26 (II) THE WASHINGTON METROPOLITAN REGION.

1 **(C) (1) THE ADMINISTRATION SHALL DEFINE THE REGIONAL**
2 **BOUNDARIES OF A TRANSIT BENEFIT DISTRICT.**

3 **(2) A TRANSIT BENEFIT DISTRICT MAY CONSIST OF PART OF A**
4 **COUNTY.**

5 **(D) (1) THE ADMINISTRATION SHALL ESTABLISH MEMBERSHIP OF**
6 **THE GOVERNING BODY OF THE TRANSIT BENEFIT DISTRICT.**

7 **(2) THE GOVERNING BODY OF THE TRANSIT BENEFIT DISTRICT**
8 **SHALL INCLUDE MEMBERS OF THE GOVERNING BODY OF A COUNTY OR**
9 **MUNICIPAL CORPORATION WITHIN THE REGIONAL BOUNDARIES OF THE**
10 **TRANSIT BENEFIT DISTRICT.**

11 **(3) THE REPRESENTATION OF A COUNTY OR MUNICIPAL**
12 **CORPORATION ON THE GOVERNING BODY OF THE TRANSIT BENEFIT DISTRICT**
13 **SHALL BE IN PROPORTION TO THE SIZE OF THE COUNTY OR MUNICIPAL**
14 **CORPORATION WITHIN THE TRANSIT BENEFIT DISTRICT.**

15 **9-202.**

16 **(A) AT LEAST 30 DAYS BEFORE THE ADMINISTRATION ESTABLISHES A**
17 **TRANSIT BENEFIT DISTRICT, THE ADMINISTRATION SHALL PUBLISH A REPORT**
18 **THAT DESCRIBES:**

19 **(1) THE TRANSIT FACILITY OR TRANSIT SERVICE THAT THE**
20 **TRANSIT BENEFIT DISTRICT WILL PROVIDE;**

21 **(2) THE COSTS, BENEFITS, AND FINANCING PLAN OF THE**
22 **TRANSIT FACILITY OR TRANSIT SERVICE; AND**

23 **(3) THE BOUNDARIES OF THE TRANSIT BENEFIT DISTRICT.**

24 **(B) THE ADMINISTRATION SHALL CONSULT WITH THE GOVERNING**
25 **BODY OF A COUNTY OR MUNICIPAL CORPORATION WITHIN A PROPOSED**
26 **TRANSIT BENEFIT DISTRICT BEFORE ESTABLISHING THE TRANSIT BENEFIT**
27 **DISTRICT.**

28 **9-203.**

29 **(A) THE ADMINISTRATION SHALL HOLD A PUBLIC HEARING ON THE**
30 **REPORT REQUIRED UNDER § 9-202 OF THIS SUBTITLE.**

1 **(B) AT LEAST 15 DAYS BEFORE THE PUBLIC HEARING, THE**
2 **ADMINISTRATION SHALL POST NOTICE OF THE HEARING ON ITS WEB SITE AND**
3 **PUBLISH NOTICE OF THE HEARING IN A NEWSPAPER OF GENERAL CIRCULATION**
4 **IN EACH REGION OF THE PROPOSED TRANSIT BENEFIT DISTRICT.**

5 **SUBTITLE 3. JURISDICTION AND POWERS.**

6 **9-301.**

7 **(A) A TRANSIT BENEFIT DISTRICT SHALL:**

8 **(1) FINANCE, CONSTRUCT, OPERATE, REPAIR, AND MAINTAIN IN**
9 **GOOD ORDER A TRANSIT FACILITY AND TRANSIT SERVICE; AND**

10 **(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, HAVE**
11 **GENERAL AND EXCLUSIVE JURISDICTION OVER THE TRANSIT FACILITY AND**
12 **TRANSIT SERVICE.**

13 **(B) EXCEPT AS PROVIDED IN THIS TITLE, THE DEPARTMENT MAY NOT**
14 **EXERCISE JURISDICTION OR AUTHORITY OVER THE TRANSIT FACILITY AND**
15 **TRANSIT SERVICE.**

