

HOUSE BILL 309

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2001 Regular Session
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By: **The Speaker (Administration) and Delegates Benson, Bronrott, Burns,
C. Davis, Gladden, Howard, Kirk, Marriott, Nathan-Pulliam, Oaks,
Paige, and Shriver**

Introduced and read first time: January 26, 2001

Assigned to: Appropriations

Re-referred to: Ways and Means and Appropriations, February 15, 2001

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 21, 2001

CHAPTER _____

1 AN ACT concerning

2 **Transportation - Distribution of Revenues**

3 FOR the purpose of requiring the Comptroller to distribute certain income tax
4 revenues from corporations to the Transportation Trust Fund for certain fiscal
5 years; altering the distribution of certain sales and use tax revenues on
6 short-term vehicle rentals to the Transportation Trust Fund for a certain
7 period; providing that certain revenues shall be credited to the Gasoline and
8 Motor Vehicle Revenue Account in the Transportation Trust Fund; requiring the
9 Motor Vehicle Administration to deposit certain security interest filing fees into
10 the Transportation Trust Fund for certain fiscal years; requiring certain fees
11 collected for certain personalized registration plates to be paid into the
12 Transportation Trust Fund for certain fiscal years; requiring certain penalties
13 for termination or lapse of the required security for a vehicle to be distributed to
14 the Transportation Trust Fund for certain fiscal years; repealing a certain
15 distribution to the Transportation Trust Fund relating to a certain tax credit;
16 providing that certain revenues are not pledged and may not be pledged to the
17 repayment of certain bonds; correcting a certain reference; authorizing the Mass
18 Transit Administration to exempt certain new mass transit services and fare
19 modifications for a certain period from certain fare recovery requirements;
20 authorizing the Secretary of Transportation to make certain payments to Prince
21 George's and Montgomery counties for certain new bus service and fare
22 modifications for a certain period; ~~providing for a delayed effective date for~~
23 ~~certain provisions of this Act~~; providing that certain additional revenues are
24 intended to include amounts sufficient to compensate the Transportation Trust
25 Fund for certain reductions in revenues resulting from a certain credit;

1 authorizing the Department of Transportation to submit a budget amendment
2 to increase the operating budget appropriation for a certain transit initiative
3 under certain circumstances; and generally relating to the distribution of
4 revenues to, and use the revenues in, the Transportation Trust Fund.

5 BY repealing

6 Article - Transportation
7 Section 17-106(e)(2)
8 Annotated Code of Maryland
9 (1999 Replacement Volume and 2000 Supplement)

10 BY repealing and reenacting, with amendments,

11 Article - Tax - General
12 Section 2-616 and 2-1302.1
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2000 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article - Transportation
17 Section 3-215(b) and (d), 7-208(b), 8-402, and 10-207(b)
18 Annotated Code of Maryland
19 (1993 Replacement Volume and 2000 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article - Transportation
22 Section 10-207(a)
23 Annotated Code of Maryland
24 (1993 Replacement Volume and 2000 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article - Transportation
27 Section 13-208 and 13-613(d)
28 Annotated Code of Maryland
29 (1999 Replacement Volume and 2000 Supplement)

30 BY adding to

31 Article - Transportation
32 Section 17-106(e)(2)
33 Annotated Code of Maryland
34 (1999 Replacement Volume and 2000 Supplement)

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

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That Section(s) 17-106(e)(2) of Article - Transportation of the
3 Annotated Code of Maryland be repealed.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
5 read as follows:

6 **Article - Tax - General**

7 2-616.

8 After making the distributions required under §§ 2-613 through 2-615 of this
9 subtitle, FROM THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS, the
10 Comptroller shall distribute monthly THE FOLLOWING PERCENTAGES:

11 (1) 16% [of the remaining income tax revenue from corporations] to the
12 Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund[.];
13 AND

14 (2) ~~16%~~ FOR FISCAL YEARS 2003 THROUGH 2007 ONLY, 5.33% TO THE
15 TRANSPORTATION TRUST FUND.

16 2-1302.1.

17 (a) ~~After~~ FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30, 2002
18 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1,
19 2007, AFTER making the distributions required under §§ 2-1301 and 2-1302 of this
20 subtitle, the Comptroller monthly shall distribute [45% of] the sales and use tax
21 collected on short-term vehicle rentals under § 11-104(c) of this article AS FOLLOWS:

22 (1) 36% to the GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT ~~IN~~
23 ~~THE Transportation Trust Fund~~ established under [§ 3-216] § 8-402 of the
24 Transportation Article; AND

25 (2) 64% TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER §
26 3-216 OF THE TRANSPORTATION ARTICLE.

