SB 901

Department of Legislative Services

Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 901 (Senator King)
Budget and Taxation

Local Infrastructure Fast Track for Maryland Act

This bill alters the distribution of funds in the Gasoline and Motor Vehicle Revenue Account (GMVRA) over seven years beginning in fiscal 2019 and establishes a minimum distribution to municipalities from fiscal 2019 through 2024. The bill authorizes the Office of Legislative Audits (OLA) to audit local governments to ensure highway user revenues are used for an authorized purpose; revenues may be withheld by the Maryland Department of Transportation (MDOT) under specified circumstances. Additional federal funding received by the State for infrastructure projects results in a transfer of Transportation Trust Fund (TTF) revenues to local governments, as specified. Finally, the bill requires the Department of Budget and Management (DBM), by December 31, 2018, to submit a report regarding local infrastructure to the General Assembly. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: TTF revenues available to MDOT decrease by an estimated \$100.2 million in FY 2019, \$147.2 million in FY 2020, \$196.7 million in FY 2021, \$247.7 million in FY 2022, and \$302.0 million in FY 2023 due to the redistribution of GMVRA revenues. Combined with a reduction in bond issuances and corresponding debt service savings, TTF revenues available to MDOT decrease by approximately \$2.0 billion over the five-year period. The effect is greater in future fiscal years, as the bill continues to reduce MDOTs share of GMVRA revenues through FY 2025. Other potential effects are discussed below. **This bill may establish a mandated appropriation beginning in FY 2020.**

Local Effect: The bill alters the distribution of GMVRA revenues, thereby increasing local highway user revenues by an estimated \$100.2 million in FY 2019, \$147.2 million in FY 2020, \$196.7 million in FY 2021, \$247.7 million in FY 2022, and \$302.0 million in FY 2023. Other potential effects are discussed below.

Small Business Effect: None.

Analysis

Bill Summary:

Distribution of Highway User Revenues

Exhibit 1 summarizes the bill's proposed distribution of highway user revenues in fiscal 2019 through 2026. Additional distributions to municipalities must be made from MDOT's share of GMVRA revenues from fiscal 2019 through 2024, if necessary, to ensure that the total distributions, including any capital transportation grants, are at least $26.4 million each fiscal year.

Exhibit 1
Proposed Highway User Revenue Distribution
Fiscal 2019-2026
($ in Millions)

	FY 2019	FY 2020	FY 2021	FY 2022
MDOT	85.0%	82.5%	80.0%	77.5%
Baltimore City	8.3%	8.7%	9.2%	9.7%
Counties	5.1%	7.1%	9.0%	10.9%
Municipalities	1.6%	1.7%	1.8%	1.9%

	FY 2023	FY 2024	FY 2025	FY 2026
MDOT	75.0%	72.5%	70.0%	70.0%
Baltimore City	10.2%	11.1%	12.1%	12.1%
Counties	12.7%	14.1%	15.4%	15.4%
Municipalities	2.1%	2.3%	2.5%	2.5%

MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

Use of Highway User Revenues by Local Governments

OLA is expressly authorized to audit any officer or unit of a county or municipality that received a distribution of highway user revenues in the preceding fiscal year. An audit must ensure that the local government is using highway user revenues for the purposes authorized by State law. OLA must be given access to inspect the records, including those that are confidential, of any officer or unit of a county or municipality.

MDOT may not disburse highway user revenues to a jurisdiction for 12 months if the jurisdiction has used its revenues for an unauthorized purpose (or, pursuant to current law, has not submitted a related annual report); any undisbursed funds revert to TTF.

Federal Infrastructure Spending

If a change in federal law results in the appropriation of additional federal funding for MDOT or the Maryland Transportation Authority (MDTA) for infrastructure construction, improvements, operations, repairs, or maintenance, the Governor must direct an amount of at least half of the additional federal funding from TTF to be distributed as follows: 70% to MDOT, 12.1% to Baltimore City, 15.4% to counties, and 2.5% to municipalities.

