

SENATE BILL 200

Unofficial Copy  
R2

2001 Regular Session  
(11r0175)

**ENROLLED BILL**

-- Budget and Taxation/Ways and Means and Appropriations --

Introduced by **The President (Administration) and Senators McFadden and Kelley**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Transportation - Distribution and Use of Revenues**

3 FOR the purpose of ~~requiring the Comptroller to distribute certain income tax~~  
4 ~~revenues from corporations to the Transportation Trust Fund; requiring that the~~  
5 ~~Maryland Department of Transportation reimburse, with interest, the~~  
6 ~~Transportation Authority Fund and enter into a written repayment schedule~~  
7 ~~with the Maryland Transportation Authority when certain transfers are made~~  
8 ~~from the Transportation Authority Fund to the Transportation Trust Fund;~~  
9 ~~limiting the use of certain transfers from the Transportation Authority Fund to~~  
10 ~~the Transportation Trust Fund to capital projects; altering for a certain period~~  
11 ~~altering~~ the distribution of certain sales and use tax revenues on short-term  
12 vehicle rentals to the Transportation Trust Fund ~~for a certain period; providing~~  
13 ~~that certain revenues shall be credited to the Gasoline and Motor Vehicle~~  
14 ~~Revenue Account in the Transportation Trust Fund; requiring the Motor Vehicle~~  
15 ~~Administration to deposit certain security interest filing fees into the~~  
16 ~~Transportation Trust Fund; requiring certain fees collected for certain~~

1 personalized registration plates to be paid into the Transportation Trust Fund;  
 2 altering the distribution of certain penalties for termination or lapse of the  
 3 required security for a vehicle; repealing a certain distribution to the  
 4 Transportation Trust Fund relating to a certain tax credit; providing that a  
 5 certain distribution of sales and use tax revenues to the Transportation Trust  
 6 Fund is not part of a certain tax that is pledged to the repayment of certain  
 7 transportation bonds and is not part of a certain account in the Transportation  
 8 Trust Fund; correcting a certain reference; ~~providing that a certain amount of~~  
 9 ~~certain revenues from the sales and use tax imposed on short term vehicle~~  
 10 ~~rentals are not pledged and may not be pledged to the payment of the principal~~  
 11 ~~of and interest on consolidated transportation bonds; repealing a provision~~  
 12 ~~requiring the Comptroller to distribute a certain amount of a certain credit~~  
 13 ~~against the motor vehicle excise tax to the Transportation Trust Fund; requiring~~  
 14 ~~the Motor Vehicle Administration to distribute a certain amount of a certain~~  
 15 ~~security interest filing fee to the Transportation Trust Fund; requiring that~~  
 16 ~~certain proceeds collected from certain additional fees charged for certain~~  
 17 ~~special registrations be paid directly to the Transportation Trust Fund;~~  
 18 authorizing the Mass Transit Administration to exempt certain new mass  
 19 transit services and fare modifications for a certain period from certain fare  
 20 recovery requirements; authorizing the Secretary of Transportation to make  
 21 certain payments to Prince George's and Montgomery counties for certain new  
 22 bus service and fare modifications for a certain period; providing that certain  
 23 additional revenues are intended to include amounts sufficient to compensate  
 24 the Transportation Trust Fund for certain reductions in revenues resulting from  
 25 a certain credit; providing for a delayed effective date for certain provisions of  
 26 this Act; ~~providing that notwithstanding certain provisions of this Act, a certain~~  
 27 ~~distribution shall be made for certain fiscal years, subject to a certain exception;~~  
 28 ~~stating a certain intent of the General Assembly regarding certain transit fares;~~  
 29 ~~requiring the Department of Transportation to submit a certain report to certain~~  
 30 ~~committees of the General Assembly;~~ and generally relating to the distribution of  
 31 revenues to, and use of revenues in, the Transportation Trust Fund.

