

HOUSE BILL 1361

R2
HB 552/17 – ENV

CONSTITUTIONAL AMENDMENT

8lr2027

By: **Delegates Parrott, Corderman, and Glass**

Introduced and read first time: February 9, 2018

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of allocating certain motor fuel tax revenue to a certain account that is
5 shared with local governments; increasing the portion of highway user revenue that
6 is distributed to local governments; altering the allocation of the local share of
7 highway user revenue among Baltimore City, counties, and municipalities;
8 proposing an amendment to the Maryland Constitution mandating that revenue be
9 credited to a certain account and distributed from that account in a certain manner;
10 submitting the amendment to the qualified voters of the State for their adoption or
11 rejection; repealing obsolete language; providing for the effective dates of this Act;
12 and generally relating to increasing the portion of motor fuel tax and highway user
13 revenue that is distributed to local governments.

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 2–1103
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2017 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Transportation
21 Section 8–402 and 8–403
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2017 Supplement)

24 BY proposing an addition to the Maryland Constitution
25 Article III – Legislative Department
26 Section 53A

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Tax – General**

3 2–1103.

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

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

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

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

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

18 **Article – Transportation**

19 8–402.

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

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

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

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

27 (3) Except for revenues collected under Parts III and IV of Title 13, Subtitle
28 9 of this article, vehicle registration fees;

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

1 (5) 80 percent of the funds distributed on short-term vehicle rentals under
2 § 2-1302.1 of the Tax – General Article to the Transportation Trust Fund from the sales
3 and use tax.

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

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

8 [(ii)] **(2)** The balance of the Account shall be used to pay the
9 allocations of highway user revenues provided by this subtitle to the counties,
10 municipalities, and Baltimore City.

11 (2) For fiscal years 2010 through 2013, the Account shall be distributed as
12 follows:

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

15 1. 19.5% for fiscal year 2010;

16 2. 23% for fiscal year 2011; and

17 3. 11.3% for fiscal year 2012;

18 (ii) A portion to be used as provided in § 3-216 of this article, as
19 follows:

20 1. 70% for fiscal year 2010;

21 2. 68.5% for fiscal year 2011;

22 3. Subject to paragraph (3) of this subsection, 79.8% for fiscal
23 year 2012; and

24 4. 90% for fiscal year 2013; and

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

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

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

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

5 (2) An amount shall be distributed to the counties at the times specified in
6 § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this subtitle, equal to
7 [1.5%] **15.3%** of total highway user revenues; and

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

11 [(b)] (1) For fiscal year 2010:

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

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

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

18 (2) For fiscal year 2011:

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

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

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

25 (3) For fiscal year 2012:

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

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

30 (iii) The amount distributed to the municipalities under this subtitle

1 shall equal 0.6% of total highway user revenues.

2 (4) For fiscal year 2013:

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

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

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

9 SECTION 2. AND BE IT FURTHER ENACTED, (Three-fifths of all the members
10 elected to each of the two Houses concurring), That it be proposed that the Maryland
11 Constitution read as follows:

12 **Article III – Legislative Department**

13 **53A.**

14 (A) REVENUE SHALL BE CREDITED TO THE GASOLINE AND MOTOR
15 VEHICLE REVENUE ACCOUNT IN THE TRANSPORTATION TRUST FUND AS
16 PROVIDED IN § 8-402(B) OF THE TRANSPORTATION ARTICLE OF THE ANNOTATED
17 CODE OF MARYLAND AS THAT SECTION WAS IN EFFECT ON JULY 1, 2018.

18 (B) FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE
19 ACCOUNT IN THE TRANSPORTATION TRUST FUND SHALL BE DISTRIBUTED AS
20 PROVIDED IN §§ 8-402(C) AND 8-403 OF THE TRANSPORTATION ARTICLE OF THE
21 ANNOTATED CODE OF MARYLAND AS THOSE SECTIONS WERE IN EFFECT ON JULY 1,
22 2018.

23 SECTION 3. AND BE IT FURTHER ENACTED, That the General Assembly
24 determines that the amendment to the Maryland Constitution proposed by Section 2 of this
25 Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland
26 Constitution concerning local approval of constitutional amendments do not apply.

27 SECTION 4. AND BE IT FURTHER ENACTED, That the amendment to the
28 Maryland Constitution proposed by Section 2 of this Act shall be submitted to the qualified
29 voters of the State at the next general election to be held in November 2018 for their
30 adoption or rejection pursuant to Article XIV of the Maryland Constitution. At that general
31 election, the vote on the proposed amendment to the Constitution shall be by ballot, and on
32 each ballot there shall be printed the words “For the Constitutional Amendment” and
33 “Against the Constitutional Amendment”, as now provided by law. Immediately after the
34 election, all returns shall be made to the Governor of the vote for and against the proposed
35 amendment, as directed by Article XIV of the Maryland Constitution, and further

1 proceedings had in accordance with Article XIV.

2 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
3 4 of this Act, this Act shall take effect July 1, 2018.