

# HOUSE BILL 552

R2  
HB 1388/16 – ENV

CONSTITUTIONAL AMENDMENT

7lr1247

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By: **Delegates Parrott, Aumann, Buckel, Ciliberti, Hornberger, Jacobs, Kipke, Krebs, Malone, McComas, W. Miller, Morgan, Saab, Shoemaker, Szeliga, and Vogt**

Introduced and read first time: January 30, 2017

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Motor Fuel Tax and Highway User Revenue – Increased Local**  
3 **Share**

4 FOR the purpose of allocating certain motor fuel tax revenue to a certain account that is  
5 shared with local governments; increasing the portion of highway user revenue that  
6 is distributed to local governments; altering the allocation of the local share of  
7 highway user revenue among Baltimore City, counties, and municipalities;  
8 proposing an amendment to the Maryland Constitution mandating that revenue be  
9 credited to a certain account and distributed from that account in a certain manner;  
10 submitting the amendment to the qualified voters of the State for their adoption or  
11 rejection; repealing obsolete language; providing for the effective dates of this Act;  
12 and generally relating to increasing the portion of motor fuel tax and highway user  
13 revenue that is distributed to local governments.

14 BY repealing and reenacting, with amendments,  
15 Article – Tax – General  
16 Section 2–1103  
17 Annotated Code of Maryland  
18 (2016 Replacement Volume)

19 BY repealing and reenacting, with amendments,  
20 Article – Transportation  
21 Section 8–402 and 8–403  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2016 Supplement)

24 BY proposing an addition to the Maryland Constitution  
25 Article III – Legislative Department  
26 Section 53A

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Tax – General**

4 2–1103.

5 After making the distributions required under §§ 2–1101 and 2–1102 of this subtitle,  
6 the Comptroller shall distribute:

7 (1) the remaining motor fuel tax revenue from aviation fuel to the  
8 Transportation Trust Fund; AND

9 (2) all remaining motor fuel tax revenue, equal to the average percentage  
10 by which the motor fuel tax rate exceeds 18.5 cents per gallon, [not] including revenue  
11 attributable to an increase in the motor fuel tax rates under § 9–305(b) of this article [or]  
12 AND revenue attributable to the sales and use tax equivalent rate imposed under § 9–306  
13 of this article, to the Gasoline and Motor Vehicle Revenue Account in the Transportation  
14 Trust Fund[;

15 (3) revenue attributable to an increase in the motor fuel tax rates imposed  
16 under § 9–305(b) of this article to the Transportation Trust Fund; and

17 (4) revenue attributable to the sales and use tax equivalent rate imposed  
18 under § 9–306 of this article to the Transportation Trust Fund].

19 **Article – Transportation**

20 8–402.

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

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

25 (1) All of the motor vehicle fuel tax;

26 (2) Except as otherwise provided by law, two-thirds of the vehicle titling  
27 tax;

28 (3) Except for revenues collected under Parts III and IV of Title 13, Subtitle  
29 9 of this article, vehicle registration fees;

1           (4) The revenue disbursed to this Account under § 2-614 of the  
2 Tax – General Article; and

3           (5) 80 percent of the funds distributed on short-term vehicle rentals under  
4 § 2-1302.1 of the Tax – General Article to the Transportation Trust Fund from the sales  
5 and use tax.

6           (c) [(1) Except as provided in paragraph (2) of this subsection, for] **FOR** each  
7 fiscal year:

8                       [(i)] **(1)** [90.4%] **70%** of the revenue credited to the Account may  
9 be used as provided in § 3-216 of this article; and

10                      [(ii)] **(2)** The balance of the Account shall be used to pay the  
11 allocations of highway user revenues provided by this subtitle to the counties,  
12 municipalities, and Baltimore City.