32 BY repealing

33 Article - Transportation  
 34 Section 17-106(e)(2)  
 35 Annotated Code of Maryland  
 36 (1999 Replacement Volume and 2000 Supplement)

37 BY repealing and reenacting, with amendments,  
 38 Article - Tax - General  
 39 Section ~~2-616~~ and 2-1302.1  
 40 Annotated Code of Maryland  
 41 (1997 Replacement Volume and 2000 Supplement)

42 BY repealing and reenacting, with amendments,  
 43 Article - Transportation  
 44 Section ~~3-215(b) and (d), 4-313(e)~~, 7-208(b), 8-402, and 10-207(b)

1 Annotated Code of Maryland  
2 (1993 Replacement Volume and 2000 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article - Transportation  
5 Section 10-207(a)  
6 Annotated Code of Maryland  
7 (1993 Replacement Volume and 2000 Supplement)

8 BY repealing and reenacting, with amendments,  
9 Article - Transportation  
10 Section 13-208 and 13-613(d)  
11 Annotated Code of Maryland  
12 (1999 Replacement Volume and 2000 Supplement)

13 BY adding to  
14 Article - Transportation  
15 Section 17-106(e)(2)  
16 Annotated Code of Maryland  
17 (1999 Replacement Volume and 2000 Supplement)

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

20 ~~**Article - Tax - General**~~

21 ~~2-616.~~

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

25 ~~(1) 16% [of the remaining income tax revenue from corporations] to the~~  
26 ~~Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund[.];~~  
27 ~~AND~~

28 ~~(2) 16% TO THE TRANSPORTATION TRUST FUND.~~

29 ~~**Article - Transportation**~~

30 ~~4-313.~~

31 ~~(e) (1) Any amount set aside in the Transportation Authority Fund that is~~  
32 ~~not needed to provide for the payment of the items specified in subsections (a)(2) and~~  
33 ~~(b) of this section may be transferred, upon the recommendation of the Secretary and~~  
34 ~~after the approval of the Board of Public Works, to the Transportation Trust Fund to~~



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

3 Article - Tax - General

4 2-1302.1.

5 (a) After making the distributions required under §§ 2-1301 and 2-1302 of this  
 6 subtitle, the Comptroller monthly shall distribute 45% of the sales and use tax  
 7 collected on short-term vehicle rentals under § 11-104(c) of this article to the  
 8 Transportation Trust Fund established under § 3-216 of the Transportation Article.

9 (b) [On receipt of the Motor Vehicle Administration's certification under §  
 10 13-815(f) of the Transportation Article, from the remaining sales and use tax revenue  
 11 the Comptroller shall distribute to the Transportation Trust Fund an amount equal to  
 12 the total amount of credits allowed against the motor vehicle excise tax under § 13-815  
 13 of the Transportation Article for the preceding fiscal year] FOR THE PERIOD FROM  
 14 JANUARY 1, 2002 THROUGH JUNE 30, 2002 AND FOR FISCAL YEARS BEGINNING ON OR  
 15 AFTER JULY 1, 2002 BUT BEFORE JULY 1, 2007, AFTER MAKING THE DISTRIBUTION  
 16 UNDER SUBSECTION (A) OF THIS SECTION, THE COMPTROLLER SHALL DISTRIBUTE  
 17 THE REMAINING SALES AND USE TAX COLLECTED ON SHORT-TERM VEHICLE  
 18 RENTALS UNDER § 11-104(C) OF THIS ARTICLE TO THE TRANSPORTATION TRUST  
 19 FUND ESTABLISHED UNDER § 3-216 OF THE TRANSPORTATION ARTICLE.

20 Article - Transportation

21 3-215.

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

26 (1) The motor fuel tax revenue distributed under §§ 2-1103(2) and  
 27 2-1104(4) of the Tax - General Article;

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

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

32 (4) The sales and use tax revenues distributed under ~~§ 2-1302.1~~ §  
 33 2-1302.1(A) of the Tax - General Article.

34 ~~(d) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS~~  
 35 ~~SUBSECTION, THE tax levied and imposed by this section is irrevocably pledged to the~~  
 36 ~~payment of the principal of and interest on consolidated transportation bonds as they~~  
 37 ~~become due and payable, and no part of the tax or other funds applicable to debt~~

1 ~~service on the bonds may be repealed, diminished, or applied to any other purpose~~  
 2 ~~until:~~

3 ~~(1) (I) The bonds and the interest on them have become due and fully~~  
 4 ~~paid; or~~

5 ~~(2) (II) Adequate and complete provision for payment of the principal~~  
 6 ~~and interest has been made.~~

7 ~~(2) FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30, 2002~~  
 8 ~~AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1,~~  
 9 ~~2007, 86% OF THE REVENUES DISTRIBUTED TO THE TRANSPORTATION TRUST FUND~~  
 10 ~~UNDER § 2-1302.1(A)(2) OF THE TAX - GENERAL ARTICLE ARE NOT PLEDGED AND MAY~~  
 11 ~~NOT BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON~~  
 12 ~~CONSOLIDATED TRANSPORTATION BONDS.~~

13 8-402.

