

SENATE BILL 586

R1

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CF 7lr2447

By: **Senators King, Bates, Cassilly, Currie, Eckardt, Feldman, Hershey, Hough,
Jennings, Kagan, Lee, Manno, Mathias, Nathan–Pulliam, Ready, Smith,
Waugh, and Young**

Introduced and read first time: February 2, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Local Infrastructure Fast Track for Maryland Act**

3 FOR the purpose of authorizing the Office of Legislative Audits to perform a certain audit
4 of certain local governments that receive a distribution of highway user revenues;
5 requiring that the employees or authorized representatives of the Office have
6 access to certain records; increasing the portion of highway user revenues that is
7 distributed to local governments; altering the allocation of the local share of
8 highway user revenues among Baltimore City, counties, and municipalities;
9 requiring, under certain circumstances, that certain additional distributions of
10 highway user revenues be made to municipalities in certain fiscal years for certain
11 purposes; requiring, under certain circumstances, that a certain distribution be
12 reduced; requiring that certain additional distributions of highway user revenues
13 be allocated among municipalities in a certain manner; prohibiting the State
14 Highway Administration from disbursing, for a certain period of time, highway
15 user revenues to certain jurisdictions that do not submit a certain report or use
16 highway user revenues in a certain manner; requiring the Department of Budget
17 and Management to report to the General Assembly on certain matters relating to
18 local infrastructure on or before a certain date; repealing obsolete language;
19 making a stylistic change; and generally relating to financing and studying certain
20 county and municipal infrastructure projects.

21 BY repealing and reenacting, with amendments,
22 Article – State Government
23 Section 2–1220(c) and 2–1223(a)(3)
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2016 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 1–101(a) and (e)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
Article – Transportation
Section 8–402, 8–403, and 8–412(a)(1) and (c)
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Government

2–1220.

(c) (1) The Office of Legislative Audits may audit any:

(I) county officer or unit that collects State taxes; AND

(II) OFFICER OR UNIT OF A COUNTY OR MUNICIPALITY THAT
RECEIVED IN THE PRECEDING FISCAL YEAR A DISTRIBUTION OF HIGHWAY USER
REVENUES UNDER § 8–403 OF THE TRANSPORTATION ARTICLE.

(2) THE AUDIT AUTHORIZED UNDER PARAGRAPH (1)(II) OF THIS
SUBSECTION SHALL ENSURE THAT THE HIGHWAY USER REVENUES ARE USED FOR
THE PURPOSES SPECIFIED IN §§ 4–408 AND 4–409 OF THE TRANSPORTATION
ARTICLE.

2–1223.

(a) (3) The employees or authorized representatives of the Office of Legislative
Audits shall have access to and may inspect the records, including those that are
confidential by law, of:

(i) any local school system to perform the audits authorized under §
2–1220 of this subtitle or in accordance with a request for information as provided in §
5–114(d) of the Education Article; [and]

(ii) the Board of Liquor License Commissioners for Baltimore City to
perform the audits authorized under § 2–1220(f) of this subtitle; AND

(III) ANY OFFICER OR UNIT OF A COUNTY OR MUNICIPALITY TO
PERFORM THE AUDITS AUTHORIZED UNDER § 2–1220(C)(1)(II) OF THIS SUBTITLE.

Article – Transportation

1–101.

(a) In this article the following words have the meanings indicated.

(e) “County” means a county of this State and Baltimore City.

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 Parts III and IV of Title 13, Subtitle 9 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 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) Except as provided in paragraph (2) of this subsection, for each fiscal year:

(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 years 2010 through 2013, the Account shall be distributed as follows:

(i) A portion to the General Fund of the State for fiscal years 2010 through 2012 as follows:

1. 19.5% for fiscal year 2010;
2. 23% for fiscal year 2011; and
3. 11.3% for fiscal year 2012;

(ii) A portion to be used as provided in § 3–216 of this article, as follows:

1. 70% for fiscal year 2010;
2. 68.5% for fiscal year 2011;
3. Subject to paragraph (3) of this subsection, 79.8% for fiscal year 2012; and
4. 90% for fiscal year 2013; and

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

(3) For fiscal year 2012, from the amount allocated to the Transportation Trust Fund under paragraph (2)(ii)3 of this subsection, \$40,000,000 shall be transferred from the Transportation Trust Fund to the Revenue Stabilization Account established under § 7–311 of the State Finance and Procurement Article.]

