

HOUSE BILL 1046

R1, Q5
HB 367/10 – W&M

3lr2857

By: **Delegates Krebs, Afzali, Aumann, Bates, Beitzel, Eckardt, Elliott, Fisher, Frank, George, Glass, Haddaway–Ricchio, Hogan, K. Kelly, Kipke, McComas, McDermott, McMillan, Myers, Norman, O’Donnell, Otto, Parrott, Ready, Schuh, Schulz, Serafini, Smigiel, Stocksdale, and Szeliga**

Introduced and read first time: February 8, 2013

Assigned to: Ways and Means

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 (2008 Replacement Volume and 2012 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 account of the Department or any of its units in the exercise of their rights, powers,
 2 duties, or obligations, including the cash proceeds of the sale of consolidated
 3 transportation bonds, notes, or other evidences of obligation issued by the
 4 Department, any General Fund appropriations, and the proceeds of any State loan or
 5 federal grant made for transportation purposes.

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

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

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

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

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

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

28 **B. ALL OF THE MOTOR VEHICLE EXCISE TAX**
 29 **REVENUE; AND**

30 **C. ALL VEHICLE REGISTRATION FEES.**

31 **2. THE TAXES, FEES, CHARGES, AND REVENUES**
 32 **COLLECTED OR RECEIVED BY OR PAID, APPROPRIATED, OR CREDITED TO THE**
 33 **TRANSPORTATION TRUST FUND THAT ARE DESCRIBED IN SUBSUBPARAGRAPH**
 34 **1 OF THIS SUBPARAGRAPH SHALL BE USED ONLY FOR HIGHWAY PURPOSES,**
 35 **INCLUDING:**

1 **A. CONSTRUCTION, RECONSTRUCTION, AND**
2 **REHABILITATION OF PUBLIC HIGHWAYS, ROADS, STREETS, AND BRIDGES;**

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

4 **C. INSTALLING, MAINTAINING, AND OPERATING**
5 **TRAFFIC SIGNS AND SIGNAL LIGHTS;**

6 **D. POLICING PUBLIC HIGHWAYS, ROADS, STREETS,**
7 **AND BRIDGES;**

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

9 **F. OPERATING A FERRY AS PART OF A PUBLIC**
10 **HIGHWAY, ROAD, OR STREET.**

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

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

34 (ii) During the period of fiscal year 1988 through fiscal year
35 1992 the total level of State funds appropriated to the State Highway Administration
36 for construction, reconstruction and rehabilitation of the State highway system,
37 including the revenues referred to in subparagraph (i) above, shall be at least 70

1 percent of the total appropriation of State funds in the consolidated transportation
2 capital program.

3 (iii) The Secretary of the Department shall submit, subject to §
4 2–1246 of the State Government Article, to the Legislative Policy Committee and the
5 Department of Legislative Services a report:

6 1. Prior to the beginning of each session through the
7 1991 session, detailing the intended use of the new revenues; and

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

11 **[(4)] (3)** Of the new revenues derived under the provisions of
12 Chapter 291 of the Acts of 1987 and credited to the Department, \$31,000,000 shall be
13 transferred to the Maryland Emergency Medical Service System Fund at such time as
14 determined by the Secretary of Budget and Management.

15 **[(5)] (4)** For each fiscal year, the Department shall use the funds in
16 the Transportation Trust Fund for the purposes specified in subsection (c)(2)(ii) of this
17 section, which may include construction and maintenance of:

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

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

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

21 **[(6)] (5)** Each year, before the General Assembly considers the
22 proposed Maryland Transportation Plan and the Consolidated Transportation
23 Program, the Department shall report to the General Assembly, in accordance with §
24 2–1246 of the State Government Article, on:

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

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

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

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

- 1 (i) State highway construction bonds, second issue;
2 (ii) State highway construction bonds, third issue;
3 (iii) County highway construction bonds; or
4 (iv) County highway construction bonds, second issue.

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

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

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

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

15 2. Adequate and complete provision for payment of the
16 principal and interest has been made.

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

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

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

1 **(2) EXCEPT FOR THE TRANSPORTATION AUTHORITY FUND**
2 **ESTABLISHED UNDER § 4-313 OF THIS ARTICLE, A SPECIAL FUND OF THE**
3 **STATE.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2013.