16 **9-302.**

17 **A TRANSIT BENEFIT DISTRICT MAY DO THE FOLLOWING IN THE EXERCISE**
18 **OF ITS POWERS AND PERFORMANCE OF ITS DUTIES:**

19 **(1) ACQUIRE, HOLD, AND DISPOSE OF PROPERTY;**

20 **(2) SUE AND BE SUED IN ITS OWN NAME;**

21 **(3) MAKE CONTRACTS AND AGREEMENTS;**

22 **(4) EMPLOY AND FIX THE COMPENSATION OF ACCOUNTANTS,**
23 **ATTORNEYS, CONSULTING ENGINEERS, CONSTRUCTION AND FINANCIAL**
24 **EXPERTS, MANAGERS, AND ANY OTHER AGENTS OR EMPLOYEES;**

25 **(5) APPLY FOR AND RECEIVE GRANTS FROM A FEDERAL AGENCY**
26 **OR ANY OTHER SOURCE;**

27 **(6) CONDEMN PROPERTY IN ACCORDANCE WITH TITLE 12 OF THE**
28 **REAL PROPERTY ARTICLE;**

1 **(7) FIX, REVISE, CHARGE, AND COLLECT RENTALS, RATES, FEES,**
2 **FARES, AND OTHER CHARGES FOR THE USE OF THE TRANSIT BENEFIT**
3 **DISTRICT'S FACILITIES OR SERVICES; AND**

4 **(8) ADOPT REGULATIONS TO CARRY OUT THIS TITLE.**

5 **SUBTITLE 4. FINANCING OF TRANSIT FACILITIES AND TRANSIT SERVICES.**

6 **9-401.**

7 **(A) FOR THE PURPOSE OF FINANCING TRANSIT FACILITIES AND**
8 **TRANSIT SERVICES, A TRANSIT BENEFIT DISTRICT MAY, WITHIN THE**
9 **BOUNDARIES OF THE TRANSIT BENEFIT DISTRICT, IMPOSE A PROPERTY TAX ON**
10 **THE ASSESSMENT OF PROPERTY THAT IS SUBJECT TO THE STATE PROPERTY**
11 **TAX.**

12 **(B) THE PROPERTY TAX AUTHORIZED UNDER THIS SECTION SHALL BE**
13 **LEVIED IN THE SAME MANNER, ON THE SAME ASSESSMENTS, FOR THE SAME**
14 **PERIOD OR PERIODS, AND AS OF THE SAME DATE OR DATES OF FINALITY AS ARE**
15 **NOW OR MAY HEREAFTER BE PRESCRIBED FOR PROPERTY TAX PURPOSES FOR**
16 **THE STATE WITHIN THE TRANSIT BENEFIT DISTRICT.**

17 **(C) THE PROPERTY TAX AUTHORIZED UNDER THIS SECTION SHALL BE**
18 **COLLECTED AND SECURED IN THE SAME MANNER AS THE COUNTY PROPERTY**
19 **TAXES AND SHALL BE SUBJECT TO THE SAME PENALTIES AND THE SAME**
20 **PROCEDURE, SALE, AND LIEN PRIORITY IN CASE OF DELINQUENCY AS**
21 **PROVIDED FOR THE COUNTY PROPERTY TAXES.**

22 **(D) A PROPERTY TAX ESTABLISHED UNDER THIS SECTION SHALL**
23 **IDENTIFY THE TRANSIT FACILITY OR TRANSIT SERVICE THAT THE TAX**
24 **BENEFITS.**

25 **9-402.**

26 **(A) TO FINANCE THE COST OF TRANSIT FACILITIES, A TRANSIT BENEFIT**
27 **DISTRICT MAY ISSUE BONDS, NOTES, OR OTHER EVIDENCE OF OBLIGATION,**
28 **PAYABLE SOLELY FROM THE RENTALS, RATES, FEES, FARES, AND TAXES EACH**
29 **TRANSIT BENEFIT DISTRICT IS EMPOWERED TO IMPOSE UNDER THIS TITLE.**