(C) THE ACCOUNT SHALL BE DISTRIBUTED AS FOLLOWS:

(1) A PORTION TO BE USED AS PROVIDED IN § 3–216 OF THIS ARTICLE, AS FOLLOWS:

(I) 85% FOR FISCAL YEAR 2018;

(II) 82.5% FOR FISCAL YEAR 2019;

(III) 80% FOR FISCAL YEAR 2020;

(IV) 77.5% FOR FISCAL YEAR 2021;

(V) 75% FOR FISCAL YEAR 2022;

(VI) 72.5% FOR FISCAL YEAR 2023; AND

(VII) 70% FOR FISCAL YEAR 2024 AND EACH FISCAL YEAR THEREAFTER; AND

(2) THE BALANCE TO BE USED TO PAY THE ALLOCATIONS OF
HIGHWAY USER REVENUES PROVIDED UNDER THIS SUBTITLE TO THE COUNTIES AND
MUNICIPALITIES.

8–403.

(a) Subject to §§ 3–307 and 3–308 of this article, and except as provided in
subsection (b) of this section, for each fiscal year, from the total highway user revenues:

(1) An amount equal to [7.7%] **12.1%** 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%] **15.4%** 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%] **2.5%** of total highway user revenues.

(b) (1) For fiscal year [2010] **2018**:

(i) The amount distributed to Baltimore City under this subtitle
shall equal [8.6%] **8.3%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall
equal [1.5%] **5.1%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle
shall equal [0.4%] **1.6%** of total highway user revenues.

(2) For fiscal year [2011] **2019**:

(i) The amount distributed to Baltimore City under this subtitle
shall equal [7.9%] **8.7%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall
equal [0.5%] **7.1%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle
shall equal [0.1%] **1.7%** of total highway user revenues.

(3) For fiscal year [2012] **2020**:

(i) The amount distributed to Baltimore City under this subtitle shall equal ~~[7.5%]~~ **9.2%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal ~~[0.8%]~~ **9%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal ~~[0.6%]~~ **1.8%** of total highway user revenues.

(4) For fiscal year ~~[2013]~~ 2021:

(i) The amount distributed to Baltimore City under this subtitle shall equal ~~[8.1%]~~ **9.7%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal ~~[1.5%]~~ **10.9%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal ~~[0.4%]~~ **1.9%** of total highway user revenues.

(5) FOR FISCAL YEAR 2022:

(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 10.2% OF TOTAL HIGHWAY USER REVENUES;

(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 12.7% OF TOTAL HIGHWAY USER REVENUES; AND

(III) THE AMOUNT DISTRIBUTED TO MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 2.1% OF TOTAL HIGHWAY USER REVENUES.

(6) FOR FISCAL YEAR 2023:

(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 11.1% OF TOTAL HIGHWAY USER REVENUES;

(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 14.1% OF TOTAL HIGHWAY USER REVENUES; AND

(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 2.3% OF TOTAL HIGHWAY USER REVENUES.

(C) (1) FOR FISCAL YEARS 2018 THROUGH 2023, AFTER THE DISTRIBUTIONS ARE MADE TO THE COUNTIES UNDER SUBSECTION (B) OF THIS

SECTION AND IN ADDITION TO THE DISTRIBUTIONS TO THE MUNICIPALITIES UNDER SUBSECTION (B) OF THIS SECTION, ADDITIONAL DISTRIBUTIONS SHALL BE MADE, IF NECESSARY, TO ENSURE THAT THE MINIMUM TOTAL DISTRIBUTION AMOUNTS TO MUNICIPALITIES EACH FISCAL YEAR, INCLUDING ANY CAPITAL TRANSPORTATION GRANTS, EQUAL \$26,400,000.