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

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

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

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

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

23 (4) The revenue disbursed to this account under §§ 2-614 and  
 24 [2-617(1)] ~~2-616(4)~~ 2-616 of the Tax - General Article; and

25 (5) *80 percent of the funds distributed ON SHORT-TERM VEHICLE*  
 26 *RENTALS under [§ 2-1302.1] § 2-1302.1(A) of the Tax - General Article to the*  
 27 *Transportation Trust Fund from the sales and use tax.*

28 (5) ~~[80 percent of the funds distributed under § 2-1302.1 of the Tax -~~  
 29 ~~General Article to the Transportation Trust Fund from the sales and use tax] THE~~  
 30 ~~REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF THE TAX -~~  
 31 ~~GENERAL ARTICLE.~~

32 ~~(5) (I) FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30,~~  
 33 ~~2002 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE~~  
 34 ~~JULY 1, 2007, THE REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF~~  
 35 ~~THE TAX - GENERAL ARTICLE; AND~~

1 ~~(H) FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2007, 80%~~  
2 ~~OF THE FUNDS DISTRIBUTED TO THE TRANSPORTATION TRUST FUND FROM THE~~  
3 ~~SALES AND USE TAX UNDER § 2-1302.1(B) OF THE TAX GENERAL ARTICLE.~~

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

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

9 ~~13-208.~~

10 (a) ~~The Administration shall deposit \$14 of each filing fee received under this~~  
11 ~~subtitle in the [General Fund] TRANSPORTATION TRUST FUND ESTABLISHED~~  
12 ~~UNDER § 3-216 OF THIS ARTICLE.~~

13 (b) ~~For each fiscal year, the Comptroller shall distribute to Baltimore City an~~  
14 ~~amount equal to \$5 for each filing fee received under this subtitle.~~

15 ~~13-613.~~

16 (a) ~~(1) The owner of any vehicle described in paragraph (2) of this subsection~~  
17 ~~may apply to the Administration for the assignment to that vehicle of a special,~~  
18 ~~personalized registration number.~~

19 (2) ~~This section applies only as to:~~

20 (i) ~~A Class A (passenger) vehicle;~~

21 (ii) ~~A Class D (motorcycle) vehicle;~~

22 (iii) ~~A Class E (truck) vehicle with a one ton or less manufacturer's~~  
23 ~~rated capacity;~~

24 (iv) ~~A Class G (nonfreight trailer) vehicle;~~

25 (v) ~~A Class L (historic) vehicle;~~

26 (vi) ~~A Class M (multipurpose) vehicle; or~~

27 (vii) ~~A Class N (street rod) vehicle.~~

28 (b) ~~In addition to the annual registration fee otherwise required by this title,~~  
29 ~~the applicant shall pay an additional annual fee of \$25, payable with the original and~~  
30 ~~each renewal application for special registration under this section.~~

31 (c) ~~(1) A special registration number assigned under this section may~~  
32 ~~consist of any combination of not more than 7 letters and numerals.~~

1 ~~(2)~~ In its discretion, the Administration may refuse any combination of  
 2 letters and numerals.

3 13-208.

4 (a) (1) [The Administration shall deposit \$14 of] EXCEPT AS PROVIDED IN  
 5 PARAGRAPH (2) OF THIS SUBSECTION, OF each filing fee received under this subtitle,  
 6 THE ADMINISTRATION SHALL DEPOSIT \$9 IN THE TRANSPORTATION TRUST FUND  
 7 AND \$5 in the General Fund.

8 (2) FOR THE FISCAL YEAR BEGINNING JULY 1, 2001, OF EACH FILING  
 9 FEE RECEIVED UNDER THIS SUBTITLE, THE ADMINISTRATION SHALL DEPOSIT \$14 IN  
 10 THE GENERAL FUND.

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

14 13-613.

