

# SENATE BILL 765

R2

4r2791  
CF 4r2235

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By: **Senator Colburn**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Motor Fuel Tax and Highway User Revenue – Increased**  
3 **Local Share**

4 FOR the purpose of allocating certain motor fuel tax revenue to a certain account that  
5 is shared with local governments; increasing the portion of highway user  
6 revenue that is distributed to local governments; altering the allocation of the  
7 local share of highway user revenue among Baltimore City, counties, and  
8 municipalities; repealing obsolete language; and generally relating to increasing  
9 the portion of motor fuel tax and highway user revenue that is distributed to  
10 local governments.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 2–1103  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2013 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Transportation  
18 Section 8–402 and 8–403  
19 Annotated Code of Maryland  
20 (2008 Replacement Volume and 2013 Supplement)

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

23 **Article – Tax – General**

24 2–1103.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (1) the remaining motor fuel tax revenue from aviation fuel to the  
4 Transportation Trust Fund; **AND**

5 (2) all remaining motor fuel tax revenue, equal to the average  
6 percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, [not]  
7 including revenue attributable to an increase in the motor fuel tax rates under §  
8 9–305(b) of this article [or] **AND** revenue attributable to the sales and use tax  
9 equivalent rate imposed under § 9–306 of this article, to the Gasoline and Motor  
10 Vehicle Revenue Account in the Transportation Trust Fund[;

11 (3) revenue attributable to an increase in the motor fuel tax rates  
12 imposed under § 9–305(b) of this article to the Transportation Trust Fund; and

13 (4) revenue attributable to the sales and use tax equivalent rate  
14 imposed under § 9–306 of this article to the Transportation Trust Fund].

### 15 **Article – Transportation**

16 8–402.

17 (a) There is a Gasoline and Motor Vehicle Revenue Account in the  
18 Transportation Trust Fund.

19 (b) All revenues collected from the following, after deductions provided by  
20 law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

21 (1) All of the motor vehicle fuel tax;

22 (2) Except as otherwise provided by law, two-thirds of the vehicle  
23 titling tax;

24 (3) Except for revenues collected under Parts III and IV of Title 13,  
25 Subtitle 9 of this article, vehicle registration fees;

26 (4) The revenue disbursed to this Account under § 2–614 of the Tax –  
27 General Article; and

28 (5) 80 percent of the funds distributed on short-term vehicle rentals  
29 under § 2–1302.1 of the Tax – General Article to the Transportation Trust Fund from  
30 the sales and use tax.

31 (c) [(1)] [Except as provided in paragraph (2) of this subsection, for] **FOR**  
32 each fiscal year:

1                    [(i) (1)        [90.4%] 70% of the revenue credited to the Account  
2 may be used as provided in § 3–216 of this article; and

3                    [(ii) (2)        The balance of the Account shall be used to pay the  
4 allocations of highway user revenues provided by this subtitle to the counties,  
5 municipalities, and Baltimore City.

6                    [(2) For fiscal years 2010 through 2013, the Account shall be  
7 distributed as follows:

8                    (i) A portion to the General Fund of the State for fiscal years  
9 2010 through 2012 as follows:

- 10                                    1.     19.5% for fiscal year 2010;  
11                                    2.     23% for fiscal year 2011; and  
12                                    3.     11.3% for fiscal year 2012;

13                    (ii) A portion to be used as provided in § 3–216 of this article, as  
14 follows:

- 15                                    1.     70% for fiscal year 2010;  
16                                    2.     68.5% for fiscal year 2011;  
17                                    3.     Subject to paragraph (3) of this subsection, 79.8% for  
18 fiscal year 2012; and  
19                                    4.     90% for fiscal year 2013; and

20                    (iii) The balance to be used to pay the allocations of highway  
21 user revenues provided under this subtitle to the counties, municipalities, and  
22 Baltimore City.

23                    (3) For fiscal year 2012, from the amount allocated to the  
24 Transportation Trust Fund under paragraph (2)(ii)3 of this subsection, \$40,000,000  
25 shall be transferred from the Transportation Trust Fund to the Revenue Stabilization  
26 Account established under § 7–311 of the State Finance and Procurement Article.]

27 8–403.

28                    [(a) Subject to §§ 3–307 and 3–308 of this article, [and except as provided in  
29 subsection (b) of this section,] for each fiscal year, from the total highway user  
30 revenues:

1           (1) An amount equal to ~~[7.7%]~~ **12.1%** of total highway user revenues  
2 shall be distributed to Baltimore City in monthly installments;

3           (2) An amount shall be distributed to the counties at the times  
4 specified in § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this  
5 subtitle, equal to ~~[1.5%]~~ **15.3%** of total highway user revenues; and

6           (3) An amount shall be distributed to the municipalities at the times  
7 specified in § 8–407 of this subtitle, to be allocated as provided in § 8–405 of this  
8 subtitle, equal to ~~[0.4%]~~ **2.6%** of total highway user revenues.

9           **[(b) (1) For fiscal year 2010:**

10                   (i) The amount distributed to Baltimore City under this  
11 subtitle shall equal 8.6% of total highway user revenues;

12                   (ii) The amount distributed to the counties under this subtitle  
13 shall equal 1.5% of total highway user revenues; and

14                   (iii) The amount distributed to the municipalities under this  
15 subtitle shall equal 0.4% of total highway user revenues.

16           **(2) For fiscal year 2011:**

17                   (i) The amount distributed to Baltimore City under this  
18 subtitle shall equal 7.9% of total highway user revenues;

19                   (ii) The amount distributed to the counties under this subtitle  
20 shall equal 0.5% of total highway user revenues; and

21                   (iii) The amount distributed to the municipalities under this  
22 subtitle shall equal 0.1% of total highway user revenues.

23           **(3) For fiscal year 2012:**

24                   (i) The amount distributed to Baltimore City under this  
25 subtitle shall equal 7.5% of total highway user revenues;

26                   (ii) The amount distributed to the counties under this subtitle  
27 shall equal 0.8% of total highway user revenues; and

28                   (iii) The amount distributed to the municipalities under this  
29 subtitle shall equal 0.6% of total highway user revenues.

30           **(4) For fiscal year 2013:**

1                   (i)     The amount distributed to Baltimore City under this  
2 subtitle shall equal 8.1% of total highway user revenues;

3                   (ii)    The amount distributed to the counties under this subtitle  
4 shall equal 1.5% of total highway user revenues; and

5                   (iii)   The amount distributed to the municipalities under this  
6 subtitle shall equal 0.4% of total highway user revenues.]

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2014.