


AGENDA ITEM #7
April 1, 2003
Introduction

MEMORANDUM

March 28, 2003

TO: County Council

FROM:  Michael Faden, Senior Legislative Attorney

SUBJECT: *Introduction: Bill 8-03, Transportation Fund - Establishment*

The Council President at the request of the County Executive intends to introduce Bill 8-03, *Transportation Fund - Establishment* on April 1.

Bill 8-03 will create a dedicated transportation fund as a special revenue fund. It will also identify certain revenue that must be deposited in the dedicated transportation fund to support certain programs, and designate how money in the fund may be used; and generally provide for a special County fund for transportation projects.

A public hearing on Bill 8-03 is scheduled for on April 22, at 11 a.m.

This packet contains:

Bill 8-03

Memo from County Executive

© number

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Bill No. 8-03
Concerning: Transportation Fund
Establishment
Revised: 3-27-03 Draft No. 3
Introduced: April 1, 2003
Expires: October 1, 2004
Enacted: _____
Executive: _____
Effective: July 1, 2003
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

AN ACT to:

- (1) create a dedicated transportation fund as a special revenue fund;
- (2) identify certain revenue that must be deposited in the dedicated transportation fund to support certain programs, and designate how money in the fund may be used; and
- (3) generally provide for a special County fund for transportation projects.

By adding

Montgomery County Code
Chapter 20, Finance
Article XV, Transportation Fund
Sections 20-82 through 20-86

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec 1. Chapter 20 is amended by adding Article XV, Sections 20-82 through 20-86, as follows:

Article XV

Dedicated Transportation Fund

20-82. Definitions. In this Article the following terms have the following meanings:

- (a) **Director** means the **Director of Finance.**
- (b) **Fund** means the **County Dedicated Transportation Fund created in this Article.**
- (c) **Highway User Revenues** are funds collected by the State, credited to the **Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund under state law, and disbursed to the County.**
- (d) **Local Surcharge** means revenues, if any, collected from any local motor vehicle registration surcharge imposed or authorized under state law and received by the County.
- (e) **Impact Tax** means that portion of the development impact tax credited to the County District under Section 52-53.

20-83. County Transportation Fund - Created

The **Director** must establish a Montgomery County Dedicated Transportation Fund to finance transportation-related initiatives in the County.

20-84. Source of Revenues.

- (a) The **Director** must deposit in the **Fund** all interest earned by the **Fund** and any money received from:
 - (1) the **Local Surcharge;**
 - (2) the **Impact Tax;**
 - (3) all **Highway User Revenues,** except:

(A) funds the County passes through to a homeowners' association for maintenance of roads under Chapter 24B; and
 (B) funds that exceed the revenue produced by the equivalent of 3 cents of the County's general fund property tax rate during the current fiscal year; and

(4) **Highway User Revenues** equivalent to the amount of highway user revenue generated from any increase in the state motor fuel tax rate that takes effect after June 30, 2003.

(b) If the **Highway Use Revenues** available to be deposited in the **Fund** under subsection (a)(3) in any fiscal year is less than an amount equivalent to 3 cents of the County's general fund property tax rate in the current fiscal year, after deducting any funds under subsection (a)(3)(A), the **Director** must transfer from the general fund the difference between:

(1) the amount of **Highway User Revenues** available for deposit into the **Fund**; and

(2) an amount equivalent to 3 cents of the County's general fund property tax rate in the current fiscal year.

20-85. Purpose of the Fund.

(a) The **Director** must use money in the **Fund** solely to finance transportation-related initiatives in the County designed to:

(1) alleviate traffic congestion and prevent gridlock on highways;

(2) optimize the use of technology to assist in monitoring and regulating traffic;

(3) improve air quality in the region by minimizing adverse environmental impacts associated with transportation; and

(4) contribute to the development in the County of a comprehensive transportation system that is safe, efficient, and environmentally sound.