13           (2) For fiscal years 2010 through 2013, the Account shall be distributed as  
14 follows:

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

- 17                                      1. 19.5% for fiscal year 2010;  
18                                      2. 23% for fiscal year 2011; and  
19                                      3. 11.3% for fiscal year 2012;

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

- 22                                      1. 70% for fiscal year 2010;  
23                                      2. 68.5% for fiscal year 2011;  
24                                      3. Subject to paragraph (3) of this subsection, 79.8% for fiscal  
25 year 2012; and  
26                                      4. 90% for fiscal year 2013; and

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

29           (3) For fiscal year 2012, from the amount allocated to the Transportation  
30 Trust Fund under paragraph (2)(i)3 of this subsection, \$40,000,000 shall be transferred

1 from the Transportation Trust Fund to the Revenue Stabilization Account established  
2 under § 7–311 of the State Finance and Procurement Article.]

3 8–403.

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

6 (1) An amount equal to [7.7%] **12.1%** of total highway user revenues shall  
7 be distributed to Baltimore City in monthly installments;

8 (2) An amount shall be distributed to the counties at the times specified in  
9 § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this subtitle, equal to  
10 [1.5%] **15.3%** of total highway user revenues; and

11 (3) An amount shall be distributed to the municipalities at the times  
12 specified in § 8–407 of this subtitle, to be allocated as provided in § 8–405 of this subtitle,  
13 equal to [0.4%] **2.6%** of total highway user revenues.

14 [(b)] (1) For fiscal year 2010:

15 (i) The amount distributed to Baltimore City under this subtitle  
16 shall equal 8.6% of total highway user revenues;

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

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

21 (2) For fiscal year 2011:

22 (i) The amount distributed to Baltimore City under this subtitle  
23 shall equal 7.9% of total highway user revenues;

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

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

28 (3) For fiscal year 2012:

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

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

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

5 (4) For fiscal year 2013:

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

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, (Three-fifths of all the members  
13 elected to each of the two Houses concurring), That it be proposed that the Maryland  
14 Constitution read as follows:

### 15 Article III – Legislative Department

#### 16 53A.

17 (A) REVENUE SHALL BE CREDITED TO THE GASOLINE AND MOTOR  
18 VEHICLE REVENUE ACCOUNT IN THE TRANSPORTATION TRUST FUND AS  
19 PROVIDED IN § 8-402(B) OF THE TRANSPORTATION ARTICLE OF THE ANNOTATED  
20 CODE OF MARYLAND AS THAT SECTION WAS IN EFFECT ON JULY 1, 2017.

21 (B) FUNDS CREDITED TO THE GASOLINE AND MOTOR VEHICLE REVENUE  
22 ACCOUNT IN THE TRANSPORTATION TRUST FUND SHALL BE DISTRIBUTED AS  
23 PROVIDED IN §§ 8-402(C) AND 8-403 OF THE TRANSPORTATION ARTICLE OF THE  
24 ANNOTATED CODE OF MARYLAND AS THOSE SECTIONS WERE IN EFFECT ON JULY 1,  
25 2017.

26 SECTION 3. AND BE IT FURTHER ENACTED, That the General Assembly  
27 determines that the amendment to the Maryland Constitution proposed by this Act affects  
28 multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland  
29 Constitution concerning local approval of constitutional amendments do not apply.

30 SECTION 4. AND BE IT FURTHER ENACTED, That the amendment to the  
31 Maryland Constitution proposed by Section 2 of this Act shall be submitted to the qualified  
32 voters of the State at the next general election to be held in November 2018 for their  
33 adoption or rejection pursuant to Article XIV of the Maryland Constitution. At that general  
34 election, the vote on this proposed amendment to the Constitution shall be by ballot, and

1 upon each ballot there shall be printed the words “For the Constitutional Amendment” and  
2 “Against the Constitutional Amendment,” as now provided by law. Immediately after the  
3 election, all returns shall be made to the Governor of the vote for and against the proposed  
4 amendment, as directed by Article XIV of the Maryland Constitution, and further  
5 proceedings had in accordance with Article XIV.

6 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section  
7 4 of this Act, this Act shall take effect July 1, 2017.