

# HOUSE BILL 827

Q5, R6, R2

6lr2481

HB 695/25 – W&M & ENT

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By: **Delegates M. Morgan, Arian, Beauchamp, Chisholm, Fisher, Grammer, Howard, Kipke, Nawrocki, and Szeliga**

Introduced and read first time: February 4, 2026

Assigned to: Ways and Means and Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

### **Repair the Transportation Trust Fund Act**

2 FOR the purpose of repealing a requirement that certain motor fuel tax rates be adjusted  
3 in future years based on growth in the Consumer Price Index for All Urban  
4 Consumers; prohibiting the State or a local jurisdiction from imposing or levying a  
5 vehicle-miles-traveled tax or certain other similar fees, tolls, or taxes; requiring that  
6 the Maryland Transit Administration achieve a certain farebox recovery  
7 requirement for certain transit services; requiring that the Administration increase  
8 fares for certain transit services under certain circumstances; providing that the  
9 Administration is not required to conduct certain public hearings before  
10 implementing certain fare increases; prohibiting the State or a local jurisdiction from  
11 requiring the installation of a device in or on a privately owned vehicle to facilitate  
12 the reporting of vehicle miles traveled; and generally relating to fares, fees, and taxes  
13 related to transportation.

14

15 BY repealing and reenacting, without amendments,

16 Article – Tax – General

17 Section 9–205

18 Annotated Code of Maryland

19 (2022 Replacement Volume and 2025 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Tax – General

22 Section 9–305

23 Annotated Code of Maryland

24 (2022 Replacement Volume and 2025 Supplement)

25 BY adding to

26 Article – Tax – General

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 9-401 to be under the new subtitle “Subtitle 4. Vehicle-Miles-Traveled  
Tax – Prohibited”  
Annotated Code of Maryland  
(2022 Replacement Volume and 2025 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article – Transportation  
7 Section 7-208(b-1) and 7-506(a)(1)  
8 Annotated Code of Maryland  
9 (2020 Replacement Volume and 2025 Supplement)

10 BY adding to  
11 Article – Transportation  
12 Section 22–107  
13 Annotated Code of Maryland  
14 (2020 Replacement Volume and 2025 Supplement)

## Article – Tax – General

18 9-205.

21 (i) fuel tax registration of vehicles by motor carriers;

22 (ii) establishment of periodic fuel use reporting and fuel use tax  
23 payment requirements by motor carriers; and

24 (iii) disbursement of money that is collected by the Comptroller and  
25 is due to other states based on:

26 1. mileage travelled and fuel used in those states; and

27 2. the respective registration fees of those states.

28 (2) The Comptroller may not enter into any reciprocal agreement that  
29 would affect:

30 (i) this State's motor carrier tax rate; or

31 (ii) this State's registration fee for motor carriers.

3 (1) enter into regional or national fuel use tax agreements;

6 (3) enforce the provisions set forth in any regional or national fuel use tax  
7 agreements.

11 9-305.

12 (a) Except as provided in subsection (b) of this section, the motor fuel tax rate is:

13 (1) 7 cents for each gallon of aviation gasoline;

14 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

15 (3) 24.25 cents for each gallon of special fuel other than clean-burning fuel  
16 or turbine fuel;

17 (4) 7 cents for each gallon of turbine fuel; and

(5) 23.5 cents for each gasoline-equivalent gallon of clean-burning fuel except electricity.

20       (b) (1) In this subsection, "Consumer Price Index for All Urban Consumers"  
21 means the index published monthly by the Bureau of Labor Statistics of the U.S.  
22 Department of Labor that is the U.S. city average of all items in a basket of consumer goods  
23 and services.

(i) the growth in the Consumer Price Index for All Urban Consumers as determined by the Comptroller under paragraph (4) of this subsection; and

(4) The percentage growth in the Consumer Price Index for All Urban Consumers shall be determined by comparing the average of the index for the 12 months ending on the preceding April 30 to the average of the index for the prior 12 months.

