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SB 982

March 4, 2020

TO: Members of the Budget & Taxation Committees
FROM: Matthew Stegman, Deputy Director of Government Relations
RE: Senate Bill 982 - Highway User Revenues – Revenue and Distribution

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 982.

SB 982 makes alterations to the distribution of money in the Gasoline and Motor Vehicle Revenues Account to local governments, increasing the amount of Highway User Revenues (HURs) distributed to local governments and Baltimore City. Presently, Baltimore City receives 8.3% of the total allocation of HURs, and SB 982 would increase that share to 8.8%.

HUR distributions to local jurisdictions were significantly cut starting in FY 2008 as a response to a significant shortfall in state revenues at the height of the Great Recession. Despite the prolonged economic recovery and stabilization of the Transportation Trust Fund – in part due to a fuel tax increase during the 2014 Legislative Session - HUR state aid to local governments remains historically low. No jurisdiction has been impacted more negatively than the City of Baltimore.

Baltimore City receives the largest share of local HUR aid of any locality in Maryland, due to it being the only jurisdiction responsible for maintaining all State Highways within its boundaries and an Interstate Highway, I-83. Despite still receiving the largest share of HUR funding, the reality is that Baltimore City's HUR allocation in FY

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2020 accounts for roughly two thirds of our allocation in FY 2007. Over the course of the past 13 fiscal years, the cut to Baltimore City's HUR allocation has resulted in a loss of roughly \$800 million in cumulative revenue that is desperately needed to reinvest in the city's aging infrastructure.

Providing the City of Baltimore the opportunity to invest in our infrastructure stands to save the State of Maryland money as well. The current condition of Baltimore City roadways leads to wear and tear on the thousands of state vehicles owned and operate by the Maryland Transit Administration.

For the forgoing reasons, we respectfully request a **favorable** report on SB 982.

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