

SENATE BILL 200

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2001 Regular Session
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By: **The President (Administration) and Senators McFadden and Kelley**

Introduced and read first time: January 22, 2001

Assigned to: Budget and Taxation

A BILL ENTITLED

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; altering the
5 distribution of certain sales and use tax revenues on short-term vehicle rentals
6 to the Transportation Trust Fund; providing that certain revenues shall be
7 credited to the Gasoline and Motor Vehicle Revenue Account in the
8 Transportation Trust Fund; correcting a certain reference; authorizing the Mass
9 Transit Administration to exempt certain new mass transit services and fare
10 modifications for a certain period from certain fare recovery requirements;
11 authorizing the Secretary of Transportation to make certain payments to Prince
12 George's and Montgomery counties for certain new bus service and fare
13 modifications for a certain period; providing for a delayed effective date for
14 certain provisions of this Act; and generally relating to the distribution of
15 revenues to, and use of revenues in, the Transportation Trust Fund.

16 BY repealing and reenacting, with amendments,
17 Article - Tax - General
18 Section 2-616 and 2-1302.1
19 Annotated Code of Maryland
20 (1997 Replacement Volume and 2000 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Transportation
23 Section 7-208(b), 8-402, and 10-207(b)
24 Annotated Code of Maryland
25 (1993 Replacement Volume and 2000 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article - Transportation
28 Section 10-207(a)
29 Annotated Code of Maryland
30 (1993 Replacement Volume and 2000 Supplement)

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

3 **Article - Tax - General**

4 2-616.

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

8 (1) 16% [of the remaining income tax revenue from corporations] to the
9 Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund[.];
10 AND

11 (2) 16% TO THE TRANSPORTATION TRUST FUND.

12 2-1302.1.

13 (a) After making the distributions required under §§ 2-1301 and 2-1302 of
14 this subtitle, the Comptroller monthly shall distribute [45% of] the sales and use tax
15 collected on short-term vehicle rentals under § 11-104(c) of this article AS FOLLOWS:

16 (1) 36% to the GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT IN
17 THE Transportation Trust Fund established under [§ 3-216] § 8-402 of the
18 Transportation Article; AND

19 (2) 64% TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER §
20 3-216 OF THE TRANSPORTATION ARTICLE.

21 (b) [On receipt of the Motor Vehicle Administration's certification under §
22 13-815(f) of the Transportation Article, from the remaining sales and use tax revenue
23 the Comptroller shall distribute to the Transportation Trust Fund] THE
24 DISTRIBUTION REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL
25 INCLUDE an amount equal to the total amount of credits allowed against the motor
26 vehicle excise tax under § 13-815 of the Transportation Article for the preceding fiscal
27 year.

28 **Article - Transportation**

29 8-402.

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

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

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

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

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

5 (4) The revenue disbursed to this account under §§ 2-614 and
6 [2-617(1)] 2-616(1) of the Tax - General Article; and

7 (5) [80 percent of the funds distributed under § 2-1302.1 of the Tax -
8 General Article to the Transportation Trust Fund from the sales and use tax] THE
9 REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF THE TAX -
10 GENERAL ARTICLE.

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

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

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

18 **Article - Transportation**

19 7-208.

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

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

25 (3) THE ADMINISTRATION MAY EXEMPT FROM THE REQUIREMENTS OF
26 THIS SUBSECTION NEW MASS TRANSIT SERVICE FOR A PERIOD OF 36 MONTHS FROM
27 THE INITIATION OF THE SERVICE AS WELL AS FARE MODIFICATIONS INITIATED FOR
28 A PERIOD OF 36 MONTHS FROM THE DATE OF THE MODIFICATION.

29 [(3)] (4) The Administration shall obtain the fare recovery ratio through
30 the establishment of reasonable fares in the Baltimore region and the implementation
31 of cost containment measures as deemed necessary to meet the standard required
32 under this paragraph.

33 10-207.

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

35 (2) "Eligible local bus service":

1 (i) Means the number of annual platform miles and annual
2 platform hours of fixed route, scheduled local bus service, that previously replaced
3 comparable service operated by the Washington Metropolitan Area Transit Authority,
4 plus the number of annual platform miles and annual platform hours of any new
5 fixed route, scheduled local bus service added after June 30, 1989; and

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

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

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

11 (i) The greater of:

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

14 2. 40 percent of the costs; and

15 (ii) All federal operating assistance.

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

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

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

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

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

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

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

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.