

# HOUSE BILL 1569

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CF SB 901

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By: **Delegates Beidle, Anderson, Anderton, Barve, Beitzel, Cassilly, Folden, Ghrist, Impallaria, Kipke, R. Lewis, Lisanti, Mautz, Reilly, Sample-Hughes, and Szeliga**

Introduced and read first time: February 9, 2018

Assigned to: Environment and Transportation and Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Local Infrastructure Fast Track for Maryland Act**

3 FOR the purpose of authorizing the Office of Legislative Audits to perform a certain audit  
4 of certain local governments that receive a distribution of highway user revenues;  
5 requiring that the employees or authorized representatives of the Office have  
6 access to certain records; increasing the portion of highway user revenues that is  
7 distributed to local governments; altering the allocation of the local share of  
8 highway user revenues among Baltimore City, counties, and municipalities;  
9 requiring, under certain circumstances, that certain additional distributions of  
10 highway user revenues be made to municipalities in certain fiscal years for certain  
11 purposes; requiring, under certain circumstances, that a certain distribution be  
12 reduced; requiring that certain additional distributions of highway user revenues  
13 be allocated among municipalities in a certain manner; prohibiting the State  
14 Highway Administration from disbursing, for a certain period of time, highway  
15 user revenues to certain jurisdictions that do not submit a certain report or use  
16 highway user revenues in a certain manner; requiring the Department of Budget  
17 and Management to report to the General Assembly on certain matters relating to  
18 local infrastructure on or before a certain date; requiring the Governor to direct a  
19 certain amount of funding to be distributed in accordance with a certain provision  
20 of law if a change in federal law results in certain additional federal funding;  
21 repealing obsolete language; making a stylistic change; and generally relating to  
22 financing and studying certain county and municipal infrastructure projects.

23 BY repealing and reenacting, with amendments,  
24 Article – State Government  
25 Section 2–1220(c) and 2–1223(a)(3)  
26 Annotated Code of Maryland  
27 (2014 Replacement Volume and 2017 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, without amendments,  
 2 Article – Transportation  
 3 Section 1–101(a) and (e)  
 4 Annotated Code of Maryland  
 5 (2015 Replacement Volume and 2017 Supplement)

6 BY repealing and reenacting, with amendments,  
 7 Article – Transportation  
 8 Section 8–402, 8–403, and 8–412(a)(1) and (c)  
 9 Annotated Code of Maryland  
 10 (2015 Replacement Volume and 2017 Supplement)

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

13 **Article – State Government**

14 2–1220.

15 (c) (1) The Office of Legislative Audits may audit any:

16 (I) county officer or unit that collects State taxes; AND

17 (II) OFFICER OR UNIT OF A COUNTY OR MUNICIPALITY THAT  
 18 RECEIVED IN THE PRECEDING FISCAL YEAR A DISTRIBUTION OF HIGHWAY USER  
 19 REVENUES UNDER § 8–403 OF THE TRANSPORTATION ARTICLE.

20 (2) THE AUDIT AUTHORIZED UNDER PARAGRAPH (1)(II) OF THIS  
 21 SUBSECTION SHALL ENSURE THAT THE HIGHWAY USER REVENUES ARE USED FOR  
 22 THE PURPOSES SPECIFIED IN §§ 4–408 AND 4–409 OF THE TRANSPORTATION  
 23 ARTICLE.

24 2–1223.

25 (a) (3) The employees or authorized representatives of the Office of Legislative  
 26 Audits shall have access to and may inspect the records, including those that are  
 27 confidential by law, of:

28 (i) any local school system to perform the audits authorized under §  
 29 2–1220 of this subtitle or in accordance with a request for information as provided in §  
 30 5–114(d) of the Education Article;

31 (ii) the Board of Liquor License Commissioners for Baltimore City to  
 32 perform the audits authorized under § 2–1220(f) of this subtitle;

33 (iii) the board of license commissioners for a county or for the City of

1 Annapolis to perform the audits authorized under § 2–1220(f)(2) of this subtitle; [and]

2 (iv) the Board of License Commissioners for Prince George’s County  
3 to perform the audits authorized under § 2–1220(g) of this subtitle; AND

4 (V) ANY OFFICER OR UNIT OF A COUNTY OR MUNICIPALITY TO  
5 PERFORM THE AUDITS AUTHORIZED UNDER § 2–1220(C)(1)(II) OF THIS SUBTITLE.