30 **(B) BOND PROCEEDS MAY BE USED SOLELY FOR PAYING THE COST OF**
31 **TRANSIT FACILITIES.**

32 **9-403.**

1 **(A) BONDS ISSUED BY A TRANSIT BENEFIT DISTRICT UNDER THIS**
2 **SUBTITLE MAY NOT:**

3 **(1) CONSTITUTE A DEBT OF THE STATE OR A POLITICAL**
4 **SUBDIVISION OF THE STATE OTHER THAN A TRANSIT BENEFIT DISTRICT, AND**
5 **SHALL SO STATE ON THEIR FACE;**

6 **(2) CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF A**
7 **TRANSIT BENEFIT DISTRICT OR THE STATE OR A POLITICAL SUBDIVISION OF**
8 **THE STATE; OR**

9 **(3) DIRECTLY OR INDIRECTLY OBLIGATE THE STATE OR A**
10 **POLITICAL SUBDIVISION OF THE STATE TO IMPOSE ANY TAX, AND SHALL**
11 **CONTAIN A STATEMENT ON THEIR FACE TO THAT EFFECT.**

12 **(B) A TRANSIT BENEFIT DISTRICT SHALL DETERMINE THE FOLLOWING**
13 **CONCERNING BONDS ISSUED BY THE TRANSIT BENEFIT DISTRICT:**

14 **(1) DATE OF ISSUE;**

15 **(2) INTEREST RATE;**

16 **(3) DATE AND AMOUNT OF MATURITY, EXCEPT THAT A BOND MAY**
17 **NOT MATURE MORE THAN 40 YEARS AFTER ITS DATE OF ISSUE;**

18 **(4) FORM AND MANNER OF EXECUTION;**

19 **(5) MANNER OF SALE; AND**

20 **(6) ANY OTHER MATTER RELATING TO THE FORM, TERMS,**
21 **CONDITIONS, ISSUANCE, SALE, AND DELIVERY OF THE BONDS.**

22 **(C) A TRANSIT BENEFIT DISTRICT MAY ISSUE BONDS:**

23 **(1) WITHOUT OBTAINING THE CONSENT OF ANY**
24 **INSTRUMENTALITY, AGENCY, OR UNIT OF THE STATE; AND**

25 **(2) WITHOUT ANY PROCEEDINGS OR THE OCCURRENCE OF ANY**
26 **CONDITIONS OR OBLIGATIONS OTHER THAN THOSE SPECIFICALLY REQUIRED BY**
27 **THIS SUBTITLE.**

28 **(D) (1) BONDS SHALL BE EXECUTED ON BEHALF OF A TRANSIT**
29 **BENEFIT DISTRICT BY THE MANUAL OR FACSIMILE SIGNATURES OF THE**

1 INDIVIDUALS DESIGNATED BY THE GOVERNING BODY OF THE TRANSIT BENEFIT
2 DISTRICT.

3 (2) OTHER SIGNATURES ON THE BONDS MAY BE EITHER MANUAL
4 OR FACSIMILE.

5 (E) IF AN INDIVIDUAL WHOSE MANUAL OR FACSIMILE SIGNATURE
6 APPEARS ON ANY BOND OR COUPON CEASES TO SERVE IN AN AUTHORIZED
7 CAPACITY BEFORE THE DELIVERY OF THE BOND, THE SIGNATURE
8 NEVERTHELESS IS AS VALID AND SUFFICIENT FOR ALL PURPOSES AS IF THE
9 INDIVIDUAL HAD REMAINED IN THAT CAPACITY UNTIL DELIVERY OF THE BOND.

10 9-404.

11 (A) WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY, A TRANSIT
12 BENEFIT DISTRICT MAY ISSUE BONDS TO REFINANCE ALL OR ANY PART OF THE
13 COST OF TRANSIT FACILITIES FOR WHICH A TRANSIT BENEFIT DISTRICT
14 PREVIOUSLY ISSUED BONDS UNDER THIS SUBTITLE.

