
By: **Senator Mooney**
Introduced and read first time: February 1, 2002
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Trust Fund - Special Funds - State Highway Administration**

3 FOR the purpose of requiring, in each fiscal year, special funds appropriated in the
4 budget bill for the operating and capital program of the State Highway
5 Administration, including the distribution of highway user revenues, to equal
6 not less than a certain amount of the total special fund operating and capital
7 budget for the Department of Transportation; establishing that funds
8 appropriated for the operating and capital program of the State Highway
9 Administration may be used for certain costs; and generally relating to the
10 Transportation Trust Fund and special funds appropriated for the State
11 Highway Administration.

12 BY repealing and reenacting, with amendments,
13 Article - Transportation
14 Section 3-216
15 Annotated Code of Maryland
16 (2001 Replacement Volume)

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

19 **Article - Transportation**

20 3-216.

21 (a) There is a Transportation Trust Fund for the Department.

22 (b) Except as otherwise expressly provided by statute, there shall be credited
23 to the Transportation Trust Fund for the account of the Department all taxes, fees,
24 charges, and revenues collected or received by or paid, appropriated, or credited to the
25 account of the Department or any of its units in the exercise of their rights, powers,
26 duties, or obligations, including the cash proceeds of the sale of consolidated
27 transportation bonds, notes, or other evidences of obligation issued by the
28 Department, any general fund appropriations, and the proceeds of any State loan or
29 federal grant made for transportation purposes.

1 (c) (1) There shall be maintained in the Transportation Trust Fund one or
2 more sinking fund accounts to which shall be credited and from which shall be paid,
3 from the proceeds of the taxes levied and imposed for that purpose or from any other
4 funds of the Department, amounts sufficient at all times to meet the debt service on
5 all bonds of prior issues and consolidated transportation bonds from time to time
6 outstanding and unpaid.

7 (2) (i) The Gasoline and Motor Vehicle Revenue Account, Driver
8 Education Account, and the Motorcycle Safety Program Account shall be maintained
9 in the Transportation Trust Fund.

10 (ii) In each fiscal year, the Department shall budget from federal
11 funds available to the Department, other funds in the Transportation Trust Fund, and
12 any other funds available to the Department, an amount sufficient to fund projects
13 and programs determined by the Secretary to be necessary to achieve the bicycle and
14 pedestrian transportation goals identified for the fiscal year under Title 2, Subtitle 6
15 of this article.

16 (d) (1) After meeting its debt service requirements, the Department may use
17 the funds in the Transportation Trust Fund for any lawful purpose related to the
18 exercise of its rights, powers, duties, and obligations.

19 (2) Expenditures under this subsection shall be made in accordance with
20 any appropriation provided for in any applicable budget bill or supplementary
21 appropriation bill. However, an appropriation proposed to be made to any unit in the
22 Department or proposed to be made for any designated transportation activity,
23 function, or undertaking that has been reduced by the General Assembly may not be
24 restored, for the same purpose as originally proposed, except in an emergency, by the
25 budget amendment procedure of § 7-209 of the State Finance and Procurement
26 Article, or otherwise if the General Assembly in striking or reducing the
27 appropriation, prohibited its restoration. However, except for emergency capital
28 projects, if the General Assembly explicitly reduces in the budget bill an
29 appropriation proposed for a major capital project as defined in § 2-103.1(a)(4) of this
30 article, the appropriation may not be restored for the same purpose as originally
31 proposed by the budget amendment procedure of § 7-209 of the State Finance and
32 Procurement Article or otherwise unless the General Assembly, in striking or
33 reducing the appropriation, expressly authorized its restoration.

34 (3) (i) During the period of fiscal years 1988 through 1992 as included
35 in the annual State Report on Transportation, the Department shall utilize all of its
36 share of the revenues attributable to the 5 cent increase of the motor fuel tax under
37 the provisions of Chapter 291 of the Acts of 1987 and credited to the Transportation
38 Trust Fund under § 2-1104 of the Tax - General Article and the proceeds of any
39 increased indebtedness based on that revenue and credited to the Transportation
40 Trust Fund to fund Department projects for the construction, reconstruction, and
41 rehabilitation of the State highway system.

42 (ii) During the period of fiscal year 1988 through fiscal year 1992
43 the total level of State funds appropriated to the State Highway Administration for

1 construction, reconstruction and rehabilitation of the State highway system,
2 including the revenues referred to in subparagraph (i) above, shall be at least 70
3 percent of the total appropriation of State funds in the consolidated transportation
4 capital program.

5 (iii) The Secretary of the Department shall submit, subject to §
6 2-1246 of the State Government Article, to the Legislative Policy Committee and the
7 Department of Legislative Services a report:

8 1. Prior to the beginning of each session through the 1991
9 session, detailing the intended use of the new revenues; and

10 2. Prior to the beginning of each session beginning with the
11 1989 session and through the 1993 session, detailing the actual use of the new
12 revenues in the prior fiscal year.