6 **Article – Transportation**

7 1–101.

8 (a) In this article the following words have the meanings indicated.

9 (e) “County” means a county of this State and Baltimore City.

10 8–402.

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

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

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

16 (2) Except as otherwise provided by law, two–thirds of the vehicle titling  
17 tax;

18 (3) Except for revenues collected under Parts III and IV of Title 13, Subtitle  
19 9 of this article, vehicle registration fees;

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

22 (5) 80 percent of the funds distributed on short–term vehicle rentals under  
23 § 2–1302.1 of the Tax – General Article to the Transportation Trust Fund from the sales  
24 and use tax.

25 [(c) (1) Except as provided in paragraph (2) of this subsection, for each fiscal  
26 year:

27 (i) 90.4% of the revenue credited to the Account may be used as  
28 provided in § 3–216 of this article; and

29 (ii) The balance of the Account shall be used to pay the allocations of

1 highway user revenues provided by this subtitle to the counties, municipalities, and  
2 Baltimore City.

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

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

- 7 1. 19.5% for fiscal year 2010;
- 8 2. 23% for fiscal year 2011; and
- 9 3. 11.3% for fiscal year 2012;

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

- 12 1. 70% for fiscal year 2010;
- 13 2. 68.5% for fiscal year 2011;
- 14 3. Subject to paragraph (3) of this subsection, 79.8% for fiscal  
15 year 2012; and
- 16 4. 90% for fiscal year 2013; and

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

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

23 **(C) THE ACCOUNT SHALL BE DISTRIBUTED AS FOLLOWS:**

24 **(1) A PORTION TO BE USED AS PROVIDED IN § 3–216 OF THIS ARTICLE,**  
25 **AS FOLLOWS:**

- 26 **(I) 87.2% FOR FISCAL YEAR 2019;**
- 27 **(II) 83.7% FOR FISCAL YEAR 2020;**
- 28 **(III) 81.2% FOR FISCAL YEAR 2021;**

1 (IV) 78.8% FOR FISCAL YEAR 2022;

2 (V) 76.4% FOR FISCAL YEAR 2023;

3 (VI) 73.7% FOR FISCAL YEAR 2024;

4 (VII) 71.3% FOR FISCAL YEAR 2025; AND

5 (VIII) 70% FOR FISCAL YEAR 2026 AND EACH FISCAL YEAR  
6 THEREAFTER; AND

7 (2) THE BALANCE TO BE USED TO PAY THE ALLOCATIONS OF  
8 HIGHWAY USER REVENUES PROVIDED UNDER THIS SUBTITLE TO THE COUNTIES AND  
9 MUNICIPALITIES.

10 8-403.

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

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

15 (2) An amount shall be distributed to the counties at the times specified in  
16 § 8-407 of this subtitle, to be allocated as provided in § 8-404 of this subtitle, equal to  
17 [1.5%] 15.4% of total highway user revenues; and

18 (3) An amount shall be distributed to the municipalities at the times  
19 specified in § 8-407 of this subtitle, to be allocated as provided in § 8-405 of this subtitle,  
20 equal to [0.4%] 2.5% of total highway user revenues.

21 (b) (1) For fiscal year [2010] 2019:

22 (i) The amount distributed to Baltimore City under this subtitle  
23 shall equal [8.6%] 8.3% of total highway user revenues;

24 (ii) The amount distributed to the counties under this subtitle shall  
25 equal [1.5%] 3.0% of total highway user revenues; and

26 (iii) The amount distributed to the municipalities under this subtitle  
27 shall equal [0.4%] 1.5% of total highway user revenues.

28 (2) For fiscal year [2011] 2020:

29 (i) The amount distributed to Baltimore City under this subtitle

1 shall equal [7.9%] **8.7%** of total highway user revenues;

2 (ii) The amount distributed to the counties under this subtitle shall  
3 equal [0.5%] **5.1%** of total highway user revenues; and

4 (iii) The amount distributed to the municipalities under this subtitle  
5 shall equal [0.1%] **2.5%** of total highway user revenues.

