

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1515

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “reducing” in line 3 down through “date;” in line 4; in line 11, strike “on a certain date each year;” and substitute “on certain dates;”; in line 17, after “manner;” insert “requiring certain persons possessing motor fuel for sale on certain dates to remit certain taxes due on the motor fuel within a certain period of time; increasing a certain limit on the aggregate outstanding and unpaid principal balance of consolidated transportation bonds; providing that revenue attributable to certain motor fuel taxes is pledged for paying the principal and interest on consolidated transportation bonds;”; in line 26, after “manner;” insert “providing that the Administration is not required to conduct certain public hearings before implementing certain fare increases;”.

On page 2, in line 3, after “date;” insert “stating the intent of the General Assembly that certain alternative financing mechanisms be utilized to deliver transportation projects; requiring the Department of Transportation to submit a report concerning alternative financing strategies to the Governor and General Assembly on or before a certain date; requiring the Department to issue a certain Request for Information for a certain transit line on or before a certain date; providing that certain sales and use tax revenue distributed to the Transportation Trust Fund is not pledged for paying the principal and interest on certain bonds; stating the intent of the General Assembly that revenue attributable to an increase in a certain surcharge on motor vehicle registrations be spent in a certain manner; requiring the Department to submit a report concerning certain increases in the motor fuel tax rates to the Governor and certain committees of the General Assembly on or before a certain date;”; in line 20, after “Section” insert “3-202, 3-215;”; in the same line, strike “and 7-208(b-1)” and substitute “, 7-208(b-1), and 7-506(a)”; and in line 25, after “Section” insert “7-208(b-2) and”.

(Over)

AMENDMENT NO. 2

On page 3, in lines 6 and 11, in each instance, strike “§ 9-305(C)” and substitute “§ 9-305(B)”; in line 17, strike “SUBSECTIONS (B) AND (C)” and substitute “SUBSECTION (B)”.

On pages 3 and 4, strike beginning with “SUBJECT” in line 26 on page 3 down through “(C)” in line 6 on page 4.

On page 4, in line 7, strike “(B)(2),” and substitute “(A)(2),”; in line 17, strike “OR (5)”.

On pages 4 and 5, strike beginning with “SUBJECT” in line 27 on page 4 down through “(5)” in line 3 on page 5.

On page 5, in line 3, strike “(6)” and substitute “(5)”; strike beginning with “ON” in line 3 down through “AND” in line 4; in line 4, strike “SUBSEQUENT”; in line 5, strike “RATE” and substitute “RATE SPECIFIED IN SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION”; in line 12, strike “(6)” and substitute “(5)”; and after line 14, insert:

“(6) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF AN INCREASE IN THE MOTOR FUEL TAX UNDER THIS SUBSECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.”

On page 5, in line 28, strike “JUNE 1 OF EACH YEAR,” and substitute “JUNE 1, 2013, DECEMBER 1, 2014, JUNE 1, 2015, AND JUNE 1 OF EACH SUBSEQUENT YEAR,”.

On page 6, in line 1, after “ON” insert “THE FIRST DAY OF”; in line 2, strike “**JULY 1**” and substitute “MONTH”; in line 4, strike “**§ 9-305(B)(2),**” and substitute “**§ 9-305(A)(2),**”; in line 18, strike “**PRECEDING APRIL 30**” and substitute “LAST DAY OF THE SECOND IMMEDIATELY PRECEDING MONTH”; and strike in their entirety lines 26 through 28, inclusive, and substitute:

**“(1) 1% FOR THE DETERMINATION MADE ON JUNE 1, 2013;**

**“(2) 2% FOR THE DETERMINATION MADE ON DECEMBER 1, 2014;**

**AND**

**“(3) 3% FOR THE DETERMINATION MADE ON JUNE 1, 2015 AND JUNE 1 OF EACH SUBSEQUENT YEAR.**

**(G) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF AN INCREASE IN THE SALES AND USE TAX EQUIVALENT RATE UNDER THIS SECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY ADDITIONAL TAX THAT IS DUE ON THE MOTOR FUEL UNDER THIS SECTION.”.**

On page 13, in line 1, after “ANNUAL” insert “OPERATING OR”.