Department of Budget and Management Local Infrastructure Report

The report required of DBM must (1) include information on the current functional capability, maintenance level, potential obsolescence, and need for expansion of multiple modes of infrastructure and (2) identify current and potential sources of revenue that are, or could be, targeted to address unmet needs for each mode of infrastructure detailed in the report. The report must include, at a minimum, information regarding each of the following modes of infrastructure: (1) potable water and wastewater delivery and retrieval systems; (2) 9-1-1 emergency number response systems; (3) public safety radio systems; (4) high-speed broadband access; (5) bridges and other transportation arteries; (6) major arterial roads owned by local governments; (7) school facility maintenance needs; and (8) any other area of critical infrastructure DBM determines appropriate for a similar evaluation. For each mode of infrastructure, DBM must seek input from related and specifies entities. The bill requires DBM to use existing resources to prepare the report.

Current Law:

Transportation Trust Fund – Generally

TTF is a nonlapsing special fund that provides funding for transportation. It consists of tax and fee revenues, operating revenues, bond proceeds, and fund transfers. MDOT issues bonds backed by TTF revenues and invests the TTF fund balance to generate investment income. The Maryland Transit Administration, Motor Vehicle Administration, Maryland Port Administration, and Maryland Aviation Administration generate operating revenues that cover a portion of their operating expenditures. After meeting debt service requirements, MDOT may use funds in TTF for any lawful purpose related to the exercise of its rights, powers, duties, and obligations. This includes issuing Consolidated Transportation Bonds (CTBs).

Debt Service Requirements and Practices

State law and agency debt practices limit CTB issuances with three criteria: a debt outstanding limit and two coverage tests. The debt outstanding limit is set in statute at $4.5 billion. The two coverage tests are established in the department's bond resolutions and require that annual net income and pledged taxes from the prior year each equal at least 2.0 times the maximum level of future debt service payments on all CTBs outstanding and to be issued. The department has adopted a management practice that requires minimum coverages of 2.5 times maximum future debt service. The net income coverage test is the ratio of all the prior year's income (excluding federal capital, bond proceeds, and third-party reimbursements) minus prior year operating expenses, debt service payments, deductions for nontransportation agencies, and local transportation aid to maximum future annual debt service and typically is the limiting coverage ratio. The pledged taxes coverage test measures annual net revenues from vehicle excise, motor fuel, rental car sales, and corporate income taxes (excluding refunds and all statutory deductions) as a ratio of maximum future annual debt service.

If either of these coverage ratios fall below the 2.0 times level, the department is prohibited under its bond covenants from issuing additional debt until the ratios are once again at the minimum 2.0 times level.

Highway User Revenues – Distributions and Authorized Purposes

TTF's GMVRA revenue (commonly known as highway user revenue) must be distributed to MDOT and local jurisdictions as follows:

- 90.4% to MDOT;
- 7.7% to Baltimore City;
- 1.5% to counties; and
- 0.4% to municipalities.

A local government entity may only use its share of highway user revenues for authorized purposes related to transportation infrastructure construction and maintenance. By January 1 of each year, Baltimore City, each county, and each municipality that received highway user revenues in the preceding fiscal year must submit a report to the State Highway Administration (SHA) that shows the actual costs of the preceding fiscal year, shows the current year budget, accurately identifies costs for specific and authorized projects, shows funds diverted from the local general fund to pay for authorized projects, and lists authorized projects that have been delayed due to lack of funding. SHA may not make a disbursement of highway user revenues to any jurisdiction that has not submitted this report.

Office of Legislative Audits

Generally, OLA must conduct a fiscal/compliance audit of each unit of the State government (except for units of the Legislative Branch) at an interval ranging from three to four years, unless the Legislative Auditor determines, on a case-by-case basis, that more frequent audits are required. Each agency or program may be audited separately or as part of a larger organizational unit of State government. OLA has the authority to conduct a separate investigation of an act or allegation of fraud, waste, or abuse in the obligation, expenditure, receipt, or use of State resources. OLA also may audit any county officer or unit that collects State taxes.

Background: For more information regarding transportation aid to local governments and highway user revenues, please see the **Appendix – Highway User Revenues**.

The Consolidated Transportation Program for fiscal 2019 through 2023 has set aside approximately $53.8 million in fiscal 2019 to be distributed to local governments as capital transportation grants. Of this total, $27.8 million goes to counties, $5.6 million goes to Baltimore City, and $20.4 million goes to municipalities. Budget bill language specifies that the grants be distributed to the counties and municipalities using the GMVRA distribution formula.