6 (3) For fiscal year [2012] **2021**:

7 (i) The amount distributed to Baltimore City under this subtitle  
8 shall equal [7.5%] **9.2%** of total highway user revenues;

9 (ii) The amount distributed to the counties under this subtitle shall  
10 equal [0.8%] **7.1%** of total highway user revenues; and

11 (iii) The amount distributed to the municipalities under this subtitle  
12 shall equal [0.6%] **2.5%** of total highway user revenues.

13 (4) For fiscal year [2013] **2022**:

14 (i) The amount distributed to Baltimore City under this subtitle  
15 shall equal [8.1%] **9.7%** of total highway user revenues;

16 (ii) The amount distributed to the counties under this subtitle shall  
17 equal [1.5%] **9.0%** of total highway user revenues; and

18 (iii) The amount distributed to the municipalities under this subtitle  
19 shall equal [0.4%] **2.5%** of total highway user revenues.

20 (5) **FOR FISCAL YEAR 2023:**

21 (I) **THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER**  
22 **THIS SUBTITLE SHALL EQUAL 10.2% OF TOTAL HIGHWAY USER REVENUES;**

23 (II) **THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS**  
24 **SUBTITLE SHALL EQUAL 10.9% OF TOTAL HIGHWAY USER REVENUES; AND**

25 (III) **THE AMOUNT DISTRIBUTED TO MUNICIPALITIES UNDER**  
26 **THIS SUBTITLE SHALL EQUAL 2.5% OF TOTAL HIGHWAY USER REVENUES.**

27 (6) **FOR FISCAL YEAR 2024:**

28 (I) **THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER**  
29 **THIS SUBTITLE SHALL EQUAL 11.1% OF TOTAL HIGHWAY USER REVENUES;**

1           **(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS**  
2 **SUBTITLE SHALL EQUAL 12.7% OF TOTAL HIGHWAY USER REVENUES; AND**

3           **(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES**  
4 **UNDER THIS SUBTITLE SHALL EQUAL 2.5% OF TOTAL HIGHWAY USER REVENUES.**

5           **(7) FOR FISCAL YEAR 2025:**

6           **(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER**  
7 **THIS SUBTITLE SHALL EQUAL 12.1% OF TOTAL HIGHWAY USER REVENUES;**

8           **(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS**  
9 **SUBTITLE SHALL EQUAL 14.1% OF TOTAL HIGHWAY USER REVENUES; AND**

10           **(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES**  
11 **UNDER THIS SUBTITLE SHALL EQUAL 2.5% OF TOTAL HIGHWAY USER REVENUES.**

12           **(C) (1) FOR FISCAL YEARS 2019 THROUGH 2024, AFTER THE**  
13 **DISTRIBUTIONS ARE MADE TO THE COUNTIES UNDER SUBSECTION (B) OF THIS**  
14 **SECTION AND IN ADDITION TO THE DISTRIBUTIONS TO THE MUNICIPALITIES UNDER**  
15 **SUBSECTION (B) OF THIS SECTION, ADDITIONAL DISTRIBUTIONS SHALL BE MADE, IF**  
16 **NECESSARY, TO ENSURE THAT THE MINIMUM TOTAL DISTRIBUTION AMOUNTS TO**  
17 **MUNICIPALITIES EACH FISCAL YEAR, INCLUDING ANY CAPITAL TRANSPORTATION**  
18 **GRANTS, EQUAL \$26,400,000.**

19           **(2) IF A DISTRIBUTION UNDER PARAGRAPH (1) OF THIS SUBSECTION**  
20 **IS REQUIRED, THE DISTRIBUTION UNDER § 8-402(C)(1) OF THIS SUBTITLE SHALL BE**  
21 **REDUCED BY THE SAME AMOUNT.**

22           **(3) ANY ADDITIONAL DISTRIBUTIONS MADE UNDER THIS**  
23 **SUBSECTION SHALL BE ALLOCATED AS PROVIDED IN § 8-405 OF THIS SUBTITLE.**

24 8-412.