On page 15, in line 8, strike “**JUNE 1 OF EACH YEAR**” and substitute “**DECEMBER 1, 2015, JUNE 1, 2016, AND JUNE 1 OF EACH SUBSEQUENT YEAR**”; in line 11, after “ON” insert “THE FIRST DAY OF”; in line 12, strike “**JULY 1**” and substitute “MONTH”; in line 14, strike “**§ 9-305(B)(2)**” and substitute “**§ 9-305(A)(2)**”; in line 28, strike “**PRECEDING APRIL 30**” and substitute “LAST DAY OF”.

(Over)

THE SECOND IMMEDIATELY PRECEDING MONTH”; and in line 31, strike “6%” and substitute “THE PERCENTAGE RATE SPECIFIED IN SUBSECTION (F) OF THIS SECTION”.

On page 16, after line 1, insert:

**“(F) THE PERCENTAGE RATE USED TO CALCULATE THE SALES AND USE TAX EQUIVALENT RATE SHALL BE:**

**(1) 4% FOR THE DETERMINATION MADE ON DECEMBER 1, 2015;**  
**AND**

**(2) 5% FOR THE DETERMINATION MADE ON JUNE 1, 2016 AND JUNE 1 OF EACH SUBSEQUENT YEAR.**

**(G) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF AN INCREASE IN THE SALES AND USE TAX EQUIVALENT RATE UNDER THIS SECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY ADDITIONAL TAX THAT IS DUE ON THE MOTOR FUEL UNDER THIS SECTION.”;**

in lines 15, 18, 21, 23, 28, and 30, in each instance, strike “June” and substitute “December”.

**AMENDMENT NO. 3**

On page 6, after line 31, insert:

**“3-202.**

(a) The Department from time to time may issue its bonds on behalf of this State to finance the cost of any one or more or combination of transportation facilities.

(b) The bonds shall be known as “consolidated transportation bonds” and may be issued in any amount as long as the aggregate outstanding and unpaid principal balance of these bonds and bonds of prior issues does not exceed at any one time the sum of [\$2.6 billion] **\$4.5 BILLION**.

(c) The preferred method of issuance of the Department’s consolidated transportation bonds is by a public, competitive sale.

(d) The Department may issue its consolidated transportation bonds at a private, negotiated sale provided that:

(1) The Secretary determines that extraordinary credit market conditions exist that warrant the use of this method rather than a public, competitive sale; and

(2) The Secretary determines that the terms and conditions, including price, interest rates, and payment dates, that can be achieved by a private negotiated sale are more advantageous to the State.

(e) The maximum outstanding and unpaid principal balance of consolidated transportation bonds and bonds of prior issues as of June 30 for the next fiscal year:

(1) Shall be established each year by the General Assembly in the State budget; and

(2) May not exceed the limit established in subsection (b) of this section.

3-215.

(a) (1) For the purpose of paying the principal of and interest on consolidated transportation bonds as they become due and payable, there is hereby levied and imposed an annual tax that consists of the taxes specified in this section and, to the extent necessary and except as otherwise provided in this subsection, that shall be used and applied exclusively for that purpose.

