

HOUSE BILL 1515

Q5, R2, Q4

3lr0159
CF 3lr0160

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

Introduced and read first time: March 4, 2013

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

AN ACT concerning

Transportation Infrastructure Investment Act of 2013

FOR the purpose of altering the distribution of motor fuel tax revenue; reducing certain motor fuel tax rates on a certain date; requiring that certain motor fuel tax rates be increased on a certain date each year based on the percentage growth in a certain index; requiring the Comptroller to determine and announce the percentage growth in a certain index and certain motor fuel tax rates on a certain date each year; requiring that certain motor fuel tax rates remain unchanged if there is a decline or no growth in a certain index; requiring the Comptroller to determine and announce a certain average retail price of motor fuel and a certain sales and use tax equivalent rate on a certain date each year; requiring a certain sales and use tax equivalent rate to be added to certain motor fuel tax rates and collected in the same manner as the motor fuel tax; providing that certain State laws and regulations that apply to the motor fuel tax also apply to a certain sales and use tax equivalent rate; requiring the Comptroller to determine a certain average retail price of motor fuel and a certain sales and use tax equivalent rate in a certain manner; altering certain provisions prohibiting the reversion or crediting of funds in the Transportation Trust Fund to the General Fund or a special fund except under certain circumstances; authorizing the use of funds in the Transportation Trust Fund for defense or relief purposes under certain circumstances; altering certain provisions requiring the repayment of funds transferred or diverted from the Transportation Trust Fund in a certain manner; requiring the Governor to include certain appropriations for a certain purpose in the operating or capital budgets for certain fiscal years; requiring the Maryland Transit Administration to increase fares for certain transit services in a certain manner; altering the amount of a certain surcharge required to be paid in addition to the registration fee required for certain motor vehicles; altering the distribution of sales and use tax revenue to the Transportation Trust Fund under certain circumstances; altering the manner in which a certain sales and use tax equivalent rate imposed on motor fuel is determined under certain circumstances; requiring the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Governor to appoint a certain task force to study regional transit financing and local transportation revenues; requiring the task force to submit a report to the Governor and the General Assembly by a certain date; repealing certain obsolete provisions; defining certain terms; providing for the effective dates of this Act; providing for the termination of certain provisions of this Act; and generally relating to transportation financing and transportation infrastructure investment.

BY repealing and reenacting, with amendments,

Article – Tax – General
 Section 2–1103, 2–1303, and 9–305
 Annotated Code of Maryland
 (2010 Replacement Volume and 2012 Supplement)

BY adding to

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

BY repealing and reenacting, with amendments,

Article – Transportation
 Section 3–216, 3–217, and 7–208(b–1)
 Annotated Code of Maryland
 (2008 Replacement Volume and 2012 Supplement)

BY adding to

Article – Transportation
 Section 8–613.3
 Annotated Code of Maryland
 (2008 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation
 Section 13–954
 Annotated Code of Maryland
 (2012 Replacement Volume)

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

Article – Tax – General

2–1103.

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

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

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

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

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

9-305.

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

- (1) 7 cents for each gallon of aviation gasoline;
- (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;
- (3) 24.25 cents for each gallon of special fuel other than clean-burning fuel or turbine fuel;
- (4) 7 cents for each gallon of turbine fuel; and
- (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning fuel except electricity.

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

- (1) 7 CENTS FOR EACH GALLON OF AVIATION GASOLINE;**
- (2) 18.5 CENTS FOR EACH GALLON OF GASOLINE OTHER THAN AVIATION GASOLINE;**

(3) 24.25 CENTS FOR EACH GALLON OF SPECIAL FUEL OTHER THAN CLEAN-BURNING FUEL OR TURBINE FUEL;

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

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

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

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

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

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

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

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

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

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

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

(5) SUBJECT TO PARAGRAPH (6) OF THIS SUBSECTION, ON JULY 1, 2014, AND ON JULY 1 OF EACH SUBSEQUENT YEAR, EACH MOTOR FUEL TAX RATE SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST ONE-TENTH OF A CENT, THAT EQUALS THE PRODUCT OF MULTIPLYING:

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

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

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

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

Article – Tax – General

9-306.

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

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

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

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

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

(2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON THE FOLLOWING JULY 1.

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

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

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

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

(2) BASED ON PRICES FOR REGULAR UNLEADED MOTOR FUEL, EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE 12 MONTHS ENDING ON THE PRECEDING APRIL 30.