25           (a) (1) On or before January 1 of each year, [Baltimore City,] each county[,]  
26 and each eligible municipality that received highway user revenues in the preceding fiscal  
27 year shall submit to the Administration an accounting report that:

28                   (i) Shows the actual costs of the preceding fiscal year;

29                   (ii) Shows the expenditure budget of the current fiscal year;

30                   (iii) As to items (i) and (ii) of this paragraph, accurately identifies the

1 costs for specific projects authorized in § 8–408 or § 8–409 of this subtitle;

2 (iv) Shows the amount of funds diverted from the general fund of the  
3 county or municipality to pay for specific projects authorized in § 8–408 or § 8–409 of this  
4 subtitle during the preceding fiscal year; and

5 (v) Lists specific projects authorized in § 8–408 or § 8–409 of this  
6 subtitle that have been delayed due to a lack of funding.

7 (c) **(1)** The Administration may not make a disbursement of highway user  
8 revenues under § 8–407 of this subtitle **FOR A PERIOD OF 12 MONTHS** to any jurisdiction  
9 that [has]:

10 **(I)** **HAS** not submitted a report to the Administration as required  
11 under subsection (a)(1) of this section; **OR**

12 **(II)** **USED HIGHWAY USER REVENUES FOR A PURPOSE THAT IS**  
13 **NOT AUTHORIZED UNDER § 8–408 OR § 8–409 OF THIS SUBTITLE.**

14 **(2)** **ANY AMOUNT OF HIGHWAY USER REVENUES THAT IS NOT**  
15 **DISBURSED AS A RESULT OF A VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION**  
16 **SHALL REVERT TO AND BE USED FOR THE PURPOSES OF THE TRANSPORTATION**  
17 **TRUST FUND ESTABLISHED UNDER § 3–216 OF THIS ARTICLE.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That:

19 (a) On or before December 31, 2018, the Department of Budget and Management  
20 shall report to the General Assembly, in accordance with § 2–1246 of the State Government  
21 Article, on the status of local infrastructure in Maryland.

22 (b) The report required under this section shall:

23 (1) include information on the current functional capability, maintenance  
24 level, potential obsolescence, and need for expansion of multiple modes of infrastructure;

25 (2) identify current and potential sources of statewide revenue that are, or  
26 could be, targeted to address unmet needs for each mode of infrastructure detailed in the  
27 report; and

28 (3) be prepared using existing resources available to the Department.

29 (c) The report shall include, at a minimum, information regarding each of the  
30 following modes of infrastructure:

31 (1) potable water and wastewater delivery and retrieval systems, including  
32 transmission conduits, with input from appropriate local utility managers;

1           (2) 9–1–1 Emergency Number response systems, with input from the  
2 Emergency Number Systems Board, local emergency managers, and public safety  
3 answering point management;

4           (3) public safety radio systems, including interoperable communications  
5 across jurisdictions and technological platforms, with input from the Statewide  
6 Interoperability Radio Control Board and local consortiums, including the Central  
7 Maryland Area Radio Communications Network, the Eastern Shore Communications  
8 Alliance, the National Capital Region, the Southern Maryland Interoperable Emergency  
9 Communications Network, and the Washington Allegany Garrett Interoperability  
10 Network;

11           (4) high–speed broadband access to both commercial and residential users,  
12 including low–income and low–density areas, with input from the Maryland Broadband  
13 Cooperative;

14           (5) bridges and other transportation arteries, with particular focus given  
15 to regions subject to risk from flood, high winds, or related weather events, with input from  
16 appropriate local transportation and emergency managers;

17           (6) major arterial roads owned by local governments and their  
18 incorporation of “Complete Streets” elements, which are design elements that provide  
19 accommodations for users of all modes of transportation, including pedestrians, bicyclists,  
20 and transit riders;

21           (7) school facility maintenance needs, with input from the Maryland  
22 Association of Boards of Education and local education agencies; and

23           (8) any other area of critical infrastructure the Department determines  
24 appropriate for a similar evaluation, with input from State or local agencies as appropriate.

25           SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
26 provision of law, if a change in federal law results in the appropriation of additional federal  
27 funding for the Maryland Department of Transportation or the Maryland Transportation  
28 Authority for infrastructure construction, improvements, operations, repairs, or  
29 maintenance, the Governor shall direct an amount of not less than half of the additional  
30 federal funding from the Transportation Trust Fund to be distributed in accordance with  
31 the local share allocation for fiscal year 2025 as provided in § 8–403(a) of the Transportation  
32 Article, as enacted by this Act.

33           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
34 1, 2018.