(2) The required use and application of the tax under paragraph (1) of this subsection is subject only to the prior use and application of one or all or any combination of the taxes specified in this section to meet the debt service on all of the following bonds while they are outstanding and unpaid and to the payment of which any part of those taxes has been pledged:

(i) Bonds of prior issues; AND

(ii) [Bonds of any series of county highway construction bonds or county transportation bonds issued under § 211 or § 211G-1 of Article 89B of the Code of 1957; and

(iii)] Bonds of any series of county transportation bonds issued under Subtitle 3 of this title.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(1) The motor fuel tax revenue distributed under §§ 2-1103(2), 2-1103(3), and 2-1104(a)(2) of the Tax – General Article;

(2) THE MOTOR FUEL TAX REVENUE ATTRIBUTABLE TO THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THE TAX - GENERAL ARTICLE AND DISTRIBUTED UNDER § 2-1103(4) OF THE TAX - GENERAL ARTICLE;

[(2)](3) The income tax revenue distributed under § 2-614 of the Tax – General Article;

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

[(4)](5) The sales and use tax revenues distributed under § 2-1302.1 of the Tax – General Article.

(c) As long as any consolidated transportation bonds are outstanding and unpaid, and except as provided in § 3-104 of this title, there shall be deposited and maintained in a sinking fund to be maintained by the State Treasurer to secure the payment of the principal of and interest on the bonds, annually or more often, as received, so much of the proceeds of the tax levied and imposed under this section, together with all other funds received by the Department and credited to the Transportation Trust Fund, as are necessary to maintain in the sinking fund a sum equal to the amount required to pay the principal of and interest on the outstanding and unpaid bonds that will become due and payable in the current calendar year and the next succeeding calendar year.

(d) The tax levied and imposed by this section is irrevocably pledged to the payment of the principal of and interest on consolidated transportation bonds as they become due and payable, and no part of the tax or other funds applicable to debt service on the bonds may be repealed, diminished, or applied to any other purpose until:

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

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

(e) (1) In this subsection “government obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(2) Adequate and complete provision for payment of the principal and interest of any issue or series of consolidated transportation bonds may be made by the Secretary and the State Treasurer by making a transfer of government obligations from the Transportation Trust Fund to the State Treasurer or to a bank or trust company as escrow fund agent in an amount which, together with the income due thereon, will be sufficient to pay in full when due the maturing principal of and interest on the consolidated transportation bonds.

(3) To the extent that adequate and complete provision has been made for the payment of consolidated transportation bonds under this title those bonds shall no longer be deemed to be outstanding and unpaid under this title.”.

AMENDMENT NO. 4

On page 12, strike in their entirety lines 16 through 31, inclusive, and substitute:

“7-208.

(b-1) Subject to § 7-506 of this title, the Administration:

(1) [Shall] SUBJECT TO PARAGRAPHS (2), (3), (4), (5), AND (6) OF THIS SUBSECTION, SHALL set the fare prices and collect other operating revenues in



an amount sufficient to achieve the farebox recovery requirement established in subsection (b) of this section; [and]

**(2) BEGINNING IN FISCAL YEAR 2015, SHALL:**

**(i) ON A BIENNIAL BASIS, INCREASE BASE FARE PRICES AND THE COST OF MULTIUSE PASSES TO THE NEAREST 10 CENTS FOR ALL TRANSIT SERVICES EXCEPT THOSE SERVICES LISTED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH BY THE SAME PERCENTAGE AS THE BIENNIAL INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, AS DETERMINED FROM JANUARY 1, 2012, TO DECEMBER 31, 2013, AND EACH SUBSEQUENT 2-YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED;**

**(ii) EVERY 5 YEARS, INCREASE ONE-WAY ZONE FARE PRICES AND THE COST OF MULTIUSE PASSES TO THE NEAREST DOLLAR FOR COMMUTER RAIL AND COMMUTER BUS SERVICE BY:**

**1. AT LEAST THE SAME PERCENTAGE AS THE 5-YEAR INCREASE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, AS DETERMINED FROM JANUARY 1, 2009, TO DECEMBER 31, 2013, AND EACH SUBSEQUENT 5-YEAR PERIOD FOR WHICH THE AMOUNT IS BEING CALCULATED;**  
**AND**

