



Senate Bill 946

Transportation - Highway User Revenues - Distribution

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

WITH AMENDMENTS

Date: March 15, 2022

From: Michael Sanderson and Dominic Butchko

The Maryland Association of Counties **SUPPORTS** SB 946, **WITH AMENDMENTS**. The bill as introduced serves to increase the local share of transportation revenues needed to support safety and maintenance work on local roads and bridges across Maryland. County amendments would conform the distributions to match those from the high-water mark of this important local funding, in FY 2009.

MACo urges amendments to properly restore the state/local balance that served Maryland for decades prior to recession-driven cutbacks. **Restoration of local infrastructure funding sits atop MACo's legislative initiatives for the 2022 session - it is local governments' top priority.**

For decades, the State supported a balanced means to maintain its transportation infrastructure. The bulk of transportation revenues – mainly motor fuel and vehicle titling taxes – have been split between the State (for its consolidated Transportation Trust Fund, serving multiple modes) and local governments (who own and maintain roughly 5 of every 6 road miles across the state). For decades, this split served all parties effectively.

During the depths of the "great recession" in 2009, the State faced a mid-year budget crisis. The Board of Public Works adopted a 90% reduction of the local distributions of these Highway User Revenues for 23 counties and a roughly 40% reduction to Baltimore City's allocation (the largest by far to any jurisdiction). Since then, recession-driven cutbacks in many service areas have been fully or largely restored. This is not the case with Highway User Revenues – they remain far, far behind historic levels, even after the State has enacted a substantial transportation revenue increase.

SB 946, as introduced, seeks to reset the percentage of Highway User Revenues received by local governments for multiple years. While the reset is intended to end counties' decade-plus "starvation diet" of road and bridge funding, counties recommend aligning the distribution shares to match their historic levels. Counties believe realigning funding along the pre-recession formula to be the best approach and support full restoration of the 30% share to local governments so that they can return to maintaining local infrastructure in the ways that Maryland's taxpayers expect and deserve.

SB 946 can be amended to restore funding to local transportation needs. Accordingly, MACo urges the Committee to **SUPPORT** full funding for our local roads and bridges, whether through an **AMENDED** version of SB 946 or other legislation.