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

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

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

24 (3) Except as otherwise provided by law, any balance shall be paid  
 25 directly into the [general funds of this State] TRANSPORTATION TRUST FUND  
 26 ESTABLISHED UNDER § 3-216 OF THIS ARTICLE DISTRIBUTED:

27 (I) TO THE GENERAL FUND OF THE STATE FOR THE FISCAL YEAR  
 28 BEGINNING JULY 1, 2001; AND

29 (II) TO THE TRANSPORTATION TRUST FUND FOR EACH FISCAL  
 30 YEAR BEGINNING ON OR AFTER JULY 1, 2002.

31 (e) (1) The Administration shall keep \$12.50 of the fee payable with the  
 32 original application for special registration under this section to recover the  
 33 administrative and production costs of the special registration.

34 (2) Funds kept by the Administration under this subsection may not be  
 35 credited to the Gasoline and Motor Vehicle Revenue Account for distribution under §  
 36 8-403 or § 8-404 of this article.



1 17-106.

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

4 1. 70% TO BE ALLOCATED AS PROVIDED IN SUBPARAGRAPHS  
5 (II) THROUGH (VII) OF THIS PARAGRAPH; AND

6 2. 30% TO THE ADMINISTRATION, WHICH MAY BE USED BY  
7 THE ADMINISTRATION, SUBJECT TO SUBSECTION (F) OF THIS SECTION, TO PROVIDE  
8 FUNDING FOR CONTRACTS WITH INDEPENDENT AGENTS TO ASSIST IN THE  
9 RECOVERY OF EVIDENCES OF REGISTRATION AS AUTHORIZED IN SUBSECTION (D)(3)  
10 OF THIS SECTION.

11 (II) FOR THE FISCAL YEAR BEGINNING JULY 1, 2001, THE  
12 PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS  
13 PARAGRAPH SHALL BE ALLOCATED AMONG THE MOTOR VEHICLE REGISTRATION  
14 ENFORCEMENT FUND, THE SCHOOL BUS SAFETY ENFORCEMENT FUND, THE  
15 TRANSPORTATION TRUST FUND, AND THE GENERAL FUND AS FOLLOWS:

16 1. \$400,000 TO THE MOTOR VEHICLE REGISTRATION  
17 ENFORCEMENT FUND;

18 2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT  
19 FUND;

20 3. \$11,600,000 TO THE TRANSPORTATION TRUST FUND; AND

21 4. THE BALANCE TO THE GENERAL FUND.

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

27 1. \$400,000 TO THE MOTOR VEHICLE REGISTRATION  
28 ENFORCEMENT FUND;

29 2. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT  
30 FUND; AND

31 3. THE BALANCE TO THE TRANSPORTATION TRUST FUND.

32 (IV) FOR EACH FISCAL YEAR BEGINNING JULY 1, 2003 OR JULY 1,  
33 2004, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1  
34 OF THIS PARAGRAPH SHALL BE ALLOCATED BETWEEN THE SCHOOL BUS SAFETY  
35 ENFORCEMENT FUND AND THE TRANSPORTATION TRUST FUND AS FOLLOWS:

1 1. \$600,000 TO THE SCHOOL BUS SAFETY ENFORCEMENT

2 FUND; AND

3 2. THE BALANCE TO THE TRANSPORTATION TRUST FUND.

4 (V) FOR EACH FISCAL YEAR BEGINNING JULY 1, 2005 OR JULY 1,  
5 2006, THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1  
6 OF THIS PARAGRAPH SHALL BE DISTRIBUTED TO THE TRANSPORTATION TRUST  
7 FUND.

8 (VI) FOR THE FISCAL YEAR BEGINNING JULY 1, 2007, THE  
9 PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF THIS  
10 PARAGRAPH SHALL BE ALLOCATED BETWEEN THE MARYLAND AUTOMOBILE  
11 INSURANCE FUND AND THE GENERAL FUND AS FOLLOWS:

12 1. \$4,400,000 TO THE MARYLAND AUTOMOBILE INSURANCE  
13 FUND; AND

14 2. THE BALANCE TO THE GENERAL FUND.

15 (VII) FOR THE FISCAL YEAR BEGINNING ON OR AFTER JULY 1, 2008,  
16 THE PERCENTAGE OF THE PENALTIES SPECIFIED UNDER SUBPARAGRAPH (I)1 OF  
17 THIS PARAGRAPH SHALL BE ALLOCATED BETWEEN THE MARYLAND AUTOMOBILE  
18 INSURANCE FUND AND THE GENERAL FUND AS FOLLOWS:

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

25 2. THE BALANCE TO THE GENERAL FUND.