15 (B) IF, BY REASON OF INCREASED CONSTRUCTION COSTS, ERROR IN
16 ESTIMATES, OR OTHERWISE, THE PROCEEDS OF THE BONDS OF ANY ISSUE ARE
17 LESS THAN THE AMOUNT REQUIRED FOR THE PURPOSE FOR WHICH THE BONDS
18 ARE AUTHORIZED, ADDITIONAL BONDS MAY BE ISSUED IN A SIMILAR MANNER
19 TO PROVIDE THE AMOUNT OF THE DEFICIENCY.

20 9-405.

21 (A) IN THIS SECTION, "REFUNDING" MEANS THE RETIREMENT AND
22 CANCELLATION OF BONDS, INCLUDING BONDS OF PRIOR ISSUES, AFTER THEIR
23 ACQUISITION BY OR FOR A TRANSIT BENEFIT DISTRICT, WHETHER BEFORE, AT,
24 OR AFTER MATURITY, EITHER IN EXCHANGE FOR OTHER BONDS OR BY
25 PAYMENT, PURCHASE, OR REDEMPTION WITH THE PROCEEDS OF THE SALE OF
26 OTHER BONDS.

27 (B) A TRANSIT BENEFIT DISTRICT MAY ISSUE REFUNDING BONDS FOR:

28 (1) REFUNDING ANY BONDS ISSUED UNDER THIS SUBTITLE OR
29 ANY BONDS OF PRIOR ISSUES, INCLUDING THE PAYMENT OF ANY REDEMPTION
30 PREMIUM ON THE BONDS AND ANY INTEREST ACCRUED OR TO ACCRUE TO THE
31 DATE OF REDEMPTION OF THE BONDS; AND

32 (2) CONSTRUCTING IMPROVEMENTS OR EXTENSIONS TO OR
33 ENLARGEMENTS OF ANY TRANSIT FACILITY.

1 **9-406.**

2 **BEFORE THE PREPARATION OF DEFINITIVE BONDS, A TRANSIT BENEFIT**
3 **DISTRICT MAY ISSUE INTERIM CERTIFICATES OR TEMPORARY BONDS, WITH OR**
4 **WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE**
5 **DEFINITIVE BONDS HAVE BEEN EXECUTED AND ARE AVAILABLE FOR DELIVERY.**

6 **9-407.**

7 **(A) A TRANSIT BENEFIT DISTRICT MAY ISSUE BOND ANTICIPATION**
8 **NOTES PAYABLE TO THE BEARER OR REGISTERED HOLDER OF THE NOTES OUT**
9 **OF THE FIRST PROCEEDS OF THE NEXT SALE OF BONDS ISSUED UNDER THIS**
10 **SUBTITLE.**

11 **(B) THE ISSUANCE OF BOND ANTICIPATION NOTES, THE DETAILS OF**
12 **THEIR ISSUANCE, THE RIGHTS OF THEIR HOLDERS, AND THE RIGHTS, DUTIES,**
13 **AND OBLIGATIONS OF THE TRANSIT BENEFIT DISTRICT WITH RESPECT TO THE**
14 **BOND ANTICIPATION NOTES ARE GOVERNED BY THE PROVISIONS OF THIS**
15 **SUBTITLE RELATING TO THE ISSUANCE OF THE BONDS IN ANTICIPATION OF THE**
16 **SALE AT WHICH THE NOTES ARE ISSUED, INsofar AS THOSE PROVISIONS ARE**
17 **APPLICABLE.**

18 **9-408.**

19 **(A) BONDS ISSUED UNDER THIS SUBTITLE MAY BE SECURED BY A TRUST**
20 **AGREEMENT BETWEEN A TRANSIT BENEFIT DISTRICT AND A CORPORATE**
21 **TRUSTEE, WHICH MAY BE ANY TRUST COMPANY OR BANK HAVING TRUST**
22 **POWERS WITHIN OR OUTSIDE THE STATE.**

23 **(B) THE TRUST AGREEMENT MAY PLEDGE OR ASSIGN ALL OR ANY PART**
24 **OF THE REVENUES OF A TRANSIT BENEFIT DISTRICT OR OF ANY TRANSIT**
25 **FACILITY BUT MAY NOT MORTGAGE ANY PART OF ANY TRANSIT FACILITY.**