(b) Transportation projects and programs for which the **Director** may disburse money from the **Fund** include:

- (1) construction of a new road or widening of an existing road that adds highway or intersection capacity or improves transit service or bicycle commuting, such as a bus lane or a bike lane;
- (2) facility planning to develop projects authorized in this Section;
- (3) road, bridge, intersection, and sidewalk improvements, and other means to increase vehicle capacity or improve traffic and pedestrian safety;
- (4) advances to the State for design, engineering, or planning of state projects if the advance would expedite state construction of major transportation projects in the County;
- (5) new or expanded transit centers, park-and-ride lots, and non-parking district parking facilities;
- (6) buses added to the Ride-On bus fleet and related facilities to support Ride-On fleet expansion, but not replacement buses;
- (7) new bus shelters or improvements to bus shelter infrastructure, but not a replacement bus shelter;
- (8) operating expenses of transit expansion or trip reduction programs;
- (9) new transit routes, or improvements to existing routes;
- (10) hiker-biker trails and connectors;

(11) improvements to the technology elements of the County's transportation system that enhance the efficiency of traffic movement and mass transit;

(12) data collection and analysis to measure program effectiveness;
and

(13) staff and related expenses necessary to implement these transportation-related programs.

(c) The **Director** must disburse money received from the **Impact Tax** in a manner consistent with Sections 52-53 and 52-58.

20-86. Records.

The **Director** must maintain adequate financial records that show the source of revenues deposited in the **Fund** and the disbursement of all expenditures from the **Fund** to ensure that the Fund is used exclusively to finance transportation-related projects and programs listed in Section 20-85.

Sec. 2. Effective Date; Transition. The Director of Finance must establish the Fund authorized by County Code Section 20-83, added by Section 1, as of July 1, 2003. The Director may disburse money from the Fund to reimburse the General Fund for any transportation project funded by a supplemental appropriation in fiscal year 2003 if the project would otherwise qualify for funding under Section 20-85.

Approved:

Michael L. Subin, President, County Council

Date

Approved:

Douglas M. Duncan, County Executive

Date

104 *This is a correct copy of Council action.*

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Mary A. Edgar, CMC, Clerk of the Council

Date



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Douglas M. Duncan
County Executive

MEMORANDUM

March 17, 2003

TO: Michael L. Subin, President
Montgomery County Council

FROM: Douglas M. Duncan, County Executive

SUBJECT: Creation of the Montgomery County Dedicated Transportation Fund

I am pleased to transmit to you legislation that creates the Montgomery County Dedicated Transportation Fund, the next step in keeping our promise to our citizens that \$1 billion of new local revenues will be specifically earmarked over the next ten years to reducing traffic congestion and preventing gridlock in Montgomery County.

Four sources of revenue will be deposited into this dedicated Fund: all revenues from the Countywide Impact Tax on development, all revenues from the local vehicle registration surcharge, any increase in the Gasoline Tax, and the equivalent of the three-cent increase in the general Property Tax which I have included today in my FY04 Operating Budget.

The legislation restricts the uses of the Fund's resources to efforts that will implement the Go Montgomery! initiative. The Fund can be used only for those projects that alleviate traffic congestion and prevent gridlock, optimize the use of technology to assist in the monitoring and regulation of traffic, improve pedestrian mobility and traffic safety, improve air quality in the Washington metropolitan region by minimizing adverse environmental impacts associated with transportation, and contribute to the development in Montgomery County of a comprehensive transportation system that is safe, efficient and environmentally sound.

I will be recommending in future years that we issue revenue bonds to finance Go Montgomery! projects so that the debt associated with Go Montgomery! will not compete with the needs of other services governed under Spending Affordability, such as schools, libraries and recreation centers. In order to do that, the resources that support the revenue bonds cannot and will not use the general taxing authority of the County. Thus, rather than place the stream of revenues from the three-cent Property Tax increase into the Fund, we will use that revenue stream to replace the Highway User Revenues (HUR) we receive from the State and that we have



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Michael L. Subin, President
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been depositing into the General Fund. Under this legislation, the amount of HUR deposited will never exceed the three-cent Property Tax revenues - absent an increase in the Gasoline Tax - and, if the HUR is less, the difference will be transferred from the General Fund. In this manner, we will keep our commitment to fund the Go Montgomery! program as we have said we would.

We have promised our citizens that we will improve mass transit, build the roads, facilities and other congestion relief infrastructure that are called for in our Master Plans. This legislation is a critical step in keeping that promise.

My staff will be available to work with you as you review this legislation.

DMD:brm

Attachment: Montgomery County Dedicated Transportation Fund Legislation