15 (i) the motor fuel tax rate in effect on the date of the Comptroller's  
16 announcement under paragraph (3) of this subsection; and

17 (ii) the percentage growth in the Consumer Price Index for All Urban  
18 Consumers.

19 (6) (i) If there is a decline or no growth in the Consumer Price Index for  
20 All Urban Consumers, the motor fuel tax rates shall remain unchanged.

21 (ii) Any increase in the motor fuel tax rates under paragraph (5) of  
22 this subsection may not be greater than 8% of the motor fuel tax rate effective in the  
23 previous year.

#### **SUBTITLE 4. VEHICLE-MILES-TRAVELED TAX – PROHIBITED.**

30 9-401.

31           **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE STATE OR A LOCAL**  
32 **JURISDICTION MAY NOT DIRECTLY OR INDIRECTLY, INCLUDING THROUGH A**  
33 **THIRD-PARTY AGREEMENT OR AS PART OF A PILOT PROGRAM OR STUDY, IMPOSE OR**  
34 **LEVY:**

- (1) A VEHICLE-MILES-TRAVELED TAX;
- (2) A MILEAGE-BASED USER FEE;
- (3) A TOLL BASED ON GLOBAL POSITIONING SATELLITE TRACKING;
- (4) ANY OTHER SIMILAR FORM OF TAX.

6 (B) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT THE  
7 COMPTROLLER FROM ENTERING INTO AND THE STATE FROM ENFORCING AN  
8 AGREEMENT IN ACCORDANCE WITH § 9-205 OF THIS TITLE.

## Article – Transportation

10 7-208.

11 (b-1) (1) Subject to § 7–506 of this title and paragraph [(2)] (3) of this subsection,  
12 **ON OR BEFORE JULY 1 EACH YEAR**, the Administration shall set the fare prices and  
13 collect other operating revenues **IN AN AMOUNT SUFFICIENT TO ACHIEVE THE FAREBOX**  
14 **RECOVERY REQUIREMENT ESTABLISHED IN PARAGRAPH (2) OF THIS SUBSECTION**.

23 (II) THE PERCENTAGE OF TOTAL OPERATING COSTS REQUIRED  
24 TO BE RECOVERED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS EQUAL TO:

1. FOR FISCAL YEAR 2027, 15%;
2. FOR FISCAL YEAR 2028, 20%;
3. FOR FISCAL YEAR 2029, 25%;
4. FOR FISCAL YEAR 2030, 30%; AND

4                   [(2)] (3)     The Administration may not reduce the level of services provided  
5 by the Administration for the purpose of achieving a specific farebox recovery requirement.

6 (4) AN INCREASE IN THE ADMINISTRATION'S FARE PRICES BY THE  
7 MINIMUM AMOUNT REQUIRED UNDER THIS SUBSECTION IS NOT SUBJECT TO THE  
8 REQUIREMENTS OF § 7-506 OF THIS TITLE.

9 7-506.

10 (a) (1) Except as provided in subsection (b) of this section **OR § 7-208(B-1)(4)**  
11 **OF THIS TITLE**, until a public hearing is held on the matter, the Administration may not:

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

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

15 (iii) Change a bus or rail route alignment listed on a published  
16 timetable, unless the change is needed because of temporary construction or changes in the  
17 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:

## 21 1. A natural disaster;

22 2. Weather or other emergency conditions;

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

27 (v) Establish or abandon a rail transit station.

28 22-107.

1           **THE STATE OR A LOCAL JURISDICTION MAY NOT REQUIRE THE INSTALLATION**  
2   **OF A DEVICE IN OR ON A PRIVATELY OWNED VEHICLE TO FACILITATE THE**  
3   **REPORTING OF THE NUMBER OF VEHICLE MILES TRAVELED.**

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
5   1, 2026.