27 (b) [On receipt of the Motor Vehicle Administration's certification under §
28 13-815(f) of the Transportation Article, from the remaining sales and use tax revenue
29 the Comptroller shall distribute to the Transportation Trust Fund] ~~THE~~
30 ~~DISTRIBUTION REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL~~
31 ~~INCLUDE an amount equal to the total amount of credits allowed against the motor~~
32 ~~vehicle excise tax under § 13-815 of the Transportation Article for the preceding fiscal~~
33 ~~year~~ FOR THE PERIOD FROM JULY 1, 2001 THROUGH DECEMBER 31, 2001 AND FOR
34 FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2007, AFTER MAKING THE
35 DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 AND 2-1302 OF THIS SUBTITLE, THE
36 COMPTROLLER MONTHLY SHALL DISTRIBUTE 45% OF THE SALES AND USE TAX
37 COLLECTED ON SHORT-TERM VEHICLE RENTALS UNDER § 11-104(C) OF THIS ARTICLE
38 TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER § 3-216 OF THE
39 TRANSPORTATION ARTICLE.

Article - Transportation

2 3-215.

3 (b) [The] EXCEPT AS PROVIDED IN SUBSECTION (D)(2) OF THIS SECTION, THE
4 tax levied and imposed by this section consists of that part of the following taxes that
5 are retained to the credit of the Department after distributions to the political
6 subdivisions:

7 (1) The motor fuel tax revenue distributed under §§ 2-1103(2) and
8 2-1104(4) of the Tax - General Article;

9 (2) The income tax revenue distributed under §§ 2-614 and 2-616 of the
10 Tax - General Article;

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

13 (4) The sales and use tax revenues distributed under § 2-1302.1 of the
14 Tax - General Article.

15 (d) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SECTION,
16 THE tax levied and imposed by this section is irrevocably pledged to the payment of
17 the principal of and interest on consolidated transportation bonds as they become due
18 and payable, and no part of the tax or other funds applicable to debt service on the
19 bonds may be repealed, diminished, or applied to any other purpose until:

20 [(1)] (I) The bonds and the interest on them have become due and fully
21 paid; or

22 [(2)] (II) Adequate and complete provision for payment of the principal
23 and interest has been made.

24 (2) (I) IN THIS PARAGRAPH, "UNPLEDGED REVENUES" MEANS:

25 1. THE INCOME TAX REVENUE DISTRIBUTED TO THE
26 TRANSPORTATION TRUST FUND UNDER § 2-616(2) OF THE TAX - GENERAL ARTICLE;

27 2. 86% OF THE SALES AND USE TAX REVENUE DISTRIBUTED
28 TO THE TRANSPORTATION TRUST FUND UNDER § 2-1302.1(A)(2) OF THE TAX -
29 GENERAL ARTICLE;

30 3. THE PORTION OF SECURITY INTEREST FILING FEES
31 DISTRIBUTED TO THE TRANSPORTATION TRUST FUND UNDER § 13-208(A) OF THIS
32 ARTICLE;

33 4. THE PORTION OF ADDITIONAL FEES FOR PERSONALIZED
34 REGISTRATION PLATES DISTRIBUTED TO THE TRANSPORTATION TRUST FUND
35 UNDER § 13-613(D)(3) OF THIS ARTICLE; AND

1 5. THE PORTION OF THE PENALTY FOR TERMINATION OR
2 LAPSE OF THE REQUIRED SECURITY FOR A VEHICLE DISTRIBUTED TO THE
3 TRANSPORTATION TRUST FUND UNDER § 17-106(E)(2) OF THIS ARTICLE.

4 (II) THE UNPLEDGED REVENUES ARE NOT PLEDGED AND MAY NOT
5 BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON
6 CONSOLIDATED TRANSPORTATION BONDS.

7 8-402.

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

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

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

13 (2) Except as otherwise provided by law, 80 percent of the vehicle titling
14 tax;

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

17 (4) The revenue disbursed to this account under §§ 2-614 and
18 [2-617(1)] 2-616(1) of the Tax - General Article; and

19 (5) ~~[80 percent of the funds distributed under § 2-1302.1 of the Tax -~~
20 ~~General Article to the Transportation Trust Fund from the sales and use tax] THE~~
21 ~~REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF THE TAX -~~
22 ~~GENERAL ARTICLE.~~

23 (5) (I) FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30,
24 2002 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE
25 JULY 1, 2007, THE REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF
26 THE TAX - GENERAL ARTICLE; AND

27 (II) FOR THE PERIOD FROM JULY 1, 2001, THROUGH DECEMBER 31,
28 2001 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2007, 80% OF THE
29 FUNDS DISTRIBUTED TO THE TRANSPORTATION TRUST FUND FROM THE SALES AND
30 USE TAX UNDER § 2-1302.1(B) OF THE TAX - GENERAL ARTICLE.