State Fiscal Effect:

Maryland Department of Transportation – Highway User Revenues

Altering the distribution formula in the manner required by the bill decreases TTF revenues available to MDOT by an estimated $100.2 million in fiscal 2019, $147.2 million in fiscal 2020, $196.7 million in fiscal 2021, $247.7 million in fiscal 2022, and $302.0 million in fiscal 2023, totaling $993.7 million over the five-year period. Additional distributions to municipalities due to the minimum distribution established by the bill are not anticipated to be necessary in any fiscal year, as discussed below in the Local Fiscal Effect section of this fiscal and policy note.

The $993.7 million reduction in highway user revenues available to MDOT over the five-year period requires MDOT to reduce its bond issuances by approximately $1.2 billion, resulting in an initial reduction of $2.2 billion in revenues available to MDOT. As MDOT issues less debt under the bill, it experiences a corresponding reduction in debt service payments. When debt service savings of $193.0 million are taken into account, the net decrease in MDOT's capital budget is $2.0 billion.

To the extent that a local government does not use its share of the revenues for an authorized purpose or does not submit its required annual report in future fiscal years, TTF revenues increase as the local government's share of highway user revenues reverts to TTF. However, whether and to what extent this occurs cannot be predicted and is, therefore, not assumed in this analysis.

Additional Federal Funding for Infrastructure Projects

The bill requires MDOT to share existing TTF revenues with local governments when either MDOT or MDTA receive additional federal funding for infrastructure projects due to a change in federal law. Specifically, at least half of the amount received from the federal government must be distributed from TTF using the GMVRA formula that is effective for fiscal 2025. This means that 30% of half of the amount of the federal grant must be distributed to local governments, as MDOT retains 70% of the revenues through that formula.

Any impact from this provision depends on future federal action and, therefore, cannot be predicted; however, the Department of Legislative Services (DLS) advises that the effect is likely to be significant if and when it occurs. *For illustrative purposes only*, if a change in federal law were to result in a grant of $100 million to MDOT for infrastructure projects, then, under the bill, MDOT would be required to distribute $15 million to local governments from TTF using the GMVRA formula.

Office of Legislative Audits – Audits Relating to the Use of Local Highway User Revenues

OLA advises that, because the bill does not mandate an audit of the counties and municipalities that receive highway user revenues, it plans to examine the issue during its periodic fiscal compliance audits of MDOT and SHA. At that point, OLA will determine whether to investigate specific local governments based on (1) the professional judgment of the auditor; (2) the amount of revenues in question; and (3) the potential for misuse or abuse of the revenues. Any subsequent audit needed as a result of OLA's findings can likely be handled using existing budgeted resources.

Department of Budget and Management – Local Infrastructure Study

General fund expenditures likely increase significantly for DBM to complete the infrastructure report required by the bill. DBM does not have the specialization necessary to examine the many technical aspects of the modes of infrastructure specified by the bill. Therefore, it likely needs to contract with multiple specialists to assist in the analysis needed to complete the required report. To reduce costs, and as required by the bill, DBM plans to request assistance from other State agencies. However, the bill only requires specified State agencies *to provide input to* DBM. Thus, it is unclear to what extent other agencies assist DBM. Accordingly, a reliable estimate of the increase in costs for DBM cannot be made at this time. DBM advises, however, that costs could exceed $1 million.

Because the bill requires DBM to use existing resources to prepare the required report, this analysis assumes that State funding is redirected from other DBM activities. As a result, either DBM does not complete those other activities, or additional general funds are needed to backfill for the loss of funding.

DBM also advises, and DLS concurs, that despite the deadline established by the bill to complete the required report, the actual completion of the report is likely to take significantly longer than six months. Including information on the current functional capability, maintenance level, potential obsolescence, and need for expansion of the specified modes of infrastructure, as required by the bill, involves significant and time-consuming investigations and collaboration with affected entities. DBM advises that the completion of the required report could take as long as two years.

Other agencies can provide input on the report using existing resources.

Local Fiscal Effect: Altering the GMVRA distribution formula increases local jurisdictions' highway user revenues by an estimated $100.2 million in fiscal 2019, $147.2 million in fiscal 2020, $196.7 million in fiscal 2021, $247.7 million in fiscal 2022, and $302.0 million in fiscal 2023. The distribution of the increase between Baltimore City, counties, and municipalities is shown in **Exhibit 2**. Additional distributions to municipalities are not necessary because the projected distribution exceeds the bill's $26.4 million required minimum distribution in each fiscal year. Specifically, municipalities are projected to receive $29.7 million in fiscal 2019, $31.7 million in fiscal 2020, $34.0 million in fiscal 2021, $36.5 million in fiscal 2022, and $41.2 million in fiscal 2023.