**2. ANY ADDITIONAL AMOUNT THE ADMINISTRATION DETERMINES IS NECESSARY AFTER CONSIDERING FACTORS AFFECTING COMMUTING COSTS APPLICABLE TO THE JURISDICTIONS IN WHICH THE ADMINISTRATION PROVIDES COMMUTER SERVICE, INCLUDING:**

**A. MONTHLY PARKING FEES;**

(Over)

**B. THE RETAIL PRICE PER GALLON OF MOTOR FUEL;**

**C. THE AMOUNT OF ANY MONTHLY FEDERAL  
COMMUTING SUBSIDY;**

**D. FARE PRICES FOR INTERCITY RAIL SERVICE; AND**

**E. ANY OTHER RELEVANT COMMUTING COSTS; AND**

**[(2)](3) May not reduce the level of services provided by the  
Administration for the purpose of achieving the farebox recovery requirement;**

**(4) MAY NOT INCREASE FARES FOR ALL TRANSIT SERVICES  
EXCEPT THOSE SERVICES LISTED IN PARAGRAPH (2)(II) OF THIS SUBSECTION  
BY MORE THAN THE AMOUNT REQUIRED UNDER PARAGRAPH (2)(I) OF THIS  
SUBSECTION;**

**(5) MAY NOT INCREASE FARES UNDER PARAGRAPH (2)(I) AND  
(II)1 OF THIS SUBSECTION IF THERE IS A DECLINE OR NO GROWTH IN THE  
CONSUMER PRICE INDEX; AND**

**(6) SHALL INCLUDE THE AMOUNT OF ANY INCREASE IN FARES  
THAT WOULD HAVE OCCURRED PREVIOUSLY IN THE ABSENCE OF ROUNDING TO  
THE NEAREST 10 CENTS OR NEAREST DOLLAR WHEN CALCULATING FARE  
INCREASES FOR SUBSEQUENT PERIODS UNDER PARAGRAPH (2)(I) AND (II)1 OF  
THIS SUBSECTION.**

**(B-2) AN INCREASE IN THE ADMINISTRATION'S FARE PRICES BY THE  
MINIMUM AMOUNT REQUIRED UNDER SUBSECTION (B-1) OF THIS SECTION IS  
NOT SUBJECT TO THE REQUIREMENTS OF § 7-506 OF THIS ARTICLE.**

7-506.

(a) (1) Except as provided in subsection (b) of this section OR § 7-208(B-2) OF THIS TITLE, until a public hearing is held on the matter, the Administration may not:

(i) Fix or revise any fare or rate charged the general public;

(ii) Establish or abandon any bus or rail route listed on a published timetable;

(iii) Change a bus or rail route alignment listed on a published timetable, unless the change is needed because of temporary construction or changes in the road network;

(iv) Reduce the frequency, number of days, or days of service for a commuter bus or commuter rail route without substituting a comparable level of service, unless the reduction is temporary or a result of:

1. A natural disaster;

2. Weather or other emergency conditions;

3. Schedule adjustments required by a third party that operates service on the same right-of-way; or

4. Other circumstances beyond the control of the Administration; or

(v) Establish or abandon a rail transit station.

(Over)

(2) The Administration may only implement a change described in paragraph (1) of this subsection during the time period that begins 6 weeks after the public hearing and ends 6 months after the public hearing.

(3) (i) If the Administration gives inadequate or defective notice of a public hearing on a change described in paragraph (1) of this subsection, the Administration may not implement the change unless the Administration makes a reasonable effort to correct the inadequacy or defect and a legally sufficient public hearing is held.

(ii) For the purposes of this paragraph, notice shall be considered inadequate or defective if:

1. The Administration does not comply with the newspaper publication requirements under subsection (d) of this section;

2. The Administration does not comply with the notice requirements for affected jurisdictions prescribed under subsection (d) of this section;

3. At least 30% of the Administration's facilities are not posted as required under subsection (d) of this section; or

4. The notice contains erroneous information.

(4) A public hearing required under paragraph (1) of this subsection shall be at a place and time that is reasonably accessible and convenient to the patrons of the service to be affected.

