

HOUSE BILL 309

Unofficial Copy
Q1

2001 Regular Session
11r0176
CF 11r0175

By: **The Speaker (Administration) and Delegates Benson, Bronrott, Burns,
C. Davis, Gladden, Howard, Kirk, Marriott, Nathan-Pulliam, Oaks,
Paige, and Shriver**

Introduced and read first time: January 26, 2001

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation - Distribution of Revenues**

3 FOR the purpose of requiring the Comptroller to distribute certain income tax
4 revenues from corporations to the Transportation Trust Fund; altering the
5 distribution of certain sales and use tax revenues on short-term vehicle rentals
6 to the Transportation Trust Fund; providing that certain revenues shall be
7 credited to the Gasoline and Motor Vehicle Revenue Account in the
8 Transportation Trust Fund; correcting a certain reference; authorizing the Mass
9 Transit Administration to exempt certain new mass transit services and fare
10 modifications for a certain period from certain fare recovery requirements;
11 authorizing the Secretary of Transportation to make certain payments to Prince
12 George's and Montgomery counties for certain new bus service and fare
13 modifications for a certain period; providing for a delayed effective date for
14 certain provisions of this Act; and generally relating to the distribution of
15 revenues to, and use the revenues in, the Transportation Trust Fund.

16 BY repealing and reenacting, with amendments,
17 Article - Tax - General
18 Section 2-616 and 2-1302.1
19 Annotated Code of Maryland
20 (1997 Replacement Volume and 2000 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Transportation
23 Section 7-208(b), 8-402, and 10-207(b)
24 Annotated Code of Maryland
25 (1993 Replacement Volume and 2000 Supplement)

26 BY repealing and reenacting, without amendments,
27 Article - Transportation
28 Section 10-207(a)
29 Annotated Code of Maryland

1 (1993 Replacement Volume and 2000 Supplement)

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

4 **Article - Tax - General**

5 2-616.

6 After making the distributions required under §§ 2-613 through 2-615 of this
7 subtitle, FROM THE REMAINING INCOME TAX REVENUE FROM CORPORATIONS, the
8 Comptroller shall distribute monthly THE FOLLOWING PERCENTAGES:

9 (1) 16% [of the remaining income tax revenue from corporations] to the
10 Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund[.];
11 AND

12 (2) 16% TO THE TRANSPORTATION TRUST FUND.

13 2-1302.1.

14 (a) After making the distributions required under §§ 2-1301 and 2-1302 of
15 this subtitle, the Comptroller monthly shall distribute [45% of] the sales and use tax
16 collected on short-term vehicle rentals under § 11-104(c) of this article AS FOLLOWS:

17 (1) 36% to the GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT IN
18 THE Transportation Trust Fund established under [§ 3-216] § 8-402 of the
19 Transportation Article; AND

20 (2) 64% TO THE TRANSPORTATION TRUST FUND ESTABLISHED UNDER §
21 3-216 OF THE TRANSPORTATION ARTICLE.

22 (b) [On receipt of the Motor Vehicle Administration's certification under §
23 13-815(f) of the Transportation Article, from the remaining sales and use tax revenue
24 the Comptroller shall distribute to the Transportation Trust Fund] THE
25 DISTRIBUTION REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION SHALL
26 INCLUDE an amount equal to the total amount of credits allowed against the motor
27 vehicle excise tax under § 13-815 of the Transportation Article for the preceding fiscal
28 year.

29 **Article - Transportation**

30 8-402.

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

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

- 1 (1) All of the motor vehicle fuel tax;
- 2 (2) Except as otherwise provided by law, 80 percent of the vehicle titling
3 tax;
- 4 (3) Except for revenues collected under Parts III and IV of Title 13,
5 Subtitle 9 of this article, vehicle registration fees;
- 6 (4) The revenue disbursed to this account under §§ 2-614 and
7 [2-617(1)] 2-616(1) of the Tax - General Article; and
- 8 (5) [80 percent of the funds distributed under § 2-1302.1 of the Tax -
9 General Article to the Transportation Trust Fund from the sales and use tax] THE
10 REVENUE DISBURSED TO THIS ACCOUNT UNDER § 2-1302.1(A)(1) OF THE TAX -
11 GENERAL ARTICLE.