Exhibit 2
Projected Increase in Local Distribution of Highway User Revenues
Fiscal 2019-2023
($ in Millions)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Baltimore City	$11.1	$18.6	$28.4	$38.4	$49.0
Counties	66.8	104.3	141.8	180.5	219.6
Municipalities	22.3	24.2	26.5	28.8	33.3
Total	**$100.2**	**$147.2**	**$196.7**	**$247.7**	**$302.0**

Note: Totals may not sum due to rounding.

Source: Department of Legislative Services

Exhibit 3 shows the increase in highway user revenues distributed to localities and the total amount of highway user revenues distributed to localities from fiscal 2019 through 2023 under the bill (by county). (The total highway user revenues in this exhibit do not reflect the fiscal 2019 capital transportation grants for counties, municipalities, and Baltimore City.)

As noted above, to the extent that a local government does not use its share of the revenues for an authorized purpose or does not submit its required annual report in future fiscal years, local revenues decrease as the local government's share of revenues revert to TTF. However, whether and to what extent this occurs cannot be predicted and is, therefore, not assumed in this analysis.

Similarly, the potential for additional federal funding for State infrastructure projects cannot be predicted and is, therefore, not assumed in this analysis. As noted above, however, this provision may result in significant additional funding for local jurisdictions.

It is assumed that local government entities are able to provide input to DBM regarding the local infrastructure report with existing local resources.

Exhibit 3
Local Government Increase and Total – Highway User Revenues
Fiscal 2019-2023
($ in Millions)

	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Increase	**Total**	**Increase**	**Total**	**Increase**	**Total**	**Increase**	**Total**	**Increase**	**Total**
Allegany	$2.2	$3.1	$3.0	$3.8	$3.7	$4.6	$4.5	$5.4	$5.4	$6.3
Anne Arundel	8.1	11.4	12.2	15.5	16.3	19.6	20.5	23.9	24.9	28.4
Baltimore City	11.1	154.0	18.6	162.1	28.4	174.0	38.4	186.2	49.0	200.0
Baltimore	10.0	14.1	15.5	19.7	21.1	25.4	26.9	31.2	32.7	37.1
Calvert	1.8	2.6	2.7	3.5	3.6	4.4	4.5	5.3	5.5	6.3
Caroline	1.4	1.9	1.9	2.5	2.5	3.1	3.1	3.7	3.8	4.3
Carroll	4.0	5.6	5.7	7.2	7.3	8.9	9.0	10.6	10.9	12.5
Cecil	2.2	3.1	3.1	4.0	4.1	5.0	5.1	6.0	6.1	7.0
Charles	2.7	3.8	4.1	5.2	5.4	6.6	6.8	8.0	8.3	9.5
Dorchester	1.5	2.1	2.2	2.8	2.8	3.5	3.5	4.1	4.2	4.9
Frederick	5.8	8.0	7.9	10.1	10.0	12.2	12.1	14.4	14.6	16.9
Garrett	1.6	2.3	2.4	3.1	3.2	3.8	3.9	4.6	4.8	5.5
Harford	4.4	6.1	6.4	8.1	8.4	10.1	10.4	12.2	12.6	14.4
Howard	3.9	5.5	6.1	7.7	8.3	9.9	10.5	12.2	12.8	14.5
Kent	0.8	1.1	1.1	1.4	1.4	1.8	1.8	2.1	2.2	2.5
Montgomery	12.6	17.6	18.0	23.0	23.5	28.5	29.1	34.2	35.1	40.3
Prince George's	11.9	16.5	16.4	21.0	21.0	25.7	25.7	30.5	30.9	35.8
Queen Anne's	1.4	2.0	2.2	2.8	2.9	3.5	3.7	4.3	4.4	5.1
St. Mary's	0.8	1.2	1.2	1.6	1.6	2.0	2.1	2.4	2.5	2.8
Somerset	2.0	2.8	3.1	3.9	4.2	5.0	5.3	6.2	6.4	7.3
Talbot	1.4	2.0	1.9	2.5	2.4	3.0	2.9	3.5	3.5	4.1
Washington	3.6	4.9	4.9	6.3	6.2	7.6	7.6	9.0	9.1	10.6
Wicomico	2.8	3.9	3.8	4.9	4.8	5.9	5.9	7.0	7.0	8.2
Worcester	2.0	2.7	2.7	3.5	3.5	4.3	4.3	5.1	5.2	6.0
Total	**$100.2**	**$278.3**	**$147.2**	**$326.0**	**$196.7**	**$378.2**	**$247.7**	**$432.0**	**$302.0**	**$490.3**

