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§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) 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.

(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) Except as provided in paragraphs (3) and (6) of this subsection, no part of the Transportation Trust Fund may be transferred or diverted to the General Fund of 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) Except as provided in paragraphs (3) and (6) of this subsection, no part of the Transportation Trust Fund may be transferred or diverted to a special fund of 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. No part of the Transportation Trust Fund may be 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 requirements of this paragraph have been satisfied.

(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.

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