

SENATE BILL 726

R1
SB 362/21 – B&T

2lr1716
CF HB 1187

By: **Senators McCray, Edwards, Waldstreicher, Guzzone, Zucker, Sydnor, Smith, Kramer, Klausmeier, Ready, Benson, Corderman, Gallion, Griffith, Hester, Elfreth, Carter, Hayes, Beidle, Augustine, Hettleman, Young, Rosapepe, Hershey, Ellis, Eckardt, ~~and Kagan~~ Kagan, Carozza, Jackson, ~~and Salling~~ Salling, and Washington**

Introduced and read first time: February 7, 2022
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 25, 2022
Returned to second reading: March 26, 2022
Senate action: Adopted with floor amendments
Read second time: March 26, 2022

CHAPTER _____

1 AN ACT concerning

2 **Transportation – Highway User Revenues – Revenue and Distribution**

3 FOR the purpose of altering the amount of income tax revenue from corporations that is
4 distributed to a certain fund each year; altering the amounts of certain capital grants
5 calculated based on highway user revenues that are required to be appropriated to
6 Baltimore City, counties, and municipalities in certain fiscal years; and generally
7 relating to revenue for and distributions of highway user revenues.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – General

10 Section 2–614

11 Annotated Code of Maryland

12 (2016 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Transportation

15 Section 8–402 and 8–403

16 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2020 Replacement Volume and 2021 Supplement)

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

Article – Tax – General

2–614.

(a) (1) Except as provided in paragraph (2) of this subsection, after making the distributions required under §§ 2–613 and 2–613.1 of this subtitle, the Comptroller shall distribute monthly [17.2%] 20% of the remaining income tax revenue from corporations to a special fund to be distributed as provided in subsection (b) of this section.

(2) The percent of the remaining income tax revenue from corporations distributed to a special fund to be distributed as provided in subsection (b) of this section shall be:

(i) [24%] 17.2% for the fiscal year beginning July 1, [2011] 2022;

(ii) [9.5%] 20% for the fiscal year beginning July 1, [2012] 2023;

[and]

(iii) 21% FOR THE FISCAL YEAR BEGINNING JULY 1, 2024; AND

(IV) [19.5%] 22% for each fiscal year beginning on or after July 1, [2013] 2025, but before July 1, [2016] 2027.

(b) (1) (i) Except as provided in subparagraph (ii) of this paragraph, from the special fund, the Comptroller shall distribute an amount equal to [17.2%] 20% of the cost to administer the income tax on corporations to an administrative cost account.

(ii) The percent of the cost to administer the income tax on corporations that is distributed to an administrative cost account shall be:

1. [24%] 17.2% for the fiscal year beginning July 1, [2011]

2022;

2. [9.5%] 20% for the fiscal year beginning July 1, [2012]

2023; [and]

3. 21% FOR THE FISCAL YEAR BEGINNING JULY 1, 2024;

AND

4. [19.5%] 22% for each fiscal year beginning on or after July

1, [2013] 2025, but before July 1, [2016] 2027.

1 (1) An amount equal to 7.7% of total highway user revenues shall be
2 distributed to Baltimore City in monthly installments;

3 (2) An amount shall be distributed to the counties at the times specified in
4 § 8–407 of this subtitle, to be allocated as provided in § 8–404 of this subtitle, equal to 1.5%
5 of total highway user revenues; and

6 (3) An amount shall be distributed to the municipalities at the times
7 specified in § 8–407 of this subtitle, to be allocated as provided in § 8–405 of this subtitle,
8 equal to 0.4% of total highway user revenues.

9 (b) (1) Subject to [paragraph (3) of this subsection] **SUBSECTION (C) OF THIS**
10 **SECTION**, for fiscal years 2020 through ~~2024~~ **2023**, capital grants shall be appropriated
11 from the Transportation Trust Fund as provided in § 3–216 of this article based on the
12 following calculations:

13 [(i)] (1) An amount equal to 8.3% of funds credited to the Gasoline
14 and Motor Vehicle Revenue Account shall be appropriated to Baltimore City;

15 [(ii)] (2) An amount equal to 3.2% of funds credited to the Gasoline
16 and Motor Vehicle Revenue Account shall be appropriated to the counties to be distributed
17 as provided in § 8–404 of this subtitle; and

18 [(iii)] (3) An amount equal to 2.0% of funds credited to the Gasoline
19 and Motor Vehicle Revenue Account shall be appropriated to the municipalities to be
20 distributed as provided in § 8–405 of this subtitle.

