

## Article - Transportation

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§3–215.

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

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

(i) Bonds of prior issues; and

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

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

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

(2) The motor fuel tax revenue attributable to the sales and use tax equivalent rate imposed under § 9–306 of the Tax – General Article and distributed under § 2–1103(4) of the Tax – General Article;

(3) The income tax revenue distributed under § 2–614 of the Tax – General Article;

(4) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of this article; and

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

(c) As long as any consolidated transportation bonds are outstanding and unpaid, and except as provided in § 3–104 of this title, there shall be deposited and maintained in a sinking fund to be maintained by the State Treasurer to secure the payment of the principal of and interest on the bonds, annually or more often, as received, so much of the proceeds of the tax levied and imposed under this section, together with all other funds received by the Department and credited to the

Transportation Trust Fund, as are necessary to maintain in the sinking fund a sum equal to the amount required to pay the principal of and interest on the outstanding and unpaid bonds that will become due and payable in the current calendar year and the next succeeding calendar year.

(d) The tax levied and imposed by this section is irrevocably pledged to the payment of the principal of and interest on consolidated transportation bonds as they become due and payable, and no part of the tax or other funds applicable to debt service on the bonds may 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.

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

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

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

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