26 **9-409.**

27 **THE RENTALS, RATES, FEES, FARES, AND TAXES DESIGNATED AS**
28 **SECURITY FOR BONDS ISSUED UNDER THIS SUBTITLE SHALL BE FIXED AND**
29 **ADJUSTED SO AS TO PROVIDE FUNDS THAT ARE SUFFICIENT AS LONG AS THE**
30 **BONDS ARE OUTSTANDING AND UNPAID TO PAY THE PRINCIPAL OF AND THE**
31 **INTEREST ON THE BONDS AS THEY BECOME DUE AND PAYABLE.**

32 **9-410.**

1 **ALL MONEY THAT IS RECEIVED BY A TRANSIT BENEFIT DISTRICT AS**
2 **PROCEEDS FROM THE SALE OF BONDS, NOTES, OR OTHER EVIDENCES OF**
3 **OBLIGATION UNDER THIS SUBTITLE AND, BY WAY OF RENTALS, RATES, FEES,**
4 **FARES, AND TAXES, THAT IS DESIGNATED BY ANY TRUST AGREEMENT AS**
5 **SECURITY FOR THE BONDS, NOTES, OR OTHER EVIDENCES OF OBLIGATION**
6 **SHALL BE DEEMED TO BE TRUST FUNDS TO BE HELD AND APPLIED ONLY AS**
7 **PROVIDED IN THIS SUBTITLE.**

8 **9-411.**

9 **EXCEPT TO THE EXTENT RESTRICTED BY THE TRUST AGREEMENT, THE**
10 **TRUSTEE OR ANY HOLDER OF BONDS ISSUED UNDER THIS SUBTITLE OR OF ANY**
11 **OF THE COUPONS APPERTAINING TO THE BONDS MAY:**

12 **(1) BRING A SUIT OR ANY OTHER PROCEEDING TO PROTECT AND**
13 **ENFORCE ANY RIGHT UNDER THE LAWS OF THE STATE OR UNDER THE TRUST**
14 **AGREEMENT; AND**

15 **(2) ENFORCE AND COMPEL THE PERFORMANCE OF ALL DUTIES**
16 **REQUIRED BY THIS SUBTITLE OR BY THE TRUST AGREEMENT TO BE**
17 **PERFORMED BY A TRANSIT BENEFIT DISTRICT OR BY ANY OF ITS OFFICERS,**
18 **INCLUDING THE FIXING, CHARGING, IMPOSING, AND COLLECTING OF RENTALS,**
19 **RATES, FEES, FARES, AND TAXES.**

20 **9-412.**

21 **BONDS ISSUED UNDER THIS SUBTITLE ARE SECURITIES:**

22 **(1) IN WHICH ALL PUBLIC OFFICERS AND PUBLIC BODIES OF THE**
23 **STATE AND ITS POLITICAL SUBDIVISIONS, ALL INSURANCE COMPANIES, STATE**
24 **BANKS AND TRUST COMPANIES, NATIONAL BANKING ASSOCIATIONS, SAVINGS**
25 **BANKS, SAVINGS AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES,**
26 **EXECUTORS, ADMINISTRATORS, TRUSTEES, AND OTHER FIDUCIARIES MAY**
27 **PROPERLY AND LEGALLY INVEST FUNDS, INCLUDING CAPITAL IN THEIR**
28 **CONTROL OR BELONGING TO THEM; AND**

29 **(2) THAT MAY BE PROPERLY AND LEGALLY DEPOSITED WITH AND**
30 **RECEIVED BY ANY STATE OR COUNTY OFFICER OR ANY AGENCY OR POLITICAL**
31 **SUBDIVISION OF THE STATE FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF**
32 **BONDS OR OBLIGATIONS OF THE STATE IS AUTHORIZED BY LAW.**