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

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

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

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

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

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

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

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, and the Motorcycle Safety Program Account shall be maintained in the Transportation Trust Fund.

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

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

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

not be restored for the same purpose as originally proposed by the budget amendment procedure of § 7–209 of the State Finance and Procurement Article or otherwise unless the General Assembly, in striking or reducing the appropriation, expressly authorized its restoration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) State highway construction bonds, second issue;
- (ii) State highway construction bonds, third issue;
- (iii) County highway construction bonds; or
- (iv) County highway construction bonds, second issue.

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

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

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

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

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

(f) (1) **[No] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (6) OF THIS SUBSECTION, NO** part of the Transportation Trust Fund may **[revert or]** be **[credited]** **TRANSFERRED OR DIVERTED** to the **[general funds]** **GENERAL FUND** of

[this State] **THE STATE UNLESS APPROVED BY THE GENERAL ASSEMBLY THROUGH LEGISLATION PASSED BY A THREE-FIFTHS MAJORITY VOTE OF THE FULL STANDING COMMITTEE ASSIGNED THE LEGISLATION IN EACH OF THE TWO HOUSES OF THE GENERAL ASSEMBLY AND ENACTED INTO LAW.**

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

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

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

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

(II) THE GOVERNOR:

1. PROCLAIMS A STATE OF EMERGENCY; AND

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

(4) BEFORE THE ENACTMENT OF LEGISLATION UNDER PARAGRAPH (1) OR (2) OF THIS SUBSECTION OR THE ISSUANCE OF AN

EMERGENCY DECLARATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO TRANSFER OR DIVERT FUNDS FROM THE TRANSPORTATION TRUST FUND TO THE GENERAL FUND OR A SPECIAL FUND, THE TREASURER SHALL ADVISE THE GOVERNOR AND THE GENERAL ASSEMBLY OF THE POTENTIAL IMPACT OF THE TRANSFER OR DIVERSION ON THE CREDIT RATING OF BONDS OR OTHER DEBT INSTRUMENTS ISSUED BY THE DEPARTMENT.

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

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

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

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

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

3-217.

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

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

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

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

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

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

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

7–208.

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

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

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

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

8–613.3.

THE GOVERNOR SHALL INCLUDE IN THE ANNUAL CAPITAL BUDGET AN APPROPRIATION TO THE ADMINISTRATION TO BE USED TO COMPLY WITH THE WATERSHED IMPLEMENTATION PLAN IN THE AMOUNT OF:

- (1) \$45,000,000 FOR FISCAL YEAR 2015;**
- (2) \$65,000,000 FOR FISCAL YEAR 2016;**
- (3) \$85,000,000 FOR FISCAL YEAR 2017;**
- (4) \$100,000,000 FOR FISCAL YEAR 2018; AND**
- (5) \$100,000,000 FOR FISCAL YEAR 2019.**

13-954.

- (a) In this section, “motor vehicle” means a:
 - (1) Class A (passenger) vehicle;
 - (2) Class B (for hire) vehicle;
 - (3) Class C (funeral and ambulance) vehicle;
 - (4) Class D (motorcycle) vehicle;
 - (5) Class E (truck) vehicle;
 - (6) Class F (tractor) vehicle;
 - (7) Class H (school) vehicle;
 - (8) Class J (vanpool) vehicle;
 - (9) Class M (multipurpose) vehicle;
 - (10) Class P (passenger bus) vehicle;
 - (11) Class Q (limousine) vehicle;
 - (12) Class R (low speed) vehicle; or
 - (13) Vehicle within any other class designated by the Administrator.

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

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

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

Article – Tax – General

2–1302.2.

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

2–1303.

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

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

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

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

Article – Tax – General

9–306.

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

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

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

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

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

(2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON THE FOLLOWING JULY 1.

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

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

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

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

(2) BASED ON PRICES FOR REGULAR UNLEADED MOTOR FUEL, EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE 12 MONTHS ENDING ON THE PRECEDING APRIL 30.

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

(1) MULTIPLYING THE AVERAGE ANNUAL RETAIL PRICE BY 6%;
AND

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

SECTION 6. AND BE IT FURTHER ENACTED, That:

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

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

SECTION 7. AND BE IT FURTHER ENACTED, That:

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

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

SECTION 8. AND BE IT FURTHER ENACTED, That:

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

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

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

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