



Senate Bill 516

Transportation - Highway User Revenues - Distribution

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: March 7, 2018

To: Budget and Taxation Committee

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS SB 516 WITH AMENDMENTS.**

As introduced, this bill restores highway user revenues to municipalities, but not counties, over two years. However, its cross file, HB 807, was amended in the House to provide counties, municipalities, and Baltimore City with additional highway user revenues for five years beginning in fiscal 2020, as follows: 8.3 percent to Baltimore City, 3.2 percent to the remaining 23 counties, and 2.0 percent to incorporated municipalities. MACo estimates that this will provide approximately \$60 million, or about \$20 million more than in fiscal 2018, to those 23 counties. MACo respectfully requests that this Committee pass SB 516 with amendments to reflect its cross file, HB 807, as amended.

With the amendments reflecting the compromise being passed by the House, this bill addresses counties' long-standing top fiscal priority. It provides reliable formula funding for multiple years, allowing counties to program their capital projects accordingly.

Maryland's 23 counties and Baltimore City identified reinvestment in local roads, bridges, and infrastructure as one of their top legislative initiatives this Session. Local infrastructure requires reliable investment to keep Maryland moving. Recession-driven cost shifts have left local roadways lacking proper maintenance, bridges in dire need, and other public infrastructure neglected. Re-investing in infrastructure – a call heard at every level of government – is good for Maryland jobs, business attractiveness, and quality of life across the state.

Highway user revenue restoration will supply desperately needed funding to repair and maintain local roads and bridges.

The State and local governments have shared responsibilities for roads and bridges and the revenues generated from them since at least 1904. The State created the highway user revenue formula in 1968, and for more than forty years afterward, local governments had received at least 30 percent of transportation revenues – mostly motor fuel tax and vehicle registration fees - to fund their roads and bridges. **The Great Recession forced cuts to this area deeper than those in any other component of the state budget.** Twenty-three counties' share of funds plummeted from nearly \$300 million in 2007 to only \$40 million today: an 87 percent

decimation. Baltimore City alone now receives nearly \$100 million less each year than before the cuts.

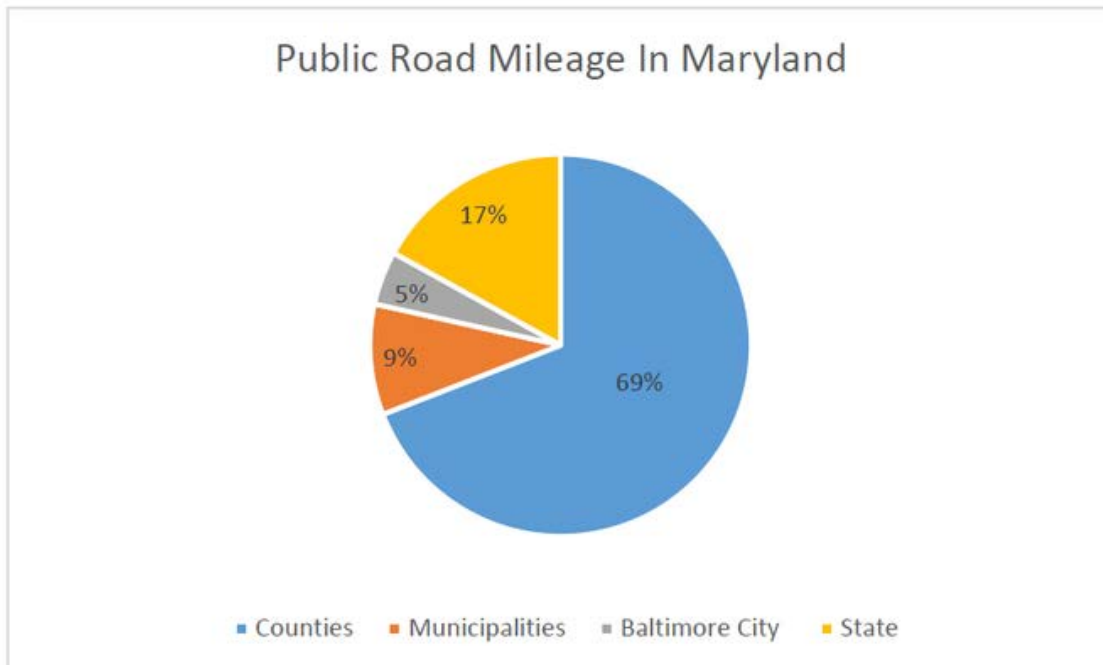
The cumulative loss of local roadway investment since Fiscal 2010 is over \$3 billion.

It is unquestionable that local governments – and, specifically, counties - maintain the lion’s share of the state’s roads and bridges. Unlike most other states, in Maryland, local governments own and maintain 83% of the roads. Every resident depends on local roadways.

In addition, approximately 45% of bridges in our state are owned by local governments, including nearly 70% of the 359 “structurally deficient” bridges as identified by the Maryland Section of the American Society of Civil Engineers in their most recently released Infrastructure Report Card. Without restoration of the traditional share of highway user revenues to local governments, counties and municipalities will have minimal means to address this backlog, or prevent it from growing worse.

Highway user revenues fund roads and bridges throughout our entire state, through an equitable, time-tested formula based on road mileage and vehicle registrations. This touches the roads our kids ride to school, the roads our first responders travel to keep us safe, and the roads where we all live.

SB 516, if amended to mirror its cross file, takes a step in the right direction toward bringing back transportation dollars to the 83% of roads and bridges maintained by local governments in Maryland. It brings back transportation dollars to everyone’s home. This bill offers a path to restore these desperately needed funds.



Accordingly, MACo requests the Committee give SB 516 a **FAVORABLE** recommendation with the **REQUESTED AMENDMENTS** to fund all local roadways.