

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 521 (Delegate Dembrow, et al.)
Ways and Means

Baltimore City - Highway User Revenues

This bill repeals provisions in current law which allocate 15% of highway user revenues to Baltimore City. The bill provides that the 30% local share of highway user revenues shall be distributed to the counties and Baltimore City under the allocation formula currently applied to only the counties.

Fiscal Summary

State Effect: None. The bill does not alter the 70% State share of highway user revenues.

Local Effect: Baltimore City highway user revenues would decrease by an estimated \$107.5 million and the counties' share would increase by a similar amount in FY 1997. Expenditures would not be affected.

Fiscal Analysis

Local Revenues: The bill reduces Baltimore City's share of highway user revenues by an estimated \$107.5 million in fiscal 1997. The reduction in highway user revenues distributed to Baltimore City would be distributed to the counties. Exhibit 1 presents a county-by-county breakdown of the estimated change in the distribution of highway user revenue.

The law governing the distribution of highway user revenue to the counties provides that no county shall receive less highway user revenue than the county received in fiscal 1968. Because the bill is effective October 1, Baltimore City would receive the 15% distribution provided in current law for the first three months of fiscal 1997. It is estimated that in fiscal 1998 the city's distribution would be the minimum, the amount of highway user revenue received by the city in fiscal 1968. Thus, Baltimore City's share of highway user revenue would be approximately \$28 million in fiscal years 1998 and beyond.

Exhibit 1

**Estimated Distribution of Highway User Revenue
(\$ in thousands)**

| | <u>Estimated FY 1997 Distribution Current Law</u> | <u>Estimated FY 1997 Distribution HB 521</u> | <u>Difference</u> |
|-----------------|---|--|-------------------|
| Allegany | 4,288 | 7,008 | 2,720 |
| Anne Arundel | 15,928 | 26,082 | 10,154 |
| Baltimore | 23,590 | 38,626 | 15,036 |
| Calvert | 2,921 | 4,779 | 1,858 |
| Caroline | 2,738 | 4,471 | 1,733 |
| Carroll | 7,097 | 11,605 | 4,508 |
| Cecil | 4,045 | 6,614 | 2,569 |
| Charles | 4,806 | 7,862 | 3,056 |
| Dorchester | 3,142 | 5,129 | 1,987 |
| Frederick | 9,237 | 15,104 | 5,867 |
| Garrett | 3,526 | 5,754 | 2,228 |
| Harford | 8,124 | 13,294 | 5,170 |
| Howard | 7,676 | 12,567 | 4,891 |
| Kent | 1,582 | 2,583 | 1,001 |
| Montgomery | 23,691 | 38,800 | 15,109 |
| Prince George's | 20,720 | 33,934 | 13,214 |
| Queen Anne's | 2,930 | 4,786 | 1,856 |
| St. Mary's | 3,650 | 5,969 | 2,319 |
| Somerset | 1,858 | 3,033 | 1,175 |
| Talbot | 2,426 | 3,963 | 1,537 |
| Washington | 6,414 | 10,486 | 4,072 |
| Wicomico | 4,905 | 8,015 | 3,110 |
| Worcester | 3,605 | 5,887 | 2,282 |
| Baltimore City | 168,901 | 61,449 | (107,452) |

Information Source(s): Department of Transportation, Department of Fiscal Services

Fiscal Note History: First Reader - February 27, 1996

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