

# HOUSE BILL 1322

B1, R2

EMERGENCY BILL

2lr2372

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By: **Delegate McIntosh**

Introduced and read first time: February 11, 2022

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Operating Budget – Consolidated Transportation Program and**  
3 **Unanticipated Federal Funds**

4 FOR the purpose of requiring the financial forecast that supports the Consolidated  
5 Transportation Program to include a reserve of a certain amount for certain changes  
6 in certain revenue sources; prohibiting the expenditure of certain money from the  
7 federal government by amendment of an appropriation in the fiscal year 2022 or  
8 2023 State budget unless the money is used for certain purposes; providing that the  
9 prohibition does not apply to the amendment of an appropriation if the Board of  
10 Public Works makes a certain determination; and generally relating to the operating  
11 budget, the Consolidated Transportation Program, and unanticipated federal fund  
12 appropriations.

13 BY repealing and reenacting, without amendments,  
14 Article – Transportation  
15 Section 2–103.1(b)  
16 Annotated Code of Maryland  
17 (2020 Replacement Volume and 2021 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Transportation  
20 Section 2–103.1(m)  
21 Annotated Code of Maryland  
22 (2020 Replacement Volume and 2021 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – State Finance and Procurement  
25 Section 7–209(c)  
26 Annotated Code of Maryland  
27 (2021 Replacement Volume)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – State Finance and Procurement  
3 Section 7–217  
4 Annotated Code of Maryland  
5 (2021 Replacement Volume)

6 BY repealing and reenacting, with amendments,  
7 Chapter 357 of the Acts of the General Assembly of 2021  
8 Section 5 and 7

9 BY repealing and reenacting, without amendments,  
10 Chapter 357 of the Acts of the General Assembly of 2021  
11 Section 30(6)

12 BY adding to  
13 Chapter 357 of the Acts of the General Assembly of 2021  
14 Section 30(11)

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

17 **Article – Transportation**

18 2–103.1.

19 (b) The State Report on Transportation consists of the Consolidated  
20 Transportation Program and the Maryland Transportation Plan.

21 (m) (1) (i) Subject to § 2–1257 of the State Government Article:

22 1. On or before September 1 of each year, the Department  
23 shall submit copies of the proposed Consolidated Transportation Program and the  
24 supporting financial forecast to the General Assembly; and

25 2. On submission of the budget bill to the presiding officers  
26 of the General Assembly, the Department shall submit copies of the approved Consolidated  
27 Transportation Program, including the manner in which each major transportation project  
28 was evaluated and ranked under § 2–103.7 of this subtitle, and the supporting financial  
29 forecast to the General Assembly.

30 (ii) Notwithstanding § 2–1257(b)(2) of the State Government Article,  
31 the Department shall provide to each member of the General Assembly a copy of the  
32 proposed Consolidated Transportation Program and the approved Consolidated  
33 Transportation Program.

1                   (2) (i) The financial forecast supporting the Consolidated  
2 Transportation Program to be submitted to the General Assembly under paragraph (1) of  
3 this subsection shall include the following components:

4                                 1. A schedule of operating expenses for each specific modal  
5 administration;

6                                 2. A schedule of revenues, including tax and fee revenues,  
7 deductions from revenues for other agencies, Department program and fees, Motor Vehicle  
8 Administration cost recovery, deductions for highway user revenues, operating revenues  
9 by modal administration, and miscellaneous revenues; and

10                                3. A summary schedule for the Transportation Trust Fund  
11 that includes the opening and closing Fund balance, revenues, transfers, bond sales, bond  
12 premiums, any other revenues, expenditures for debt service, operating expenses, amounts  
13 available for capital expenses, bond interest rates, bond coverage ratios, total bonds  
14 outstanding, federal capital aid, and the total amount for the Transportation Capital  
15 Program.

