SENATE BILL 161

B1, R2 7lr0934

By: **Senator Waugh**
Introduced and read first time: January 17, 2017
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Transportation – Highway User Revenues – Allocation

FOR the purpose of increasing, under certain circumstances, the portion of highway user revenues that is distributed to local governments; altering the allocation of the local share of highway user revenues among Baltimore City, counties, and municipalities; repealing obsolete language; and generally relating to the distribution of highway user revenues.

BY repealing and reenacting, with amendments,
Article – Transportation
Section 8–402 and 8–403
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 – 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;

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW**.
[Brackets**]** indicate matter deleted from existing law.

(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.**]**

(2) IF THE TRANSPORTATION TRUST FUND REVENUE FOR A FISCAL YEAR EXCEEDS THE MOST RECENT ESTIMATE OF THE BOARD OF REVENUE ESTIMATES FOR THAT FISCAL YEAR, THE PERCENT UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL BE CHANGED TO:

(I) 87% FOR THE FISCAL YEAR FOLLOWING THE FIRST FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE;

(II) 84% FOR THE FISCAL YEAR FOLLOWING THE SECOND FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE;

(III) 81% FOR THE FISCAL YEAR FOLLOWING THE THIRD FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE;

(IV) 79% FOR THE FISCAL YEAR FOLLOWING THE FOURTH FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE;

(V) 76% FOR THE FISCAL YEAR FOLLOWING THE FIFTH FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE;

(VI) 73% FOR THE FISCAL YEAR FOLLOWING THE SIXTH FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER UNTIL THE NEXT FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE; AND

(VII) 70% FOR THE FISCAL YEAR FOLLOWING THE SEVENTH FISCAL YEAR IN WHICH THE REVENUE EXCEEDS THE MOST RECENT ESTIMATE AND EACH FISCAL YEAR THEREAFTER.

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% 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) For **[**fiscal year 2010**]** **A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 87%**:

(i) The amount distributed to Baltimore City under this subtitle shall equal **[**8.6%**]** **10.4%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal **[**1.5%**]** **2.1%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal **[**0.4%**]** **0.5%** of total highway user revenues.

(2) For **[**fiscal year 2011**]** **A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 84%**:

(i) The amount distributed to Baltimore City under this subtitle shall equal **[**7.9%**]** **12.8%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal **[**0.5%**]** **2.6%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal **[**0.1%**]** **0.6%** of total highway user revenues.

(3) For **[**fiscal year 2012**]** **A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 81%**:

(i) The amount distributed to Baltimore City under this subtitle shall equal **[**7.5%**]** **15.2%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal [0.8%] **3%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal [0.6%] **0.8%** of total highway user revenues.

(4) For [fiscal year 2013] **A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 79%**:

(i) The amount distributed to Baltimore City under this subtitle shall equal [8.1%] **16.8%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal [1.5%] **3.4%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal [0.4%] **0.8%** of total highway user revenues.

(5) FOR A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 76%:

(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 19.2% OF TOTAL HIGHWAY USER REVENUES;

(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 3.8% OF TOTAL HIGHWAY USER REVENUES; AND

(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 1% OF TOTAL HIGHWAY USER REVENUES.

(6) FOR A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 73%:

(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 21.6% OF TOTAL HIGHWAY USER REVENUES;

(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 4.3% OF TOTAL HIGHWAY USER REVENUES; AND

(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 1.1% OF TOTAL HIGHWAY USER REVENUES.

(7) FOR A FISCAL YEAR IN WHICH THE PERCENT UNDER § 8–402(C)(1)(I) OF THIS SUBTITLE EQUALS 70%:

(I) THE AMOUNT DISTRIBUTED TO BALTIMORE CITY UNDER THIS SUBTITLE SHALL EQUAL 24% OF TOTAL HIGHWAY USER REVENUES;

(II) THE AMOUNT DISTRIBUTED TO THE COUNTIES UNDER THIS SUBTITLE SHALL EQUAL 4.8% OF TOTAL HIGHWAY USER REVENUES; AND

(III) THE AMOUNT DISTRIBUTED TO THE MUNICIPALITIES UNDER THIS SUBTITLE SHALL EQUAL 1.2% OF TOTAL HIGHWAY USER REVENUES.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.