(5) The Administration shall accept written comments for 30 days after a hearing held on a change described in paragraph (1) of this subsection."

On page 16, after line 12, insert:

“SECTION 7. AND BE IT FURTHER ENACTED, That:

(a) It is the intent of the General Assembly that the State maximize the delivery of transportation projects through public-private partnerships, the use of an infrastructure bank, or other alternative financing mechanisms when appropriate.

(b) The Department of Transportation shall:

(1) Evaluate the opportunities for future alternative financing strategies for the Red Line, Purple Line, Corridor Cities Transitway, highway projects, and any other relevant transportation projects;

(2) Submit a report that includes specific findings and recommendations concerning alternative financing strategies to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on or before November 1, 2013; and

(3) Issue a Request for Information for the Red Line, Purple Line, or Corridor Cities Transitway on or before July 1, 2013, for the purpose of seeking private sector input and to more fully explore the potential for delivering one of the transit lines as a public-private partnership project.

SECTION 8. AND BE IT FURTHER ENACTED, That sales and use tax revenue distributed to the Transportation Trust Fund under Section 4 of this Act may not be pledged to the payment of the principal of and interest on consolidated transportation bonds as they become due and payable.

SECTION 9. AND BE IT FURTHER ENACTED, That:

(Over)

(a) It is the intent of the General Assembly that the \$3.50 vehicle registration surcharge increase provided for in this Act be used to:

(1) sustain the long-term viability of the Maryland Emergency Medical System Operations Fund; and

(2) enhance funding provided to the user agencies of the Fund, as described in subsection (b) of this section.

(b) It is the intent of the General Assembly that the Governor:

(1) include the following appropriations in the State budget to fund the upgrade of the Maryland Institute for Emergency Medical Services Systems communications system:

(i) \$2,497,277 in fiscal year 2014;

(ii) \$8,540,803 in fiscal year 2015;

(iii) \$37,500 in fiscal year 2016; and

(iv) \$12,500 in fiscal year 2017;

(2) include an appropriation in the State budget to fund the operations and maintenance of the Maryland Institute for Emergency Medical Services Systems communications system;

(3) increase the base salary for pilots and maintenance technicians employed by the Department of State Police, Aviation Division to \$70,000 and \$60,000, respectively;

(4) hire 20 additional pilots for the purpose of improving the safety of flight operations at the Department of State Police, Aviation Division;

(5) increase the annual appropriation to the R Adams Cowley Shock Trauma Center at the University of Maryland Medical System to \$3,200,000;

(6) purchase high temperature tiles for the Maryland Fire and Rescue Institute;

(7) increase the salary of field instructors employed by the Maryland Fire and Rescue Institute by \$2 per hour; and

(8) increase the annual appropriation to the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the following amounts:

(i) \$11,700,000 in fiscal year 2015;

(ii) \$13,300,000 in fiscal year 2016; and

(iii) \$15,000,000 in fiscal year 2017.

SECTION 10. AND BE IT FURTHER ENACTED, That on or before January 1, 2019, the Department of Transportation shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, Senate Budget and Taxation Committee, House Appropriations Committee, and House Committee on Ways and Means that:

(1) assesses the impact of cumulative increases in the motor fuel tax rates under § 9-305(b) of the Tax – General Article as enacted by this Act on the State’s transportation investment program, consumers, and the State’s economy; and

(2) makes a recommendation concerning the advisability of continuing to allow future increases in the motor fuel tax rates under § 9-305(b) of the Tax – General Article as enacted by this Act.”;

in line 13, strike “7.” and substitute “11.”; in line 22, strike “8.” and substitute “12.”; in line 24, strike “7” and substitute “11”; in line 31, strike “9.” and substitute “13.”; and in line 32, strike “7 and 8” and substitute “11 and 12”.