

SENATE BILL 841

Q5, R6, R2

4lr2251
CF 4lr2252

By: **Senators Ready, Bailey, Carozza, Corderman, Folden, Gallion, Hershey,
Jennings, Mautz, McKay, Salling, Simonaire, and West**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Motor Fuel Tax Rates, Vehicle–Miles–Traveled Tax, and**
3 **Farebox Recovery Requirements**
4 **(Transportation Equity, Fairness, and Privacy Act of 2024)**

5 FOR the purpose of repealing a requirement that certain motor fuel tax rates be adjusted
6 in future years based on growth in the Consumer Price Index for all urban
7 consumers; prohibiting the State or a local jurisdiction from imposing or levying a
8 vehicle–miles–traveled tax or certain other similar fees, tolls, or taxes; requiring that
9 the Maryland Transit Administration achieve a certain farebox recovery
10 requirement for certain transit services; requiring that the Administration increase
11 fares for certain transit services under certain circumstances; providing that the
12 Administration is not required to conduct certain public hearings before
13 implementing certain fare increases; prohibiting the State or a local jurisdiction from
14 requiring the installation of a device in or on a privately owned vehicle to facilitate
15 the reporting of vehicle miles traveled; and generally relating to fares, fees, and taxes
16 related to transportation.

17 BY repealing and reenacting, without amendments,
18 Article – Tax – General
19 Section 9–205
20 Annotated Code of Maryland
21 (2022 Replacement Volume and 2023 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Tax – General
24 Section 9–305
25 Annotated Code of Maryland
26 (2022 Replacement Volume and 2023 Supplement)

27 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Tax – General
2 Section 9–401 to be under the new subtitle “Subtitle 4. Vehicle–Miles–Traveled
3 Tax – Prohibited”
4 Annotated Code of Maryland
5 (2022 Replacement Volume and 2023 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Transportation
8 Section 7–208(b–1) and 7–506(a)(1)
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2023 Supplement)

11 BY adding to
12 Article – Transportation
13 Section 22–107
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2023 Supplement)

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

18 **Article – Tax – General**

19 9–205.

20 (a) (1) The Comptroller may enter into reciprocal agreements on behalf of this
21 State, with the duly authorized representatives of any other state, that provide for:

22 (i) fuel tax registration of vehicles by motor carriers;

23 (ii) establishment of periodic fuel use reporting and fuel use tax
24 payment requirements by motor carriers; and

25 (iii) disbursement of money that is collected by the Comptroller and
26 is due to other states based on:

27 1. mileage travelled and fuel used in those states; and

28 2. the respective registration fees of those states.

29 (2) The Comptroller may not enter into any reciprocal agreement that
30 would affect:

31 (i) this State’s motor carrier tax rate; or

32 (ii) this State’s registration fee for motor carriers.

1 (b) In exercising the authority granted under subsection (a) of this section, the
2 Comptroller is expressly authorized to:

3 (1) enter into regional or national fuel use tax agreements;

4 (2) become a member of any regional or national conference, group,
5 compact, or similar organization of motor carrier fuel use tax administrators; and

6 (3) enforce the provisions set forth in any regional or national fuel use tax
7 agreements.

8 (c) The agreement provisions shall apply to the fuel use taxation, registration,
9 and reporting requirements of motor carriers subject to the provisions of the agreement
10 without reference to or application of any other statutes of this State.

11 9–305.

12 (a) Except as provided in subsection (b) of this section, the motor fuel tax rate is:

13 (1) 7 cents for each gallon of aviation gasoline;

14 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

15 (3) 24.25 cents for each gallon of special fuel other than clean-burning fuel
16 or turbine fuel;

17 (4) 7 cents for each gallon of turbine fuel; and

18 (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning fuel
19 except electricity.

20 (b) (1) The motor fuel tax rates specified in subsection (a)(2), (3), and (5) of this
21 section shall be increased on July 1, 2013, [and] July 1 [of each subsequent year], **2014,**
22 **JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY 1, 2019, JULY 1, 2020,**
23 **JULY 1, 2021, JULY 1, 2022, AND JULY 1, 2023,** in accordance with this subsection.

24 (2) On or before June 1 [of each year], **2013, JUNE 1, 2014, JUNE 1,**
25 **2015, JUNE 1, 2016, JUNE 1, 2017, JUNE 1, 2018, JUNE 1, 2019, JUNE 1, 2020, JUNE**
26 **1, 2021, JUNE 1, 2022, AND JUNE 1, 2023,** the Comptroller shall determine and
27 announce:

28 (i) the growth in the Consumer Price Index for all urban consumers
29 as determined by the Comptroller under paragraph (3) of this subsection; and

1 (ii) the motor fuel tax rates effective for the fiscal year beginning on
2 the following July 1 as determined by the Comptroller under paragraph (4) of this
3 subsection.