Notes: Totals may not sum due to rounding.
Estimate assumes that highway road miles and vehicle registrations in fiscal 2019 remain constant through fiscal 2023.

Source: Department of Legislative Services

Additional Information

Prior Introductions: SB 586 of 2017, a similar bill, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. Its cross file, HB 1322, received a hearing in the House Environment and Transportation Committee, but no further action was taken.

Cross File: Although designated as a cross file, HB 1569 (Delegate Beidle, *et al.* - Environment and Transportation and Appropriations) is not identical.

Information Source(s): Maryland Department of Transportation; Maryland Association of Counties; Baltimore City; Harford and Montgomery counties; Comptroller's Office; Department of Budget and Management; Department of Legislative Services

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Appendix – Highway User Revenues

Transportation Aid to Local Governments

In fiscal 2018, local governments received $175.5 million in State aid from highway user revenues and $38.4 million for special transportation grants. **Exhibit 1** shows the amount of State aid for local transportation programs in each county, including municipalities and Baltimore City, in fiscal 2018.

Highway User Revenues – Generally

Since the early 1900s, the State has shared motor vehicle-related revenues with the counties and Baltimore City. Initially these revenues consisted of vehicle registration fees. In 1927, when the gasoline tax increased from $0.02 to $0.04 per gallon, the State began sharing these taxes with local governments. In 1968, the General Assembly approved legislation that established a formula for apportioning the county and municipal shares of highway user revenues. The legislation also initiated the sharing of motor vehicle titling taxes with the subdivisions. Legislation enacted in 1970 created the Maryland Department of Transportation (MDOT) and a consolidated Transportation Trust Fund (TTF). As provided by that legislation, the State shares with the counties, Baltimore City, and municipalities those revenues credited to the Gasoline and Motor Vehicle Revenue Account in TTF, more commonly referred to as "highway user revenues." Currently, the revenues dedicated to the account include all or some portion of the motor vehicle fuel tax, vehicle titling tax, vehicle registration fees, short-term vehicle rental tax, and State corporate income tax.

Exhibit 1
Transportation Aid Programs
Fiscal 2018

County	Highway User Revenues	County Grants	Municipal Grants	Elderly/ Disabled	Paratransit	Per Capita Aid	Per Capita Rank
Allegany	$832,087	$220,002	$991,798	$141,544	-	$30	8
Anne Arundel	3,221,498	1,358,907	851,278	245,966	$217,351	10	21
Baltimore City	140,766,857	5,484,423	-	379,335	-	239	1
Baltimore	4,127,744	1,926,280	-	395,836	-	8	24
Calvert	726,380	295,765	254,643	127,003	76,099	16	16
Caroline	527,472	184,008	366,216	-	-	33	6
Carroll	1,544,593	521,396	1,175,124	151,029	-	20	14
Cecil	853,921	300,969	574,716	134,073	-	18	15
Charles	1,079,426	448,309	326,598	137,609	-	13	19
Dorchester	595,741	207,513	415,488	122,724	50,000	43	4
Frederick	2,162,068	630,207	2,231,971	159,159	-	21	13
Garrett	647,220	246,388	327,922	119,664	-	46	2
Harford	1,753,040	644,754	1,021,418	170,371	-	14	17
Howard	1,589,922	741,964	-	162,520	430,000	9	23
Kent	303,393	105,117	214,892	-	-	32	7
Montgomery	4,873,972	1,727,668	3,222,520	379,107	-	10	22
Prince George’s	4,484,948	1,395,053	4,112,763	332,819	450,000	12	20
Queen Anne’s	579,271	245,078	148,792	122,064	-	22	11
St. Mary’s	816,040	365,518	90,166	117,447	135,000	14	18
Somerset	335,208	130,865	150,657	131,054	-	29	9
Talbot	532,876	150,782	576,870	360,652	40,000	45	3
Washington	1,343,554	408,283	1,288,815	269,015	-	22	12
Wicomico	1,055,069	302,541	1,118,612	146,917	-	26	10
Worcester	749,231	239,621	648,334	-	110,000	34	5
Total	**$175,501,531**	**$18,281,410**	**$20,109,551**	**$4,305,908**	**$1,508,450**	**$32**	

