

Chapter 638

(House Bill 1059)

AN ACT concerning

Transportation – Highway User Revenues – Local Government Reporting

FOR the purpose of requiring each county and each municipality that receives highway user revenues to submit a report on or before a certain date each year to the State Highway Administration, the Governor, and certain committees of the General Assembly that documents the actual costs and lawful uses of highway user revenues in the preceding fiscal year and the expenditure budget of the current fiscal year; repealing obsolete language; and generally relating to requiring local governments to report on their expenditures of highway user revenues.

BY repealing and reenacting, without amendments,
Article – Transportation
Section 8–401 and 8–409(a) and (b)
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 8–408 and 8–412
Annotated Code of Maryland
(2008 Replacement Volume and 2013 Supplement)

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

Article – Transportation

8–401.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “County” does not include Baltimore City.
- (c) “Debt service” means the amount annually needed to pay the maturing principal of and interest on bonds, notes, and other evidences of obligation and to meet sinking fund requirements for these purposes.

(c-1) “Eligible municipality” means a municipality authorized by law to construct or maintain streets or roads.

(d) “Highway user revenues” means the funds credited to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(e) “Municipality” means any municipal corporation, special taxing district, or other political subdivision of this State other than a county or Baltimore City.

8-408.

(a) Highway user revenues distributed to Baltimore City and Kent County may be used only to pay or finance:

(1) Costs incurred in the construction, reconstruction, or maintenance of its highways and streets;

(2) Costs incurred by its police department for carrying out traffic functions and enforcing the traffic laws;

(3) Costs incurred in its other highway related activities for:

(i) Lighting the highways;

(ii) Stormwater drainage of the highways; and

(iii) Street cleaning, but not including the cost of collection of garbage, trash, and refuse;

(4) The payment of its debt service on bonds or other evidences of obligation for:

(i) The construction, reconstruction, or maintenance of its highways and streets; and

(ii) Any other of its highway activities, including lighting the highways and providing stormwater drainage;

(5) The cost of transportation facilities, as defined in § 3-101 of this article; **OR**

(6) As to Kent County:

(i) The cost of maintaining county owned boat landings; and

(ii) Costs incurred in providing traffic crossing guards[; or].

[(7) As to Baltimore City, through fiscal year 2010, students' costs of discounted Maryland Transit Administration fares for eligible public school students in Baltimore City.]

(b) The net share of highway user revenues distributed for a county other than Kent County may be used only:

(1) First, to pay debt service on outstanding bonds or other evidences of obligation issued before June 1, 1947, by or for the county or any municipality in the county to finance construction, reconstruction, or maintenance of roads or streets, to the extent that gasoline tax revenues have been lawfully dedicated, pledged, or otherwise committed to that debt service, so that the dedication, pledge, or commitment remains unimpaired and continues as a charge against the county's share of the gasoline tax to the same extent that it was a charge against any gasoline tax revenues under prior laws; and

(2) Then, as to the remainder of the county's share, to pay or finance:

(i) The cost of transportation facilities, as defined in § 3–101 of this article;

(ii) For Talbot County, maintenance of private roads as authorized in § 12–539 of the Local Government Article;

(iii) The construction, reconstruction, or maintenance of county roads; and

(iv) Debt service on bonds or other evidences of obligation that, for the construction, reconstruction, or maintenance of county roads, are lawfully issued on or after June 1, 1947, by or for the county or by or for a municipality in the county that is not receiving its own share under § 8–407 of this subtitle.

(c) The net share of highway user revenues distributed for a municipality may be used only to pay or finance:

(1) The cost of transportation facilities, as defined in § 3–101 of this article;

(2) The construction, reconstruction, or maintenance of roads or streets; and

(3) Debt service on bonds or other evidences of obligation lawfully issued by or for the municipality for the construction, reconstruction, or maintenance of roads or streets.

[(d) Notwithstanding subsection (a) of this section, for fiscal year 1997 only, of the highway user revenues distributed to Baltimore City:

(1) Up to \$5,000,000 may be used to pay or finance the costs of convention center marketing and convention center debt service payments; and

(2) Of the \$5,000,000, at least \$3,000,000 shall be appropriated specifically for convention center marketing.]

8-409.

(a) It is the policy of this State that bicycle trails are important and their construction is encouraged wherever feasible.

(b) To establish and maintain footpaths, bridle paths or horse trails, and bicycle trails:

(1) Baltimore City, any county, or any municipality that receives highway user revenues may spend a reasonable part of its net share for these purposes; and

(2) The Administration, Baltimore City, any county, or any municipality that receives highway user revenues may credit a part of them to a financial reserve or a special fund to be used within 10 years for these purposes.

8-412.

On or before January 1 of each year, Baltimore City, **EACH COUNTY, AND EACH ELIGIBLE MUNICIPALITY THAT RECEIVED HIGHWAY USER REVENUES IN THE PRECEDING FISCAL YEAR** shall [give to the Governor and] **SUBMIT** to the Administration, **THE GOVERNOR, AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE WAYS AND MEANS COMMITTEE** an accounting report that:

(1) Shows the actual costs of the preceding fiscal year;

(2) Shows the expenditure budget of the current fiscal year; and

(3) As to each, accurately identifies the costs enumerated in [§ 8-408(a)] **§ 8-408 OR § 8-409** of this subtitle.

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

Approved by the Governor, May 15, 2014.