31 (c) (1) During each fiscal year, the Account shall be used to pay the
32 allocations of highway user revenues provided by this subtitle to the counties,
33 municipalities, and Baltimore City; and

34 (2) The balance of the Account may be used as provided in § 3-216 of this
35 article.

1 13-208.

2 (a) (1) [The Administration shall deposit \$14 of] FOR EACH FISCAL YEAR
3 BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1, 2007, OF each filing fee
4 received under this subtitle, THE ADMINISTRATION SHALL DEPOSIT \$9 IN THE
5 TRANSPORTATION TRUST FUND AND \$5 in the General Fund.

6 (2) FOR THE FISCAL YEAR BEGINNING JULY 1, 2001 AND EACH FISCAL
7 YEAR BEGINNING ON OR AFTER JULY 1, 2007, OF EACH FILING FEE RECEIVED UNDER
8 THIS SUBTITLE, THE ADMINISTRATION SHALL DEPOSIT \$14 IN THE GENERAL FUND.

9 (b) For each fiscal year, the Comptroller shall distribute to Baltimore City an
10 amount equal to \$5 [for] OF THE GENERAL FUND PORTION OF each filing fee
11 received under this subtitle.

12 13-613.

13 (d) Except as provided in subsection (e) of this section, of the proceeds
14 collected annually from the additional fees charged under this section:

15 (1) The first \$180,000 shall be paid into a special fund administered by
16 the Maryland Higher Education Commission for use in the medical, dental, legal,
17 nursing, social work, and pharmaceutical scholarship programs provided by this
18 State;

19 (2) The next \$200,000 shall be used solely for the purposes of the
20 scholarship program authorized by §§ 18-1101 through 18-1105 of the Education
21 Article [of the Code]; and

22 (3) Except as otherwise provided by law, any balance shall be [paid
23 directly into the general funds of this State] DISTRIBUTED:

24 (I) TO THE GENERAL FUND OF THE STATE FOR THE FISCAL YEAR
25 BEGINNING JULY 1, 2001;

26 (II) TO THE TRANSPORTATION TRUST FUND FOR EACH FISCAL
27 YEAR BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1, 2007; AND

28 (III) TO THE GENERAL FUND OF THE STATE FOR A FISCAL YEAR
29 BEGINNING ON OR AFTER JULY 1, 2007.

30 17-106.

31 (e) (2) (I) A PENALTY ASSESSED UNDER THIS SUBSECTION SHALL BE
32 PAID AS FOLLOWS:

33 1. 70% TO BE ALLOCATED AS PROVIDED IN SUBPARAGRAPH
34 (II) OF THIS PARAGRAPH; AND

35 2. 30% TO THE ADMINISTRATION, WHICH MAY BE USED BY
36 THE ADMINISTRATION, SUBJECT TO SUBSECTION (F) OF THIS SECTION, TO PROVIDE

1 FUNDING FOR CONTRACTS WITH INDEPENDENT AGENTS TO ASSIST IN THE
2 RECOVERY OF EVIDENCES OF REGISTRATION AS AUTHORIZED IN SUBSECTION (D)(3)
3 OF THIS SECTION.

4 (II) FOR THE FISCAL YEAR BEGINNING JULY 1, 2001, THE
5 PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS
6 PARAGRAPH SHALL BE ALLOCATED AMONG THE VEHICLE THEFT PREVENTION
7 FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, THE MOTOR VEHICLE
8 REGISTRATION ENFORCEMENT FUND, THE SCHOOL BUS SAFETY ENFORCEMENT
9 FUND, THE TRANSPORTATION TRUST FUND, AND THE GENERAL FUND AS FOLLOWS:

10 1. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND
11 ESTABLISHED UNDER ARTICLE 88B, § 74 OF THE CODE;

12 2. THE AMOUNT DISTRIBUTED TO THE MARYLAND
13 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
14 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
15 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN
16 CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF
17 LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND;

18 3. \$400,000 TO THE MOTOR VEHICLE REGISTRATION
19 ENFORCEMENT FUND;

20 4. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT
21 FUND;

22 5. \$6,000,000 TO THE TRANSPORTATION TRUST FUND; AND

23 6. THE BALANCE TO THE GENERAL FUND.

24 (III) FOR THE FISCAL YEAR BEGINNING JULY 1, 2002, THE
25 PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS
26 PARAGRAPH SHALL BE ALLOCATED AMONG THE VEHICLE THEFT PREVENTION
27 FUND, THE MARYLAND AUTOMOBILE INSURANCE FUND, THE MOTOR VEHICLE
28 REGISTRATION ENFORCEMENT FUND, THE SCHOOL BUS SAFETY ENFORCEMENT
29 FUND, AND THE TRANSPORTATION TRUST FUND AS FOLLOWS:

30 1. \$2,000,000 TO THE VEHICLE THEFT PREVENTION FUND
31 ESTABLISHED UNDER ARTICLE 88B, § 74 OF THE CODE;

32 2. THE AMOUNT DISTRIBUTED TO THE MARYLAND
33 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
34 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
35 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN
36 CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF
37 LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND;

38 3. \$400,000 TO THE MOTOR VEHICLE REGISTRATION
39 ENFORCEMENT FUND;

1 4. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT
2 FUND; AND

3 5. THE BALANCE TO THE TRANSPORTATION TRUST FUND.

