

# HOUSE BILL 59

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By: **Delegate Krebs**

Introduced and read first time: October 31, 2007

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Trust Fund – Dedicated Highway Funds**

3 FOR the purpose of providing that certain taxes, fees, charges, and revenues deposited  
4 into the Transportation Trust Fund may be used only for certain purposes;  
5 repealing certain obsolete provisions; repealing certain provisions relating to  
6 the transfer of certain funds from the Transportation Trust Fund to a special  
7 fund; and generally relating to dedicated highway funds deposited into the  
8 Transportation Trust Fund.

9 BY repealing and reenacting, with amendments,  
10 Article – Transportation  
11 Section 3–216  
12 Annotated Code of Maryland  
13 (2001 Replacement Volume and 2007 Supplement)

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

16 **Article – Transportation**

17 3–216.

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

19 (b) Except as otherwise expressly provided by statute, there shall be credited  
20 to the Transportation Trust Fund for the account of the Department all taxes, fees,  
21 charges, and revenues collected or received by or paid, appropriated, or credited to the  
22 account of the Department or any of its units in the exercise of their rights, powers,  
23 duties, or obligations, including the cash proceeds of the sale of consolidated  
24 transportation bonds, notes, or other evidences of obligation issued by the

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Department, any General Fund appropriations, and the proceeds of any State loan or  
2 federal grant made for transportation purposes.

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

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

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

18 (d) (1) (I) [After] **SUBJECT TO SUBPARAGRAPH (II) OF THIS**  
19 **PARAGRAPH, AFTER** meeting its debt service requirements, the Department may use  
20 the funds in the Transportation Trust Fund for any lawful purpose related to the  
21 exercise of its rights, powers, duties, and obligations.

22 (II) **1. THIS SUBPARAGRAPH APPLIES ONLY TO THE**  
23 **FOLLOWING TAXES, FEES, CHARGES, AND REVENUES:**

24 **A. ALL OF THE MOTOR FUEL TAX REVENUE;**

25 **B. ALL OF THE MOTOR VEHICLE EXCISE TAX**  
26 **REVENUE; AND**

27 **C. ALL VEHICLE REGISTRATION FEES.**

28 **2. THE TAXES, FEES, CHARGES, AND REVENUES**  
29 **COLLECTED OR RECEIVED BY OR PAID, APPROPRIATED, OR CREDITED TO THE**  
30 **TRANSPORTATION TRUST FUND THAT ARE DESCRIBED IN SUBSUBPARAGRAPH**  
31 **1 OF THIS SUBPARAGRAPH SHALL BE USED ONLY FOR HIGHWAY PURPOSES,**  
32 **INCLUDING:**

33 **A. CONSTRUCTION, RECONSTRUCTION, AND**  
34 **REHABILITATION OF PUBLIC HIGHWAYS, ROADS, STREETS, AND BRIDGES;**

35 **B. ACQUIRING RIGHTS-OF-WAY;**

1                   **C.   INSTALLING, MAINTAINING, AND OPERATING**  
2 **TRAFFIC SIGNS AND SIGNAL LIGHTS;**

3                   **D.   POLICING PUBLIC HIGHWAYS, ROADS, STREETS,**  
4 **AND BRIDGES;**

5                   **E.   OPERATING PUBLIC BRIDGES; AND**

6                   **F.   OPERATING A FERRY AS PART OF A PUBLIC**  
7 **HIGHWAY, ROAD, OR STREET.**

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

23                   [(3) (i)   During the period of fiscal years 1988 through 1992 as  
24 included in the annual State Report on Transportation, the Department shall utilize  
25 all of its share of the revenues attributable to the 5 cent increase of the motor fuel tax  
26 under the provisions of Chapter 291 of the Acts of 1987 and credited to the  
27 Transportation Trust Fund under § 2-1104 of the Tax – General Article and the  
28 proceeds of any increased indebtedness based on that revenue and credited to the  
29 Transportation Trust Fund to fund Department projects for the construction,  
30 reconstruction, and rehabilitation of the State highway system.

31                   (ii)   During the period of fiscal year 1988 through fiscal year  
32 1992 the total level of State funds appropriated to the State Highway Administration  
33 for construction, reconstruction and rehabilitation of the State highway system,  
34 including the revenues referred to in subparagraph (i) above, shall be at least 70  
35 percent of the total appropriation of State funds in the consolidated transportation  
36 capital program.

37                   (iii)   The Secretary of the Department shall submit, subject to §  
38 2-1246 of the State Government Article, to the Legislative Policy Committee and the  
39 Department of Legislative Services a report:

1 1. Prior to the beginning of each session through the  
2 1991 session, detailing the intended use of the new revenues; and

3 2. Prior to the beginning of each session beginning with  
4 the 1989 session and through the 1993 session, detailing the actual use of the new  
5 revenues in the prior fiscal year.]

6 [(4)] (3) Of the new revenues derived under the provisions of  
7 Chapter 291 of the Acts of 1987 and credited to the Department, \$31,000,000 shall be  
8 transferred to the Maryland Emergency Medical Service System Fund at such time as  
9 determined by the Secretary of Budget and Management.

10 [(5)] (4) For each fiscal year, the Department shall use the funds in  
11 the Transportation Trust Fund for the purposes specified in subsection (c)(2)(ii) of this  
12 section, which may include construction and maintenance of:

13 (i) Public bicycle areas as defined in § 21–101(o) of this article;

14 (ii) Bicycle ways as defined in § 21–101(d) of this article; and

15 (iii) Sidewalks as defined in § 21–101(w) of this article.

16 [(6)] (5) Each year, before the General Assembly considers the  
17 proposed Maryland Transportation Plan and the Consolidated Transportation  
18 Program, the Department shall report to the General Assembly, in accordance with §  
19 2–1246 of the State Government Article, on:

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

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

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

28 (2) Nothing in this section may adversely affect in any way the  
29 security of any of the following bonds while they are outstanding and unpaid:

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

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

32 (iii) County highway construction bonds; or

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

2 (3) It is the intent of the General Assembly that, as long as any of the  
3 bonds listed in paragraph (2) of this subsection are outstanding and unpaid:

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

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

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

12 2. Adequate and complete provision for payment of the  
13 principal and interest has been made.

14 (f) [(1)] No part of the Transportation Trust Fund may revert or be  
15 credited to:

16 (1) [the] **THE** general funds of this State; **OR**

17 (2) **A SPECIAL FUND OF THE STATE.** [No part of the Transportation  
18 Trust Fund may revert or be credited to a special fund of the State, unless otherwise  
19 provided by law. No part of the Transportation Trust Fund may revert or be credited  
20 to a special fund of the State pursuant to the provisions of § 7-209(e)(2) of the State  
21 Finance and Procurement Article, unless the transfer is approved by the Legislative  
22 Policy Committee. Failure of the Legislative Policy Committee to reject the transfer  
23 within 15 days after presentation before the Legislative Policy Committee shall be  
24 deemed to be approval.]

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 July 1, 2008.