16                               (ii) The financial forecast shall include[, for]:

17                                1. **FOR** each of the components specified in subparagraph (i)  
18 of this paragraph:

19   [1.] **A.** Actual information for the last full fiscal year; and

20   [2.] **B.** Forecasts of the information for each of the six  
21 subsequent fiscal years, including the current fiscal year, the fiscal year for the proposed  
22 budget, and the next four subsequent fiscal years; **AND**

23   **2. FOR THE SUMMARY OF REVENUES AND RECEIPTS**  
24 **COMPONENT, A LINE ITEM OF \$35,000,000 FOR A RESERVE FOR CHANGES IN**  
25 **REVENUE SOURCES FOR EACH FISCAL YEAR INCLUDED IN THE FINANCIAL**  
26 **FORECAST.**

27                               (iii) 1. For the period beyond the budget request year, the  
28 financial forecast:

29   A. Shall maximize the use of funds for the capital program;

30   B. Except as authorized by law, may not withhold or reserve  
31 funds for capital transportation grants to counties or municipal corporations; and

32   C. Except as provided in subsubparagraph 2 of this  
33 subparagraph, shall increase the operating expenses, net of availability payments paid to  
34 public-private partnership concessionaires, each year by at least the 5-year average

1 annual rate of change in the operating expenses of the Department, ending with the most  
2 recently completed fiscal year.

3 2. The assumed rate of future operating budget growth  
4 under subparagraph 1C of this subparagraph may not increase or decrease by more  
5 than 0.5 percentage points from the growth rate assumed in the previous forecast.

6 (iv) The Department shall incorporate in the financial forecast the  
7 most recent estimates by the Board of Revenue Estimates of the revenues from:

8 1. The corporate income tax and the sales and use tax for  
9 each of the six subsequent years, including the current fiscal year and the fiscal year for  
10 the proposed budget; and

11 2. Motor fuel taxes and motor vehicle titling taxes for the  
12 current fiscal year and the fiscal year for the proposed budget.

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

15 **Article – State Finance and Procurement**

16 7–209.

17 (c) (1) An amendment of an appropriation for a program:

18 (i) except as provided in paragraph (2) of this subsection, may not  
19 increase the sum of the appropriations from the General Fund of the State for all the  
20 programs of the officer or unit; and

21 (ii) may permit the expenditure of money from a special fund or the  
22 federal government as provided in § 2–201 of this article or § 7–217(a) of this subtitle.

23 (2) An amendment of an appropriation for a program of the Executive  
24 Branch may increase the sum of the appropriations from the General Fund of the State for  
25 all programs of the officer or unit if money from the Contingent Fund of the Board of Public  
26 Works is transferred to the program.

27 7–217.

28 (a) **(1)** An officer or unit of the State government may spend money from a  
29 special fund or the federal government that is not estimated or included in the State budget  
30 or exceeds the estimate in the State budget and is paid into the State Treasury for a  
31 program after an approved amendment of a special **FUND APPROPRIATION** or, **SUBJECT**  
32 **TO PARAGRAPH (2) OF THIS SUBSECTION**, A federal fund appropriation for the program:

1           **[(1)] (I)** for the specific purpose to which the money is dedicated by State  
2 law or act of Congress; or

3           **[(2)] (II)** if the money is not dedicated to a specific purpose, with the  
4 approval of the Governor and as authorized in an approved budget amendment, for  
5 necessary current operations.

6           **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF**  
7 **THIS PARAGRAPH, AN AMENDMENT OF A FEDERAL FUND APPROPRIATION FOR A**  
8 **PROGRAM IN THE FISCAL YEAR 2022 OR 2023 STATE BUDGET MAY NOT PERMIT THE**  
9 **EXPENDITURE OF MONEY AUTHORIZED BY THE FEDERAL INFRASTRUCTURE**  
10 **INVESTMENT AND JOBS ACT.**

11           **(II) 1. AN AMENDMENT OF A FEDERAL FUND**  
12 **APPROPRIATION FOR A PROGRAM MAY PERMIT THE EXPENDITURE OF FUNDS**  
13 **AUTHORIZED BY THE FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT IF**  
14 **THE FUNDS:**

15           **A. SUPPORT A PROJECT INCLUDED IN THE**  
16 **CONSOLIDATED TRANSPORTATION PROGRAM SUBMITTED AT THE 2022 SESSION OF**  
17 **THE GENERAL ASSEMBLY;**