(2) IF A DISTRIBUTION UNDER PARAGRAPH (1) OF THIS SUBSECTION IS REQUIRED, THE DISTRIBUTION UNDER § 8-402(C)(1) OF THIS SUBTITLE SHALL BE REDUCED BY THE SAME AMOUNT.

(3) ANY ADDITIONAL DISTRIBUTIONS MADE UNDER THIS SUBSECTION SHALL BE ALLOCATED AS PROVIDED IN § 8-405 OF THIS SUBTITLE.

8-412.

(a) (1) On or before January 1 of each year, [Baltimore City,] each county[,] and each eligible municipality that received highway user revenues in the preceding fiscal year shall submit to the Administration an accounting report that:

(i) Shows the actual costs of the preceding fiscal year;

(ii) Shows the expenditure budget of the current fiscal year;

(iii) As to items (i) and (ii) of this paragraph, accurately identifies the costs for specific projects authorized in § 8-408 or § 8-409 of this subtitle;

(iv) Shows the amount of funds diverted from the general fund of the county or municipality to pay for specific projects authorized in § 8-408 or § 8-409 of this subtitle during the preceding fiscal year; and

(v) Lists specific projects authorized in § 8-408 or § 8-409 of this subtitle that have been delayed due to a lack of funding.

(c) (1) The Administration may not make a disbursement of highway user revenues under § 8-407 of this subtitle FOR A PERIOD OF 12 MONTHS to any jurisdiction that [has]:

(I) HAS not submitted a report to the Administration as required under subsection (a)(1) of this section; OR

(II) USED HIGHWAY USER REVENUES FOR A PURPOSE THAT IS NOT AUTHORIZED UNDER § 8-408 OR § 8-409 OF THIS SUBTITLE.

(2) ANY AMOUNT OF HIGHWAY USER REVENUES THAT IS NOT DISBURSED AS A RESULT OF A VIOLATION OF PARAGRAPH (1) OF THIS SUBSECTION

1 **SHALL REVERT TO AND BE USED FOR THE PURPOSES OF THE TRANSPORTATION**
2 **TRUST FUND ESTABLISHED UNDER § 3-216 OF THIS ARTICLE.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That:

4 (a) On or before December 31, 2017, the Department of Budget and Management
5 shall report to the General Assembly, in accordance with § 2-1246 of the State Government
6 Article, on the status of local infrastructure in Maryland.

7 (b) The report required under this section shall:

8 (1) include information on the current functional capability, maintenance
9 level, potential obsolescence, and need for expansion of multiple modes of infrastructure;
10 and

11 (2) identify current and potential sources of statewide revenue that are, or
12 could be, targeted to address unmet needs for each mode of infrastructure detailed in the
13 report.

14 (c) The report shall include, at a minimum, information regarding each of the
15 following modes of infrastructure:

16 (1) water and wastewater delivery and retrieval systems, including
17 transmission conduits, with input from appropriate local utility managers;

18 (2) wastewater treatment facilities, including the status of service
19 upgrades funded through the Bay Restitution Fund, with input from the Maryland
20 Department of Environment and appropriate local utility managers;

21 (3) 9-1-1 Emergency Number response systems, with input from the
22 Emergency Number Systems Board and local emergency managers and public safety and
23 emergency managers;

24 (4) public safety radio systems, including interoperable communications
25 across jurisdictions and technological platforms, with input from the Statewide
26 Interoperability Radio Control Board and appropriate local public safety and emergency
27 managers;

28 (5) high-speed broadband access to both commercial and residential users,
29 including low-income and low-density areas, with input from the Maryland Broadband
30 Cooperative;

31 (6) bridges and other transportation arteries, with particular focus on
32 regions subject to risk from flood, high winds, or related weather events, with input from
33 appropriate local transportation and emergency managers;

1 (7) evacuation resources, including areas of shelter and transportation
2 conduits to serve in times of crisis, with input from appropriate local emergency managers;

3 (8) school facility maintenance needs, with input from the Inter–Agency
4 Commission on Public School Construction, Maryland Association of Boards of Education,
5 and other appropriate agencies; and

6 (9) any other area of critical infrastructure the Department determines
7 appropriate for a similar evaluation, with input from State or local agencies as appropriate.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2017.