

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2001

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 the distribution of certain sales and use tax revenues on short-term vehicle
12 rentals to the Transportation Trust Fund; providing that certain revenues shall
13 be credited to the Gasoline and Motor Vehicle Revenue Account in the
14 Transportation Trust Fund; correcting a certain reference; providing that a
15 certain amount of certain revenues from the sales and use tax imposed on
16 short-term vehicle rentals are not pledged and may not be pledged to the
17 payment of the principal of and interest on consolidated transportation bonds;
18 repealing a provision requiring the Comptroller to distribute a certain amount of
19 a certain credit against the motor vehicle excise tax to the Transportation Trust
20 Fund; requiring the Motor Vehicle Administration to distribute a certain
21 amount of a certain security interest filing fee to the Transportation Trust Fund;
22 requiring that certain proceeds collected from certain additional fees charged for
23 certain special registrations be paid directly to the Transportation Trust Fund;
24 authorizing the Mass Transit Administration to exempt certain new mass
25 transit services and fare modifications for a certain period from certain fare
26 recovery requirements; authorizing the Secretary of Transportation to make
27 certain payments to Prince George's and Montgomery counties for certain new
28 bus service and fare modifications for a certain period; providing that certain

additional revenues are intended to include amounts sufficient to compensate the Transportation Trust Fund for certain reductions in revenues resulting from a certain credit; providing for a delayed effective date for certain provisions of this Act; and generally relating to the distribution of revenues to, and use of revenues in, the Transportation Trust Fund.

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

BY repealing and reenacting, with amendments,
Article - Transportation
Section 3-215(b) and (d), 4-313(c), 7-208(b), 8-402, and 10-207(b)
Annotated Code of Maryland
(1993 Replacement Volume and 2000 Supplement)

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

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

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

~~Article - Tax - General~~

~~2-616.~~

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

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

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

Article - Transportation

2 4-313.

3 (c) (1) Any amount set aside in the Transportation Authority Fund that is
4 not needed to provide for the payment of the items specified in subsections (a)(2) and
5 (b) of this section may be transferred, upon the recommendation of the Secretary and
6 after the approval of the Board of Public Works, to the Transportation Trust Fund to
7 be used ON CAPITAL PROJECTS as appropriated by the General Assembly unless
8 prohibited by any applicable resolution or trust agreement.

9 (2) The use and disposition of money to the credit of the Transportation
10 Authority Fund is subject to the provision of the applicable bond authorizing
11 resolution or trust agreement.

12 (3) FOR AN AMOUNT TRANSFERRED FROM THE TRANSPORTATION
13 AUTHORITY FUND TO THE TRANSPORTATION TRUST FUND UNDER PARAGRAPH (1) OF
14 THIS SUBSECTION FOR THE PURPOSE OF FUNDING A MASS TRANSIT CAPITAL
15 PROJECT, THE DEPARTMENT SHALL REIMBURSE, WITH INTEREST, THE
16 TRANSPORTATION AUTHORITY FUND AND ENTER INTO A WRITTEN REPAYMENT
17 SCHEDULE WITH THE AUTHORITY.

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

Article - Tax - General

21 2-1302.1.

22 (a) ~~After~~ FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30, 2002
23 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1,
24 2007, AFTER making the distributions required under §§ 2-1301 and 2-1302 of this
25 subtitle, the Comptroller monthly shall distribute [45% of] the sales and use tax
26 collected on short-term vehicle rentals under § 11-104(c) of this article AS FOLLOWS:

27 (1) 36% to the GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT ~~IN~~
28 ~~THE Transportation Trust Fund~~ established under [§ 3-216] § 8-402 of the
29 Transportation Article; AND

30 (2) 64% TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER §
31 3-216 OF THE TRANSPORTATION ARTICLE.

32 (b) [On receipt of the Motor Vehicle Administration's certification under §
33 13-815(f) of the Transportation Article, from the remaining sales and use tax revenue
34 the Comptroller shall distribute to the Transportation Trust Fund] ~~THE~~
35 ~~DISTRIBUTION REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL~~
36 ~~INCLUDE an amount equal to the total amount of credits allowed against the motor~~
37 ~~vehicle excise tax under § 13-815 of the Transportation Article for the preceding fiscal~~
38 ~~year~~ FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2007, AFTER MAKING THE
39 DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 AND 2-1302 OF THIS SUBTITLE, THE

1 COMPTROLLER MONTHLY SHALL DISTRIBUTE 45% OF THE SALES AND USE TAX
2 COLLECTED ON SHORT-TERM VEHICLE RENTALS UNDER § 11-104(C) OF THIS ARTICLE
3 TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER § 3-216 OF THE
4 TRANSPORTATION ARTICLE.

5 **Article - Transportation**

6 3-215.

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

11 (1) The motor fuel tax revenue distributed under §§ 2-1103(2) and
12 2-1104(4) of the Tax - General Article;

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

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

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

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

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

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

29 (2) FOR THE PERIOD FROM JANUARY 1, 2002 THROUGH JUNE 30, 2002
30 AND FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002 BUT BEFORE JULY 1,
31 2007, 86% OF THE REVENUES DISTRIBUTED TO THE TRANSPORTATION TRUST FUND
32 UNDER § 2-1302.1(A)(2) OF THE TAX - GENERAL ARTICLE ARE NOT PLEDGED AND MAY
33 NOT BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON
34 CONSOLIDATED TRANSPORTATION BONDS.

35 8-402.

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

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

(1) All of the motor vehicle fuel tax;

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

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

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

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

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

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

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

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

13-208.

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

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

13-613.

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

(2) This section applies only as to:

- 1 (i) A Class A (passenger) vehicle;
2 (ii) A Class D (motorcycle) vehicle;
3 (iii) A Class E (truck) vehicle with a one ton or less manufacturer's
4 rated capacity;
5 (iv) A Class G (nonfreight trailer) vehicle;
6 (v) A Class L (historic) vehicle;
7 (vi) A Class M (multipurpose) vehicle; or
8 (vii) A Class N (street rod) vehicle.

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

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

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

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

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

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

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

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

31 (2) Funds kept by the Administration under this subsection may not be
32 credited to the Gasoline and Motor Vehicle Revenue Account for distribution under §
33 8-403 or § 8-404 of this article.

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

Article - Transportation

7-208.

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

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

(3) THE ADMINISTRATION MAY EXEMPT FROM THE REQUIREMENTS OF THIS SUBSECTION NEW MASS TRANSIT SERVICE FOR A PERIOD OF ~~36~~ 30 MONTHS FROM THE INITIATION OF THE SERVICE AS WELL AS FARE MODIFICATIONS INITIATED FOR A PERIOD OF ~~36~~ 30 MONTHS FROM THE DATE OF THE MODIFICATION.

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

10-207.

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

(2) "Eligible local bus service":

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

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

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

(4) "Service deficit" means costs less:

(i) The greater of:

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

2. 40 percent of the costs; and

(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~~ 30 MONTHS FROM THE INITIATION OF SERVICE; AND

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

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

~~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.~~

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 this Act shall take effect January 1, 2002.