

Chapter 240

(House Bill 1187)

AN ACT concerning

Transportation – Highway User Revenues – Revenue and Distribution

FOR the purpose of altering the amount of income tax revenue from corporations that is distributed to a certain fund each year; altering the amounts of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities in certain fiscal years; and generally relating to revenue for and distributions of highway user revenues.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 2–614

Annotated Code of Maryland

(2016 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 8–402 and 8–403

Annotated Code of Maryland

(2020 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

2–614.

(a) (1) Except as provided in paragraph (2) of this subsection, after making the distributions required under §§ 2–613 and 2–613.1 of this subtitle, the Comptroller shall distribute monthly ~~[17.2%]~~ **20%** of the remaining income tax revenue from corporations to a special fund to be distributed as provided in subsection (b) of this section.

(2) The percent of the remaining income tax revenue from corporations distributed to a special fund to be distributed as provided in subsection (b) of this section shall be:

(i) ~~[24%]~~ **17.2%** for the fiscal year beginning July 1, ~~[2011]~~ **2022**;

(ii) ~~[9.5%]~~ **20%** for the fiscal year beginning July 1, ~~[2012]~~ **2023**;

[and]

*(iii) **21% FOR THE FISCAL YEAR BEGINNING JULY 1, 2024; AND***

***(IV) [19.5%] 22%** for each fiscal year beginning on or after July 1, [2013] **2025**, but before July 1, [2016] **2027**.*

(b) (1) (i) Except as provided in subparagraph (ii) of this paragraph, from the special fund, the Comptroller shall distribute an amount equal to [17.2%] 20% of the cost to administer the income tax on corporations to an administrative cost account.

(ii) The percent of the cost to administer the income tax on corporations that is distributed to an administrative cost account shall be:

*1. [24%] 17.2% for the fiscal year beginning July 1, [2011] **2022;***

*2. [9.5%] 20% for the fiscal year beginning July 1, [2012] **2023; [and]***

*3. **21% FOR THE FISCAL YEAR BEGINNING JULY 1, 2024;***
AND

*4. [19.5%] 22% for each fiscal year beginning on or after July 1, [2013] **2025**, but before July 1, [2016] **2027**.*

(2) After making the distribution required under paragraph (1) of this subsection, the Comptroller shall distribute the balance in the special fund to the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.

Article – Transportation

8–402.

(a) There is a Gasoline and Motor Vehicle Revenue Account in the 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, two-thirds of the vehicle titling tax;

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

(4) The revenue disbursed to this Account under § 2–614 of the Tax – General Article; and

(5) **[80 percent] 80%** of the funds distributed on short-term vehicle rentals under § 2–1302.1 of the Tax – General Article to the Transportation Trust Fund from the sales and use tax.

(c) **[(1)] (1)** For fiscal year 2019:

(i) 90.4% of the revenue credited to the Account may be used as provided in § 3–216 of this article; and

(ii) The balance of the Account shall be used to pay the allocations of highway user revenues provided by this subtitle to the counties, municipalities, and Baltimore City.

(2)] For fiscal year 2020 and each fiscal year thereafter, revenue credited to the Account shall be used as provided in § 3–216 of this article.

8–403.

(a) **[Subject to §§ 3–307 and 3–308 of this article, for fiscal year 2019, from the total highway user revenues:**

(1) An amount equal to 7.7% of total highway user revenues shall be distributed to Baltimore City in monthly installments;

(2) An amount shall be distributed to the counties at the times specified in § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this subtitle, equal to 1.5% of total highway user revenues; and

(3) An amount shall be distributed to the municipalities at the times specified in § 8–407 of this subtitle, to be allocated as provided in § 8–405 of this subtitle, equal to 0.4% of total highway user revenues.

(b) **(1)]** Subject to **[paragraph (3) of this subsection] SUBSECTION (C) OF THIS SECTION**, for fiscal years 2020 through ~~2024~~ **2023**, capital grants shall be appropriated from the Transportation Trust Fund as provided in § 3–216 of this article based on the following calculations:

[(i)] (1) An amount equal to 8.3% of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

[(ii)] (2) An amount equal to 3.2% of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as provided in § 8–404 of this subtitle; and

[(iii)] (3) An amount equal to 2.0% of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the municipalities to be distributed as provided in § 8–405 of this subtitle.

[(2)] (B) Subject to [paragraph (3) of this subsection] **SUBSECTION (C) OF THIS SECTION**, ~~for fiscal year 2025 and each fiscal year thereafter~~, capital grants shall be appropriated from the Transportation Trust Fund as provided in § 3–216 of this article based on the following calculations:

(1) FOR FISCAL YEAR 2024:

(I) AN AMOUNT EQUAL TO ~~8.5%~~ 9.5% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO BALTIMORE CITY;

(II) AN AMOUNT EQUAL TO ~~3.3%~~ 3.7% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8–404 OF THIS SUBTITLE; AND

(III) AN AMOUNT EQUAL TO ~~2.1%~~ 2.4% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8–405 OF THIS SUBTITLE;

(2) FOR FISCAL YEAR 2025:

(I) AN AMOUNT EQUAL TO ~~8.8%~~ 11% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO BALTIMORE CITY;

(II) AN AMOUNT EQUAL TO ~~3.4%~~ 4.3% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8–404 OF THIS SUBTITLE; AND

(III) AN AMOUNT EQUAL TO ~~2.2%~~ 2.7% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8–405 OF THIS SUBTITLE;

(3) FOR FISCAL YEAR 2026:

(I) AN AMOUNT EQUAL TO ~~9.1%~~ 12.2% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO BALTIMORE CITY;

(II) AN AMOUNT EQUAL TO ~~3.5%~~ 4.8% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8-404 OF THIS SUBTITLE; AND

(III) AN AMOUNT EQUAL TO ~~2.3%~~ 3.0% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS SUBTITLE;

(4) FOR FISCAL YEAR 2027:

(I) AN AMOUNT EQUAL TO ~~9.4%~~ 12.2% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO BALTIMORE CITY;

(II) AN AMOUNT EQUAL TO ~~3.6%~~ 4.8% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8-404 OF THIS SUBTITLE; AND

(III) AN AMOUNT EQUAL TO ~~2.4%~~ 3.0% OF FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS SUBTITLE; AND

(5) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER:

~~{(i)}~~ (1) An amount equal to ~~{7.7%}~~ 9.5% ~~12.1%~~ of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

~~{(ii)}~~ (2) An amount equal to ~~{1.5%}~~ 3.7% ~~15.3%~~ of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as provided in § 8-404 of this subtitle; and

~~[(iii)] (2)~~ An amount equal to ~~[0.4% 2.4% 2.6%~~ of funds credited to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the municipalities to be distributed as provided in § 8-405 of this subtitle.

[(3)] (C) The capital grants made under this subtitle shall be appropriated only if all debt service requirements and departmental operating expenses have been funded and sufficient funds are available to fund the capital program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.

Approved by the Governor, May 12, 2022.