33 **9-413.**

1 **(2) THE REMAINING REVENUE FROM THE COUNTY MOTOR FUEL**
2 **TAX IMPOSED UNDER § 9-402(B) OF THIS ARTICLE TO THE GASOLINE AND**
3 **MOTOR VEHICLE REVENUE ACCOUNT OF THE TRANSPORTATION TRUST FUND.**

4 **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
5 **SUBSECTION, MONEY RECEIVED BY A COUNTY UNDER THIS SECTION SHALL BE**
6 **USED FOR TRANSPORTATION PROJECTS.**

7 **(2) BALTIMORE CITY MAY USE REVENUE RECEIVED UNDER THIS**
8 **SECTION FOR PUBLIC SCHOOL CONSTRUCTION PROJECTS CONTINGENT ON THE**
9 **TAKING EFFECT OF CHAPTER ____ (S.B. ____/H.B. ____)(3LR____) OF THE**
10 **ACTS OF THE GENERAL ASSEMBLY OF 2013 AUTHORIZING THE ISSUANCE OF**
11 **LONG-TERM DEBT FOR IMPLEMENTATION OF A COMPREHENSIVE SCHOOL**
12 **CONSTRUCTION PLAN.**

13 **9-306.**

14 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
15 **MEANINGS INDICATED.**

16 **(2) “AVERAGE SEMIANNUAL RETAIL PRICE” MEANS THE**
17 **6-MONTH AVERAGE RETAIL PRICE PER GALLON OF MOTOR FUEL PURCHASED IN**
18 **THE STATE DETERMINED IN ACCORDANCE WITH SUBSECTION (E) OF THIS**
19 **SECTION.**

20 **(3) “SALES AND USE TAX EQUIVALENT RATE” MEANS THE PER**
21 **GALLON TAX RATE CALCULATED BASED ON A PERCENTAGE OF THE AVERAGE**
22 **SEMIANNUAL RETAIL PRICE OF MOTOR FUEL IN ACCORDANCE WITH**
23 **SUBSECTION (F) OF THIS SECTION.**

24 **(B) ON OR BEFORE JUNE 15 AND DECEMBER 15 OF EACH YEAR, THE**
25 **COMPTROLLER SHALL DETERMINE AND ANNOUNCE:**

26 **(1) THE AVERAGE SEMIANNUAL RETAIL PRICE OF MOTOR FUEL;**
27 **AND**

28 **(2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON**
29 **THE FOLLOWING JULY 1 OR JANUARY 1.**

30 **(C) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE EFFECTIVE**
31 **FOR THE 6-MONTH PERIOD BEGINNING:**

32 **(1) JULY 1 FOR A JUNE 15 DETERMINATION; OR**

1 **(2) JANUARY 1 FOR A DECEMBER 15 DETERMINATION.**

2 **(D) (1) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE ADDED**
3 **TO THE MOTOR FUEL TAX RATES SPECIFIED IN § 9-305(2), (3), AND (5) OF THIS**
4 **SUBTITLE AND COLLECTED IN THE SAME MANNER AS THE 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 **(E) THE COMPTROLLER SHALL DETERMINE THE AVERAGE**
10 **SEMIANNUAL RETAIL PRICE OF MOTOR FUEL:**

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

14 **(2) BASED ON PRICES FOR REGULAR, UNLEADED MOTOR FUEL,**
15 **EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE PRECEDING:**

16 **(I) DECEMBER THROUGH MAY, FOR A JUNE 15**
17 **DETERMINATION; OR**

18 **(II) JUNE THROUGH NOVEMBER, FOR A DECEMBER 15**
19 **DETERMINATION.**

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

22 **(1) MULTIPLYING THE AVERAGE SEMIANNUAL RETAIL PRICE BY**
23 **3%; AND**

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

25 **(G) EACH PERSON HOLDING MOTOR FUEL FOR SALE AT THE START OF**
26 **BUSINESS ON A DAY THAT THE MOTOR FUEL TAX RATE IS ADJUSTED SHALL**
27 **COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF**
28 **BUSINESS ON THE DAY BEFORE THE DAY THAT THE MOTOR FUEL TAX RATE IS**
29 **ADJUSTED, AND REMIT WITHIN 30 DAYS ANY MOTOR FUEL TAX THAT IS DUE ON**
30 **THE MOTOR FUEL.**