4 (IV) FOR EACH FISCAL YEAR BEGINNING JULY 1, 2003 OR JULY 1,
5 2004, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1
6 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE MARYLAND AUTOMOBILE
7 INSURANCE FUND, THE SCHOOL BUS SAFETY ENFORCEMENT FUND, AND THE
8 TRANSPORTATION TRUST FUND AS FOLLOWS:

9 1. THE AMOUNT DISTRIBUTED TO THE MARYLAND
10 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
11 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
12 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN
13 CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF
14 LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND;

15 2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT
16 FUND; AND

17 3. THE BALANCE TO THE TRANSPORTATION TRUST FUND.

18 (V) FOR EACH FISCAL YEAR BEGINNING JULY 1, 2005 OR JULY 1,
19 2006, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1
20 OF THIS PARAGRAPH SHALL BE ALLOCATED AMONG THE MARYLAND AUTOMOBILE
21 INSURANCE FUND AND THE TRANSPORTATION TRUST FUND AS FOLLOWS:

22 1. THE AMOUNT DISTRIBUTED TO THE MARYLAND
23 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
24 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
25 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN
26 CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF
27 LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

28 2. THE BALANCE TO THE TRANSPORTATION TRUST FUND.

29 (VI) FOR A FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2007, THE
30 PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (D)1 OF THIS
31 PARAGRAPH SHALL BE ALLOCATED AMONG THE MARYLAND AUTOMOBILE
32 INSURANCE FUND AND THE GENERAL FUND AS FOLLOWS:

33 1. THE AMOUNT DISTRIBUTED TO THE MARYLAND
34 AUTOMOBILE INSURANCE FUND IN THE PRIOR FISCAL YEAR UNDER THE
35 PROVISIONS OF THIS PARAGRAPH ADJUSTED BY THE CHANGE FOR THE CALENDAR
36 YEAR PRECEDING THE FISCAL YEAR IN THE CONSUMER PRICE INDEX - ALL URBAN
37 CONSUMERS - MEDICAL CARE AS PUBLISHED BY THE UNITED STATES BUREAU OF
38 LABOR STATISTICS TO THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

2. THE BALANCE TO THE GENERAL FUND.

(ii) All federal operating assistance.

(b) (1) Subject to the appropriation requirements and budgetary provisions of § 3-216 of this article and upon receipt of an approval of a grant application in the form or detail as the Secretary shall reasonably require, the Department shall provide for annual grants to Prince George's County and Montgomery County for eligible local bus service as defined in this section. The amount of these grants shall be equal to:

[(1)] (I) 100 percent of the service deficit attributable to each county; less

[(2)] (II) Each county's share of the Department's annual grant to the Washington Suburban Transit District as determined under § 10-205(b) of this subtitle.

(2) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE SECRETARY MAY AUTHORIZE PAYMENTS TO PRINCE GEORGE'S COUNTY AND MONTGOMERY COUNTY:

(I) TO SUBSIDIZE NEW BUS SERVICE FOR A PERIOD OF 36 MONTHS FROM THE INITIATION OF SERVICE; AND

(II) FOR THE LOSS OF REVENUES FROM FARE MODIFICATIONS FOR A PERIOD OF 36 MONTHS FROM THE DATE OF THE MODIFICATION.

SECTION 4. AND BE IT FURTHER ENACTED, That the additional revenues required to be distributed to the Transportation Trust Fund under this Act are intended to include amounts sufficient to compensate the Transportation Trust Fund for any reduction in revenues resulting from the credit allowed against the motor vehicle excise tax under § 13-815 of the Transportation Article, in lieu of the distribution formerly required under § 2-1302.1(b) of the Tax - General Article as it existed prior to the effective date of this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That, for Fiscal Year 2002 only, the Department of Transportation may submit a budget amendment to increase, by up to \$5,000,000 the transit initiative's operating budget appropriation if Transportation Trust Fund revenues generated in Fiscal Year 2001 2002 exceed the Department's January 2001 2002 Transportation Trust Fund revenue projections. The additional appropriations for the transit initiative may not exceed the unanticipated growth in fiscal 2001 2002 revenues.

~~SECTION 3. 6. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect January 1, 2002~~ July 1, 2001.

~~SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect July 1, 2001.~~