21 [(2)] (B) Subject to [paragraph (3) of this subsection] **SUBSECTION (C)**
22 **OF THIS SECTION**, ~~for fiscal year 2025 and each fiscal year thereafter~~, capital grants shall
23 be appropriated from the Transportation Trust Fund as provided in § 3–216 of this article
24 based on the following calculations:

25 **(1) FOR FISCAL YEAR 2024:**

26 **(I) AN AMOUNT EQUAL TO 9.5% OF FUNDS CREDITED TO THE**
27 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
28 **BALTIMORE CITY;**

29 **(II) AN AMOUNT EQUAL TO 3.7% OF FUNDS CREDITED TO THE**
30 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
31 **THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8–404 OF THIS SUBTITLE; AND**

32 **(III) AN AMOUNT EQUAL TO 2.4% OF FUNDS CREDITED TO THE**
33 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**

1 THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS
2 SUBTITLE;

3 **(2) FOR FISCAL YEAR 2025:**

4 **(I) AN AMOUNT EQUAL TO 11% OF FUNDS CREDITED TO THE**
5 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
6 **BALTIMORE CITY;**

7 **(II) AN AMOUNT EQUAL TO 4.3% OF FUNDS CREDITED TO THE**
8 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
9 **THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8-404 OF THIS SUBTITLE; AND**

10 **(III) AN AMOUNT EQUAL TO 2.7% OF FUNDS CREDITED TO THE**
11 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
12 **THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS**
13 **SUBTITLE;**

14 **(3) FOR FISCAL YEAR 2026:**

15 **(I) AN AMOUNT EQUAL TO 12.2% OF FUNDS CREDITED TO THE**
16 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
17 **BALTIMORE CITY;**

18 **(II) AN AMOUNT EQUAL TO 4.8% OF FUNDS CREDITED TO THE**
19 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
20 **THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8-404 OF THIS SUBTITLE; AND**

21 **(III) AN AMOUNT EQUAL TO 3.0% OF FUNDS CREDITED TO THE**
22 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
23 **THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS**
24 **SUBTITLE;**

25 **(4) FOR FISCAL YEAR 2027:**

26 **(I) AN AMOUNT EQUAL TO 12.2% OF FUNDS CREDITED TO THE**
27 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
28 **BALTIMORE CITY;**

29 **(II) AN AMOUNT EQUAL TO 4.8% OF FUNDS CREDITED TO THE**
30 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO**
31 **THE COUNTIES TO BE DISTRIBUTED AS PROVIDED IN § 8-404 OF THIS SUBTITLE; AND**

1 (III) AN AMOUNT EQUAL TO 3.0% OF FUNDS CREDITED TO THE
2 GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT SHALL BE APPROPRIATED TO
3 THE MUNICIPALITIES TO BE DISTRIBUTED AS PROVIDED IN § 8-405 OF THIS
4 SUBTITLE; AND

5 (5) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER:

6 ~~[(i)] (1)~~ An amount equal to [7.7%] ~~12.1%~~ 9.5% of funds credited
7 to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to Baltimore
8 City;

9 ~~[(ii)] (2)~~ An amount equal to [1.5%] ~~15.3%~~ 3.7% of funds credited
10 to the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the counties
11 to be distributed as provided in § 8-404 of this subtitle; and

12 ~~[(iii)] (3)~~ An amount equal to [0.4%] ~~2.6%~~ 2.4% of funds credited to
13 the Gasoline and Motor Vehicle Revenue Account shall be appropriated to the
14 municipalities to be distributed as provided in § 8-405 of this subtitle.

15 [(3)] (C) The capital grants made under this subtitle shall be appropriated
16 only if all debt service requirements and departmental operating expenses have been
17 funded and sufficient funds are available to fund the capital program.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2022.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.