18           **B. TARGET THE REPLACEMENT OF LEAD PIPES NEAR**  
19 **SCHOOLS, CHILD CARE FACILITIES, OR STATE RESIDENTIAL FACILITIES SERVING**  
20 **CHILDREN; OR**

21           **C. ARE ALLOCATED TO PROJECTS IN UNDERSERVED**  
22 **COMMUNITIES OF THE STATE.**

23           **2. FUNDS AUTHORIZED UNDER THIS SUBPARAGRAPH**  
24 **MUST BE EXPENDED BY JUNE 30, 2023.**

25           **3. FUNDS AUTHORIZED UNDER THIS SUBPARAGRAPH**  
26 **ARE IN ADDITION TO ANY OTHER FUNDS PROVIDED FOR THE SAME PURPOSE AND**  
27 **MAY NOT SUPPLANT EXISTING FUNDS.**

28           **(III) SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH DO NOT**  
29 **APPLY TO AN AMENDMENT OF A FEDERAL FUND APPROPRIATION FOR A PROGRAM**  
30 **IF THE BOARD OF PUBLIC WORKS DETERMINES THAT THE AMENDMENT IS**  
31 **ESSENTIAL TO:**

32           **1. MAINTAINING THE PUBLIC SAFETY, HEALTH, OR**  
33 **WELFARE OF THE STATE; OR**

1                       **2.     PROTECTING THE ENVIRONMENT OR THE ECONOMIC**  
2 **WELFARE OF THE STATE.**

3           (b) Money that is derived from a source estimated and included in an  
4 appropriation act and that is in excess of the estimate shall remain in the General Fund of  
5 the State until appropriated by a subsequent appropriation act.

6   **Chapter 357 of the Acts of 2021**

7           SECTION 5. AND BE IT FURTHER ENACTED, That amounts received pursuant  
8 to Sections 2–201 and 7–217 of the State Finance and Procurement Article may be  
9 expended, **SUBJECT TO SECTION 7–217(A)(2) OF THE STATE FINANCE AND**  
10 **PROCUREMENT ARTICLE**, by approved budget amendment.

11           SECTION 7. AND BE IT FURTHER ENACTED, That, except as otherwise provided,  
12 amounts received from sources estimated or calculated upon in the budget in excess of the  
13 estimates for any special or federal fund appropriations listed in this bill may be made  
14 available, **SUBJECT TO SECTION 7–217(A)(2) OF THE STATE FINANCE AND**  
15 **PROCUREMENT ARTICLE**, by approved budget amendment.

16           SECTION 30. AND BE IT FURTHER ENACTED, That any budget amendment to  
17 increase the total amount of special, federal, or higher education (current restricted and  
18 current unrestricted) fund appropriations, or to make reimbursable fund transfers from the  
19 Governor’s Office of Crime Prevention, Youth, and Victim Services or the Maryland  
20 Emergency Management Agency made in Section 1 of this Act shall be subject to the  
21 following restrictions:

22           (6) Notwithstanding the provisions of this section, any federal, special, or  
23 higher education fund appropriation may be increased by budget amendment upon a  
24 declaration by the Board of Public Works that the amendment is essential to maintaining  
25 public safety, health, or welfare, including protecting the environment or the economic  
26 welfare of the State.

27           **(11) EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SECTION, AN**  
28 **AMENDMENT OF A FEDERAL FUND APPROPRIATION MAY NOT PERMIT THE**  
29 **EXPENDITURE OF MONEY AUTHORIZED IN THE FEDERAL INFRASTRUCTURE**  
30 **INVESTMENT AND JOBS ACT UNLESS AUTHORIZED UNDER SECTION 7–217 OF THE**  
31 **STATE FINANCE AND PROCUREMENT ARTICLE.**

32           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
33 measure, is necessary for the immediate preservation of the public health or safety, has  
34 been passed by a yea and nay vote supported by three–fifths of all the members elected to  
35 each of the two Houses of the General Assembly, and shall take effect from the date it is  
36 enacted. Section 2 of this Act shall remain effective through June 30, 2023, and, at the end  
37 of June 30, 2023, Section 2 of this Act, with no further action required by the General  
38 Assembly, shall be abrogated and of no further force and effect.