Notes: Highway User Revenues column includes municipal aid. Per Capita estimates based off of 2016 Census population estimates.
Source: Department of Legislative Services

Highway User Revenues – Distribution

Historically, highway user revenues have been distributed to (1) TTF for MDOT's capital program, debt service, and operating costs and (2) to the counties, Baltimore City, and municipalities to assist in the development and maintenance of local transportation projects. In fiscal 2009, prior to budget reconciliation legislation reducing the local share of highway user revenues to help balance the budget, the $1.6 billion in highway user revenues were distributed as follows:

- $1.1 billion (70%) to MDOT;
- $187.6 million (12.06%) to Baltimore City;
- $239.4 million (15.38%) to counties; and
- $39.8 million (2.56%) to municipalities.

In response to the ongoing budget crisis, the Budget Reconciliation and Financing Act of 2010 (Chapter 484) significantly reduced the share of highway user revenues distributed to the counties and municipalities to allow a portion of the revenues to be allocated to the general fund for budget relief. In accordance with Chapter 484, in fiscal 2011, the $1.6 billion in highway user revenues were distributed as follows:

- $1.1 billion (68.5%) to MDOT;
- $377.1 million (23.0%) to the general fund;
- $129.5 million (7.9%) to Baltimore City;
- $8.2 million (0.5%) to counties; and
- $1.6 million (0.1%) to municipalities.

The following year, the Budget Reconciliation and Financing Act of 2011 (Chapter 397) divorced the relationship between highway user revenues and the general fund, reducing the distribution of highway user revenues to the general fund in fiscal 2012 and ending the distribution to the general fund in fiscal 2013. **Exhibit 2** illustrates this transition and funding from fiscal 2012 through 2015.

Baltimore City has generally received a larger share of highway user revenues than other local jurisdictions because the State does not conduct highway maintenance or construction in Baltimore City (except for portions of I-95) as it does in the counties. The city's share of total highway user revenues is currently 7.7% each year, as shown in Exhibit 2. The allocations made to counties and municipalities are distributed based on road miles and vehicle registrations.

Exhibit 2
Highway User Revenues – Distribution
Fiscal 2012-2015
($ in Millions)

	Fiscal 2012		Fiscal 2013		Fiscal 2014		Fiscal 2015	
	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars
MDOT	79.8%	$1,318.6	90.0%	$1,445.4	90.4%	$1,543.4	90.4%	$1,597.9
General Fund	11.3%	186.7						
Baltimore City	7.5%	123.9	8.1%	130.1	7.7%	131.5	7.7%	136.1
Counties	0.8%	13.2	1.5%	24.1	1.5%	25.6	1.5%	26.5
Municipalities	0.6%	9.9	0.4%	6.4	0.4%	6.8	0.4%	7.1
Total	**100%**	**$1,652.3**	**100%**	**$1,606.0**	**100%**	**$1,707.3**	**100%**	**$1,767.6**

MDOT: Maryland Department of Transportation
Source: Department of Legislative Services

Municipal Transportation Grants and Special Grants for the Counties and Baltimore City

Since fiscal 2014, municipalities have received additional transportation aid in the form of municipal transportation grants; municipalities received $15.4 million from these grants in fiscal 2014, $16 million in fiscal 2015, $19 million in fiscal 2016, $19 million in fiscal 2017, and $20.1 million in fiscal 2018. In fiscal 2016, 2017, and 2018, the counties and Baltimore City were also awarded additional transportation aid through special grants. In fiscal 2016 and 2017, Baltimore City received $2 million and the counties received a total of $4 million; in fiscal 2018, Baltimore City received $5.5 million and the counties received a total of $12.8 million.

Although the municipal transportation grants and the special grants are supplemental to the amounts received from highway user revenues, the grants were distributed using the highway user revenue formula. In addition, the counties and Baltimore City received $10 million for pothole repairs in fiscal 2014, which was distributed on the basis of county road miles.