

SENATE BILL 288

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CF 6lr2089

By: **Senator McCray**

Introduced and read first time: January 21, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Highway User Revenues Capital Grants – Calculation**

3 FOR the purpose of altering the amounts of certain capital grants calculated based on
4 highway user revenues that are required to be appropriated to Baltimore City,
5 counties, and municipalities in certain fiscal years; and generally relating to the
6 distribution of highway user revenues.

7 BY repealing and reenacting, without amendments,

8 Article – Transportation

9 Section 8–402

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Transportation

14 Section 8–403

15 Annotated Code of Maryland

16 (2020 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Transportation**

20 8–402.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

2 (2) Except as otherwise provided by law, two-thirds of the revenue from
3 the vehicle titling tax, excluding revenue attributable to:

4 (i) A vehicle titling tax rate in excess of 6%; or

5 (ii) The vehicle titling tax imposed on rental vehicles under §
6 13-809(c)(1)(ii) of this article;

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

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

11 (5) 80% of the funds distributed on short-term vehicle rentals under §
12 2-1302.1 of the Tax – General Article to the Transportation Trust Fund from the sales and
13 use tax.

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

16 8-403.

17 (a) Subject to subsection (c) of this section, for fiscal years 2020 through 2023,
18 capital grants shall be appropriated from the Transportation Trust Fund as provided in §
19 3-216 of this article based on the following calculations:

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

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

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

28 (b) Subject to subsection (c) of this section, capital grants shall be appropriated
29 from the Transportation Trust Fund as provided in § 3-216 of this article based on the
30 following calculations:

31 (1) For fiscal year 2024:

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

3 (ii) An amount equal to 3.7% of funds credited to the Gasoline and
4 Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as
5 provided in § 8–404 of this subtitle; and

6 (iii) An amount equal to 2.4% of funds credited to the Gasoline and
7 Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
8 distributed as provided in § 8–405 of this subtitle;

9 (2) For fiscal year 2025:

10 (i) An amount equal to 11% of funds credited to the Gasoline and
11 Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

12 (ii) An amount equal to 4.3% of funds credited to the Gasoline and
13 Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as
14 provided in § 8–404 of this subtitle; and

15 (iii) An amount equal to 2.7% of funds credited to the Gasoline and
16 Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
17 distributed as provided in § 8–405 of this subtitle;

18 (3) For fiscal year 2026:

19 (i) An amount equal to 12.2% of funds credited to the Gasoline and
20 Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

21 (ii) An amount equal to 4.8% of funds credited to the Gasoline and
22 Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as
23 provided in § 8–404 of this subtitle; and

24 (iii) An amount equal to 3.0% of funds credited to the Gasoline and
25 Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
26 distributed as provided in § 8–405 of this subtitle; **AND**

27 (4) For fiscal year 2027 **AND EACH FISCAL YEAR THEREAFTER:**

28 (i) An amount equal to 12.2% of funds credited to the Gasoline and
29 Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

30 (ii) An amount equal to [4.8%] **15.2%** of funds credited to the
31 Gasoline and Motor Vehicle Revenue Account shall be appropriated to the counties to be
32 distributed as provided in § 8–404 of this subtitle; and

1 (iii) An amount equal to 3.0% of funds credited to the Gasoline and
2 Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
3 distributed as provided in § 8–405 of this subtitle]; and

4 (5) For fiscal year 2028 and each fiscal year thereafter:

5 (i) An amount equal to 9.5% of funds credited to the Gasoline and
6 Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

7 (ii) An amount equal to 3.7% of funds credited to the Gasoline and
8 Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed as
9 provided in § 8–404 of this subtitle; and

10 (iii) An amount equal to 2.4% of funds credited to the Gasoline and
11 Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
12 distributed as provided in § 8–405 of this subtitle].

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2026.