

HOUSE BILL 1187

R1

(2lr2183)

ENROLLED BILL

— *Environment and Transportation/Budget and Taxation* —

Introduced by **Delegates Anderton, Adams, Arentz, Boteler, Buckel, Cox, Crosby, Feldmark, Fennell, Gilchrist, Griffith, Hartman, Holmes, Hornberger, Howard, Jacobs, Jalisi, Kipke, Krebs, Lierman, Lisanti, Mangione, McComas, McKay, Morgan, Novotny, Otto, Patterson, Reilly, Rose, Saab, Sample-Hughes, Shoemaker, Thiam, ~~and Wivell~~ Wivell, Barve, Beitzel, Boyce, Foley, Fraser-Hidalgo, Healey, R. Jones, Lehman, Love, Parrott, Prettyman, Proctor, Ruth, Stein, Stewart, Terrasa, and Wells**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Transportation – Highway User Revenues – Revenue and Distribution**

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

8 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Article – Tax – General
 2 Section 2–614
 3 Annotated Code of Maryland
 4 (2016 Replacement Volume and 2021 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Transportation
 7 Section 8–402 and 8–403
 8 Annotated Code of Maryland
 9 (2020 Replacement Volume and 2021 Supplement)

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

12 Article – Tax – General

13 2–614.

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

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

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

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

23 [and]

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

25 (IV) [19.5%] 22% for each fiscal year beginning on or after July 1,
 26 [2013] 2025, but before July 1, [2016] 2027.

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

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

32 1. [24%] 17.2% for the fiscal year beginning July 1, [2011]

33 2022;

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

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

5 4. *[19.5%] 22% for each fiscal year beginning on or after July*
6 *1, [2013] 2025, but before July 1, [2016] 2027.*

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

10 **Article – Transportation**

11 8–402.

12 (a) There is a Gasoline and Motor Vehicle Revenue Account in the Transportation
13 Trust Fund.

14 (b) All revenues collected from the following, after deductions provided by law,
15 shall be credited to the Gasoline and Motor Vehicle Revenue Account:

16 (1) All of the motor vehicle fuel tax;

17 (2) Except as otherwise provided by law, two–thirds of the vehicle titling
18 tax;

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

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

23 (5) *[80 percent] 80%* of the funds distributed on short–term vehicle rentals
24 under § 2–1302.1 of the Tax – General Article to the Transportation Trust Fund from the
25 sales and use tax.

26 (c) [(1) For fiscal year 2019:

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

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

4 (2) For fiscal year 2020 and each fiscal year thereafter, revenue credited to
5 the Account shall be used as provided in § 3–216 of this article.
6 8–403.

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

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

11 (2) An amount shall be distributed to the counties at the times specified in
12 § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this subtitle, equal to 1.5%
13 of total highway user revenues; and

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

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

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

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

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

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

33 (1) **FOR FISCAL YEAR 2024:**

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

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

8 (III) AN AMOUNT EQUAL TO ~~2.1%~~ 2.4% OF FUNDS CREDITED TO
9 THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE
10 APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN §
11 8-405 OF THIS SUBTITLE;

12 (2) FOR FISCAL YEAR 2025:

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

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

20 (III) AN AMOUNT EQUAL TO ~~2.2%~~ 2.7% OF FUNDS CREDITED TO
21 THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE
22 APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN §
23 8-405 OF THIS SUBTITLE;

24 (3) FOR FISCAL YEAR 2026:

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

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

32 (III) AN AMOUNT EQUAL TO ~~2.3%~~ 3.0% OF FUNDS CREDITED TO
33 THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE

1 APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN §
 2 8-405 OF THIS SUBTITLE;

3 (4) FOR FISCAL YEAR 2027:

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

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

11 (III) AN AMOUNT EQUAL TO ~~2.4%~~ 3.0% OF FUNDS CREDITED TO
 12 THE GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE
 13 APPROPRIATED TO THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN §
 14 8-405 OF THIS SUBTITLE; AND

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

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

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

22 ~~{(iii)}~~ **(3)** An amount equal to ~~[0.4%~~ **2.4%** ~~]~~ ~~2.6%~~ of funds credited
 23 to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the
 24 municipalities to be distributed as provided in § 8-405 of this subtitle.

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 29 1, 2022.