13 (4) Of the new revenues derived under the provisions of Chapter 291 of
14 the Acts of 1987 and credited to the Department, \$31,000,000 shall be transferred to
15 the Maryland Emergency Medical Service System Fund at such time as determined
16 by the Secretary of Budget and Management.

17 (5) For each fiscal year, the Department shall use the funds in the
18 Transportation Trust Fund for the purposes specified in subsection (c)(2)(ii) of this
19 section, which may include construction and maintenance of:

20 (i) Public bicycle areas as defined in § 21-101(k) of this article;

21 (ii) Bicycle ways as defined in § 21-101(l) of this article; and

22 (iii) Sidewalks as defined in § 21-101(t) of this article.

23 (6) Each year, before the General Assembly considers the proposed
24 Maryland Transportation Plan and the Consolidated Transportation Program, the
25 Department shall report to the General Assembly, in accordance with § 2-1246 of the
26 State Government Article, on:

27 (i) The expenditures made toward the attainment of the bicycle
28 and pedestrian transportation goals during the preceding fiscal year under Title 2,
29 Subtitle 6 of this article; and

30 (ii) The progress made toward attainment of the bicycle and
31 pedestrian transportation goals identified for the fiscal year under Title 2, Subtitle 6
32 of this article.

33 (7) (I) IN EACH FISCAL YEAR, SPECIAL FUNDS APPROPRIATED IN THE
34 BUDGET BILL FOR THE OPERATING AND CAPITAL PROGRAM OF THE STATE HIGHWAY
35 ADMINISTRATION, INCLUDING THE DISTRIBUTION OF HIGHWAY USER REVENUES,
36 SHALL EQUAL NOT LESS THAN 50% OF THE TOTAL SPECIAL FUND OPERATING AND
37 CAPITAL BUDGET FOR THE DEPARTMENT.

1 (II) FUNDS APPROPRIATED UNDER THIS PARAGRAPH MAY BE USED
2 FOR ALL COSTS ASSOCIATED WITH THE PURCHASE OF RIGHT-OF-WAY, PLANNING,
3 CONSTRUCTION, RECONSTRUCTION, RELOCATION, OR MAINTENANCE OF HIGHWAYS
4 IN THE STATE.

5 (e) (1) Except as otherwise provided in this subsection, this section is
6 effective notwithstanding any other provision of law.

7 (2) No portion of the Right-of-Way Revolving Fund may be used for any
8 purpose other than as specified in § 8-305 of this article.

9 (3) Nothing in this section may adversely affect in any way the security
10 of any of the following bonds while they are outstanding and unpaid:

11 (i) State highway construction bonds, second issue;

12 (ii) State highway construction bonds, third issue;

13 (iii) County highway construction bonds; or

14 (iv) County highway construction bonds, second issue.

15 (4) It is the intent of the General Assembly that, as long as any of the
16 bonds listed in paragraph (3) of this subsection are outstanding and unpaid:

17 (i) The sinking fund requirements established for the payment of
18 the principal of and interest on those bonds shall remain unchanged, as if this section
19 had not been enacted; and

20 (ii) The taxes and revenues pledged to the payment of the principal
21 of and interest on those bonds as they become due and payable may not be repealed,
22 diminished, or applied to any other purpose until:

23 1. The bonds and the interest on them have become due and
24 fully paid; or

25 2. Adequate and complete provision for payment of the
26 principal and interest has been made.

27 (f) (1) No part of the Transportation Trust Fund may revert or be credited to
28 the general funds of this State. No part of the Transportation Trust Fund may revert
29 or be credited to a special fund of the State, unless otherwise provided by law. No part
30 of the Transportation Trust Fund may revert or be credited to a special fund of the
31 State pursuant to the provisions of § 7-209(e)(2) of the State Finance and
32 Procurement Article, unless the transfer is approved by the Legislative Policy
33 Committee. Failure of the Legislative Policy Committee to reject the transfer within
34 15 days after presentation before the Legislative Policy Committee shall be deemed to
35 be approval.

1 (2) Notwithstanding any other provision of law, for fiscal year 1984 only,
2 \$29,000,000 of the funds in the Transportation Trust Fund which are not required by
3 law to be distributed to the counties or Baltimore City and which have not been
4 pledged or otherwise committed to the payment of or as security for the payment of
5 any bonds or debt issued or incurred pursuant to this article shall be transferred and
6 credited to the general funds of the State on or before June 30, 1984 and shall be
7 available for appropriation from the general funds in fiscal year 1984.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
9 effect October 1, 2002.