

SENATE BILL 563

R1

7lr2288
CF 7lr2286

By: **Senators Madaleno, King, Astle, Eckardt, Kagan, Peters, Rosapepe, and Young**
Introduced and read first time: February 1, 2017
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Highway User Revenues – Distribution to Municipalities**

3 FOR the purpose of altering the authorized uses of highway user revenues; requiring that
4 certain additional distributions of highway user revenues be made in certain fiscal
5 years to Baltimore City and, under certain circumstances, municipalities; requiring
6 that certain additional distributions of highway user revenues be allocated among
7 municipalities in a certain manner; repealing certain obsolete distributions and
8 transfers of highway user revenues for certain fiscal years; repealing certain obsolete
9 distributions of highway user revenues to Baltimore City, counties, and
10 municipalities for certain fiscal years; making certain conforming changes; and
11 generally relating to the distribution of highway user revenues.

12 BY repealing and reenacting, with amendments,
13 Article – Transportation
14 Section 8–402 and 8–403
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2016 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – Transportation
19 Section 8–405
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2016 Supplement)

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

24 **Article – Transportation**

25 8–402.

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



(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] **FOR** each fiscal year:

[(i)] **(1)** 90.4% of the revenue credited to the Account may be used as provided in § 3-216 of this article **AND § 8-403(B) OF THIS SUBTITLE**; and

[(ii)] **(2)** 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;

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

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

(3) For fiscal year 2012:

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

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

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

(4) For fiscal year 2013:

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

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

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

(B) AFTER DISTRIBUTIONS ARE MADE TO THE COUNTIES AND MUNICIPALITIES UNDER SUBSECTION (A)(2) AND (3) OF THIS SECTION AND IN ADDITION TO THE DISTRIBUTION TO BALTIMORE CITY UNDER SUBSECTION (A)(1) OF THIS SECTION, ADDITIONAL DISTRIBUTIONS SHALL BE MADE TO BALTIMORE CITY AS FOLLOWS:

(1) FOR FISCAL YEAR 2019, \$10,000,000; AND

(2) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, \$20,000,000.

(C) (1) AFTER DISTRIBUTIONS ARE MADE TO BALTIMORE CITY AND THE COUNTIES UNDER SUBSECTION (A)(1) AND (2) OF THIS SECTION AND IN ADDITION TO THE DISTRIBUTION TO MUNICIPALITIES UNDER SUBSECTION (A)(3) OF THIS SECTION, ADDITIONAL DISTRIBUTIONS SHALL BE MADE, IF NECESSARY, TO ENSURE

1 THAT MINIMUM TOTAL DISTRIBUTION AMOUNTS TO MUNICIPALITIES, INCLUDING
2 ANY CAPITAL TRANSPORTATION GRANTS, ARE PROVIDED AS FOLLOWS:

3 (I) FOR FISCAL YEAR 2019, AT LEAST \$40,000,000; AND

4 (II) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR
5 THEREAFTER, AT LEAST \$50,000,000.

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

8 8-405.

9 (a) An eligible municipality may request its share of the highway user revenues
10 provided under this subtitle from the Administration. The request shall be made in writing
11 at least 6 months before the start of the fiscal year in which the funds are desired.

12 (b) Highway user revenues shall be allocated to the eligible municipalities:

13 (1) One half on a municipal road mileage basis, as provided in subsection
14 (c)(1) of this section; and

15 (2) One half on a motor vehicle registration basis, as provided in subsection
16 (c)(2) of this section.

17 (c) The Administration shall allocate for the account of each eligible municipality,
18 out of the highway user revenues to be distributed to the municipalities under § 8-403 of
19 this subtitle the eligible municipality's share, to be determined by adding:

20 (1) The amount that results from applying to one half of the available
21 revenues the ratio that, as of December 1 of the preceding calendar year, the total mileage
22 of county roads in the eligible municipality bears to the total mileage of county roads located
23 in eligible municipalities in the State; and

24 (2) The amount that results from applying to one half of the available
25 revenues the ratio that, as of December 1 of the preceding calendar year, the total number
26 of motor vehicles registered to owners having addresses in the eligible municipality bears
27 to the total number of motor vehicles registered to owners having addresses in eligible
28 municipalities in the State.

29 (d) For purposes of the mileage formula distributions under this section, each
30 special improvement district in Prince George's County in existence in January, 1953, shall
31 be treated as a municipality, but the amounts distributed shall be:

32 (1) Paid to the county and retained by it as credits to the district; and

1 (2) Applied to the cost of maintaining the streets and roads in the district
2 so long as the district has any indebtedness.

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