12 (c) (1) During each fiscal year, the Account shall be used to pay the
13 allocations of highway user revenues provided by this subtitle to the counties,
14 municipalities, and Baltimore City; and

15 (2) The balance of the Account may be used as provided in § 3-216 of this
16 article.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
18 read as follows:

19 **Article - Transportation**

20 7-208.

21 (b) (1) For fiscal year 2001 and thereafter, the Administration shall recover
22 from fares and other operating revenues at least 40 percent of the operating costs for
23 the Mass Transit Administration bus, light rail, and Metro services in the Baltimore
24 region.

25 (2) The Administration shall establish a cost recovery goal of 50 percent.

26 (3) THE ADMINISTRATION MAY EXEMPT FROM THE REQUIREMENTS OF
27 THIS SUBSECTION NEW MASS TRANSIT SERVICE FOR A PERIOD OF 36 MONTHS FROM
28 THE INITIATION OF THE SERVICE AS WELL AS FARE MODIFICATIONS FOR A PERIOD
29 OF 36 MONTHS FROM THE DATE OF THE MODIFICATION.

30 [(3)] (4) The Administration shall obtain the fare recovery ratio through
31 the establishment of reasonable fares in the Baltimore region and the implementation
32 of cost containment measures as deemed necessary to meet the standard required
33 under this paragraph.

34 10-207.

35 (a) (1) In this section, the following words have the meanings indicated.

1 (2) "Eligible local bus service":

2 (i) Means the number of annual platform miles and annual
3 platform hours of fixed route, scheduled local bus service, that previously replaced
4 comparable service operated by the Washington Metropolitan Area Transit Authority,
5 plus the number of annual platform miles and annual platform hours of any new
6 fixed route, scheduled local bus service added after June 30, 1989; and

7 (ii) Is limited to service operated by or on behalf of and in
8 Montgomery County or Prince George's County.

9 (3) "Costs" means operating costs of eligible local bus service, plus
10 operating costs under § 10-205 of this subtitle.

11 (4) "Service deficit" means costs less:

12 (i) The greater of:

13 1. Revenues collected under this section and § 10-205(b) of
14 this subtitle; or

15 2. 40 percent of the costs; and

16 (ii) All federal operating assistance.

17 (b) (1) Subject to the appropriation requirements and budgetary provisions
18 of § 3-216 of this article and upon receipt of an approval of a grant application in the
19 form or detail as the Secretary shall reasonably require, the Department shall provide
20 for annual grants to Prince George's County and Montgomery County for eligible local
21 bus service as defined in this section. The amount of these grants shall be equal to:

22 [(1)] (I) 100 percent of the service deficit attributable to each county;
23 less

24 [(2)] (II) Each county's share of the Department's annual grant to the
25 Washington Suburban Transit District as determined under § 10-205(b) of this
26 subtitle.

27 (2) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE
28 SECRETARY MAY AUTHORIZE PAYMENTS TO PRINCE GEORGE'S COUNTY AND
29 MONTGOMERY COUNTY:

30 (I) TO SUBSIDIZE NEW BUS SERVICE FOR A PERIOD OF 36 MONTHS
31 FROM THE INITIATION OF SERVICE; AND

32 (II) FOR THE LOSS OF REVENUES FROM FARE MODIFICATIONS FOR
33 A PERIOD OF 36 MONTHS FROM THE DATE OF THE MODIFICATION.

34 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act
35 shall take effect January 1, 2002.

1 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
2 Section 3 of this Act, this Act shall take effect July 1, 2001.