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

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

5 **9-404.**

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

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

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

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

21 **9-405.**

22 **EXCEPT AS OTHERWISE PROVIDED IN REGULATIONS ADOPTED BY THE**
23 **COMPTROLLER:**

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

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

29 **9-406.**

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

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

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

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

9 **(I) QUALIFICATIONS FOR A LICENSE;**

10 **(II) THE LICENSE APPLICATION PROCESS;**

11 **(III) THE TERM OF A LICENSE;**

12 **(IV) RIGHTS OF LICENSE HOLDERS;**

13 **(V) CANCELLATION OF A LICENSE; AND**

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

16 11-221.

17 (a) The sales and use tax does not apply to:

18 (1) a sale of an admission by a person whose gross receipts from the
19 sale are subject to the admissions and amusement tax;

20 (2) a sale of a communication service, other than a taxable service,
21 rendered by a person whose charge for a communication service is or would be subject
22 to the federal excise tax as described in § 4251 of the Internal Revenue Code in effect
23 on July 1, 1979;

24 (3) a sale of a motor fuel that is subject to the motor fuel tax or the
25 motor carrier tax;

26 (4) except for a rental, a sale of a motor vehicle, other than a house or
27 office trailer, that is subject to the motor vehicle excise tax under § 13-809 or § 13-811
28 of the Transportation Article;

1 (5) a lease of a motor vehicle that is leased for a period of at least 1
2 year;

3 (6) a rental of a motion picture, motion picture trailer, or advertising
4 poster for display on theater premises by a person whose gross receipts from the
5 activity related to the rental is subject to the admissions and amusement tax; or

6 (7) except for a rental, a sale of a vessel that is subject to the excise
7 tax under § 8–716 of the Natural Resources Article.

8 (b) If a person who buys tangible personal property or a taxable service in a
9 retail sale pays the sales and use tax when the retail sale is made, the person is not
10 required to pay the tax again when the person uses that tangible personal property or
11 taxable service in the State.

12 (c) (1) To the extent that a buyer pays another state a tax on a sale or
13 gross receipts from a sale of tangible personal property or a taxable service that the
14 buyer acquires before the property or service enters this State, the sales and use tax
15 does not apply to use of the property or service in this State.

16 (2) If the tax paid to another state is less than the sales and use tax,
17 the buyer shall pay the difference between the sales and use tax and the amount paid
18 to the other state in accordance with the formula under § 11–303(b) of this title.

19 **(D) MOTOR FUEL THAT IS SUBJECT TO THE MOTOR FUEL TAX OR THE**
20 **MOTOR CARRIER TAX IS SUBJECT TO A SALES AND USE TAX EQUIVALENT RATE**
21 **THAT IS ADDED TO THE MOTOR FUEL TAX RATE AS PROVIDED IN § 9–306 OF**
22 **THIS ARTICLE.**

23 SECTION 3. AND BE IT FURTHER ENACTED, That on or before December 1,
24 2014, the Maryland Transportation Authority shall report and make recommendations
25 to the General Assembly, in accordance with § 2–1246 of the State Government
26 Article, on the benefits to the State from issuing a request for proposals for the long
27 term lease of the Intercounty Connector (ICC/MD200), including:

28 (1) the cost to the Maryland Transportation Authority to satisfy
29 current bondholders;

30 (2) the operating and maintenance costs over the length of any
31 proposed lease;

32 (3) the expected private sector return on investment;

33 (4) the expected details of any lease agreement, including:

34 (i) the duration of the agreement;

- 1 (ii) the impact of the agreement on future toll increases; and
- 2 (iii) any operating and maintenance measures or benchmarks to
3 be included in the agreement; and
- 4 (5) the potential use of additional capacity of the State's
5 transportation program to provide funding for the Corridor Cities Transit Way and
6 Rapid Bus Project.

7 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
8 take effect January 1, 2014.

9 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in
10 Section 4 of this Act, this Act shall take effect June 1, 2013.