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

28 **Article - Transportation**

29 7-208.

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

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

35 (3) THE ADMINISTRATION MAY EXEMPT FROM THE REQUIREMENTS OF  
36 THIS SUBSECTION NEW MASS TRANSIT SERVICE FOR A PERIOD OF ~~36~~ 30 ~~36~~ MONTHS

1 FROM THE INITIATION OF THE SERVICE AS WELL AS FARE MODIFICATIONS  
 2 INITIATED FOR A PERIOD OF ~~36~~ 36 MONTHS FROM THE DATE OF THE  
 3 MODIFICATION.

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

8 10-207.

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

10           (2)    "Eligible local bus service":

11                   (i)    Means the number of annual platform miles and annual  
 12 platform hours of fixed route, scheduled local bus service, that previously replaced  
 13 comparable service operated by the Washington Metropolitan Area Transit Authority,  
 14 plus the number of annual platform miles and annual platform hours of any new  
 15 fixed route, scheduled local bus service added after June 30, 1989; and

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

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

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

21                   (i)    The greater of:

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

24                           2.    40 percent of the costs; and

25                   (ii)    All federal operating assistance.

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

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

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

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

4 (I) TO SUBSIDIZE NEW BUS SERVICE FOR A PERIOD OF ~~36~~ 30 36  
5 MONTHS FROM THE INITIATION OF SERVICE; AND

6 (II) FOR THE LOSS OF REVENUES FROM FARE MODIFICATIONS  
7 INITIATED FOR A PERIOD OF ~~36~~ 30 36 MONTHS FROM THE DATE OF THE  
8 MODIFICATION.

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

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

13 ~~SECTION 4. AND BE IT FURTHER ENACTED, That the additional revenues~~  
14 ~~required to be distributed to the Transportation Trust Fund under this Act are~~  
15 ~~intended to include amounts sufficient to compensate the Transportation Trust Fund~~  
16 ~~for any reduction in revenues resulting from the credit allowed against the motor~~  
17 ~~vehicle excise tax under § 13-815 of the Transportation Article, in lieu of the~~  
18 ~~distribution formerly required under § 2-1302.1(b) of the Tax - General Article as it~~  
19 ~~existed prior to the effective date of this Act. Notwithstanding the provisions of~~  
20 ~~Section 2 of this Act, except as otherwise provided in this section, the distribution~~  
21 ~~formerly required under § 2-1302.1(b) of the Tax - General Article shall be made for~~  
22 ~~each fiscal year until any Consolidated Transportation Bonds that were issued by the~~  
23 ~~Department of Transportation before July 1, 2001 no longer remain outstanding and~~  
24 ~~unpaid; provided, however, that in any fiscal year for which funds are appropriated by~~  
25 ~~the General Assembly to pay the principal of and interest on the Department of~~  
26 ~~Transportation's Consolidated Transportation Bonds due and payable in that fiscal~~  
27 ~~year, the distribution formerly required under § 2-1302.1(b) of the Tax - General~~  
28 ~~Article may not be made.~~

29 ~~SECTION 5. AND BE IT FURTHER ENACTED, That it is the intent of the~~  
30 ~~General Assembly that the Department of Transportation shall reduce statewide~~  
31 ~~transit fares for weekly and monthly passes and advertise these fare reductions so that~~  
32 ~~low wage workers are aware of the reduced fares. To assist the General Assembly in~~  
33 ~~evaluating the effect of the fare reduction, the Department shall submit a report, in~~  
34 ~~accordance with § 2-1246 of the State Government Article, to the Senate Budget and~~  
35 ~~Taxation Committee, the House Appropriations Committee, and the House Committee~~  
36 ~~on Ways and Means that measures the effect and impact of the reduction of statewide~~  
37 ~~transit fares of weekly and monthly passes on ridership in fiscal 2002 and examines~~  
38 ~~the effect and impact of the transit fare reduction on low wage workers. The report is~~  
39 ~~due on or before October 1, 2002. In addition, it is the intent of the General Assembly~~  
40 ~~that the Department keep all other transit fares at their current levels through fiscal~~  
41 ~~2006.~~

1     SECTION 5: 6. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect ~~January 1, 2002~~ *July 1, 2001*.