

SENATE BILL 564

R1

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CF 7lr2284

By: **Senators Madaleno, King, Astle, Eckardt, Kagan, Peters, 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 percentages of highway user revenues that are required to
4 be distributed to Baltimore City and municipalities in certain fiscal years; altering
5 the percentages in certain fiscal years of highway user revenues that are required to
6 be used as authorized under the Transportation Trust Fund; repealing certain
7 obsolete distributions and transfers of highway user revenues for certain fiscal years;
8 repealing certain obsolete distributions of highway user revenues to Baltimore City,
9 counties, and municipalities for certain fiscal years; making certain conforming
10 changes; and generally relating to the distribution of highway user revenues.

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

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

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

23 **Article – Transportation**

24 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 each fiscal year] **THE ACCOUNT SHALL BE DISTRIBUTED AS FOLLOWS:**

[(i)] (1) (I) [90.4%] FOR FISCAL YEAR 2019, 88.0% of the revenue credited to the Account may be used as provided in § 3-216 of this article; and

(II) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER, 86.8% OF THE REVENUE CREDITED TO THE ACCOUNT MAY BE USED AS PROVIDED IN § 3-216 OF THIS ARTICLE; AND

[(ii)] (2) [The] IN EACH FISCAL YEAR, 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.]

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] **2019**:

(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% of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal [0.4%] **2.2%** of total highway user revenues.

(2) For fiscal year ~~[2011]~~ **2020 AND EACH FISCAL YEAR THEREAFTER:**

(i) The amount distributed to Baltimore City under this subtitle shall equal ~~[7.9%]~~ **8.9%** of total highway user revenues;

(ii) The amount distributed to the counties under this subtitle shall equal ~~[0.5%]~~ **1.5%** of total highway user revenues; and

(iii) The amount distributed to the municipalities under this subtitle shall equal ~~[0.1%]~~ **2.8%** 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.]

8–405.

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

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

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

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

3 (c) The Administration shall allocate for the account of each eligible municipality,
4 out of the highway user revenues to be distributed to the municipalities under § 8–403 of
5 this subtitle the eligible municipality’s share, to be determined by adding:

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

10 (2) The amount that results from applying to one half of the available
11 revenues the ratio that, as of December 1 of the preceding calendar year, the total number
12 of motor vehicles registered to owners having addresses in the eligible municipality bears
13 to the total number of motor vehicles registered to owners having addresses in eligible
14 municipalities in the State.

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

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

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

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