

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) ~~46%~~ 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

1 3-215.

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

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

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

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

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

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 18 bonds may be repealed, diminished, or applied to any other purpose until:

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

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

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

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

26 2. 86% OF THE SALES AND USE TAX REVENUE DISTRIBUTED
 27 TO THE TRANSPORTATION TRUST FUND UNDER § 2-1302.1(A)(2) OF THE TAX -
 28 GENERAL ARTICLE;

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

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

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 (I)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

39 2. THE BALANCE TO THE GENERAL FUND.

1 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That the Laws of
2 Maryland read as follows:

3 **Article - Transportation**

4 7-208.

5 (b) (1) For fiscal year 2001 and thereafter, the Administration shall recover
6 from fares and other operating revenues at least 40 percent of the operating costs for
7 the Mass Transit Administration bus, light rail, and Metro services in the Baltimore
8 region.

9 (2) The Administration shall establish a cost recovery goal of 50 percent.

10 (3) THE ADMINISTRATION MAY EXEMPT FROM THE REQUIREMENTS OF
11 THIS SUBSECTION NEW MASS TRANSIT SERVICE FOR A PERIOD OF 36 MONTHS FROM
12 THE INITIATION OF THE SERVICE AS WELL AS FARE MODIFICATIONS FOR A PERIOD
13 OF 36 MONTHS FROM THE DATE OF THE MODIFICATION.

14 [(3)] (4) The Administration shall obtain the fare recovery ratio through
15 the establishment of reasonable fares in the Baltimore region and the implementation
16 of cost containment measures as deemed necessary to meet the standard required
17 under this paragraph.

18 10-207.

19 (a) (1) In this section, the following words have the meanings indicated.

20 (2) "Eligible local bus service":

21 (i) Means the number of annual platform miles and annual
22 platform hours of fixed route, scheduled local bus service, that previously replaced
23 comparable service operated by the Washington Metropolitan Area Transit Authority,
24 plus the number of annual platform miles and annual platform hours of any new
25 fixed route, scheduled local bus service added after June 30, 1989; and

26 (ii) Is limited to service operated by or on behalf of and in
27 Montgomery County or Prince George's County.

28 (3) "Costs" means operating costs of eligible local bus service, plus
29 operating costs under § 10-205 of this subtitle.

30 (4) "Service deficit" means costs less:

31 (i) The greater of:

32 1. Revenues collected under this section and § 10-205(b) of
33 this subtitle; or

34 2. 40 percent of the costs; and

1 (ii) All federal operating assistance.

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

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

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

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

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

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

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

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

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

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