4 (3) (i) In this paragraph, “Consumer Price Index for all urban
5 consumers” means the index published monthly by the Bureau of Labor Statistics of the
6 U.S. Department of Labor that is the U.S. city average of all items in a basket of consumer
7 goods and services.

8 (ii) The percentage growth in the Consumer Price Index for all urban
9 consumers shall be determined by comparing the average of the index for the 12 months
10 ending on the preceding April 30 to the average of the index for the prior 12 months.

11 (4) Subject to paragraph (5) of this subsection, on July 1 [of each year],
12 **2013, JULY 1, 2014, JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY**
13 **1, 2019, JULY 1, 2020, JULY 1, 2021, JULY 1, 2022, AND JULY 1, 2023**, each motor fuel
14 tax rate specified in subsection (a)(2), (3), and (5) of this section shall be increased by the
15 amount, rounded to the nearest one-tenth of a cent, that equals the product of multiplying:

16 (i) the motor fuel tax rate in effect on the date of the Comptroller’s
17 announcement under paragraph (2) of this subsection; and

18 (ii) the percentage growth in the Consumer Price Index for all urban
19 consumers.

20 (5) (i) If there is a decline or no growth in the Consumer Price Index for
21 all urban consumers, the motor fuel tax rates shall remain unchanged.

22 (ii) Any increase in the motor fuel tax rates under paragraph (4) of
23 this subsection may not be greater than 8% of the motor fuel tax rate effective in the
24 previous year.

25 (6) The Comptroller shall require any person possessing tax-paid motor
26 fuel for sale at the start of business on the date of an increase in the motor fuel tax under
27 this subsection to compile and file an inventory of the motor fuel held at the close of
28 business on the immediately preceding date and remit within 30 days any additional motor
29 fuel tax that is due on the motor fuel.

30 **SUBTITLE 4. VEHICLE-MILES-TRAVELED TAX – PROHIBITED.**

31 **9-401.**

32 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE STATE OR A LOCAL**
33 **JURISDICTION MAY NOT DIRECTLY OR INDIRECTLY, INCLUDING THROUGH A**
34 **THIRD-PARTY AGREEMENT OR AS PART OF A PILOT PROGRAM OR STUDY, IMPOSE OR**
35 **LEVY:**

1 **5. FOR FISCAL YEAR 2029 AND EACH FISCAL YEAR**
 2 **THEREAFTER, THE PERCENTAGE SPECIFIED IN SUBPARAGRAPH (I) OF THIS**
 3 **PARAGRAPH.**

4 ~~[(2)]~~ **(3)** The Administration may not reduce the level of services provided
 5 by the Administration for the purpose of achieving a specific farebox recovery requirement.

6 **(4) AN INCREASE IN THE ADMINISTRATION'S FARE PRICES BY THE**
 7 **MINIMUM AMOUNT REQUIRED UNDER THIS SUBSECTION IS NOT SUBJECT TO THE**
 8 **REQUIREMENTS OF § 7-506 OF THIS TITLE.**

9 7-506.

10 (a) (1) Except as provided in subsection (b) of this section **OR § 7-208(B-1)(4)**
 11 **OF THIS TITLE**, until a public hearing is held on the matter, the Administration may not:

12 (i) Fix or revise any fare or rate charged the general public;

13 (ii) Establish or abandon any bus or rail route listed on a published
 14 timetable;

15 (iii) Change a bus or rail route alignment listed on a published
 16 timetable, unless the change is needed because of temporary construction or changes in the
 17 road network;

18 (iv) Reduce the frequency, number of days, or days of service for a
 19 commuter bus or commuter rail route without substituting a comparable level of service,
 20 unless the reduction is temporary or a result of:

21 1. A natural disaster;

22 2. Weather or other emergency conditions;

23 3. Schedule adjustments required by a third party that
 24 operates service on the same right-of-way; or

25 4. Other circumstances beyond the control of the
 26 Administration; or

27 (v) Establish or abandon a rail transit station.

28 **22-107.**

1 **THE STATE OR A LOCAL JURISDICTION MAY NOT REQUIRE THE INSTALLATION**
2 **OF A DEVICE IN OR ON A PRIVATELY OWNED VEHICLE TO FACILITATE THE**
3 **REPORTING OF THE NUMBER OF VEHICLE MILES TRAVELED.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
5 1, 2024.