



## House Bill 1187

### *Transportation – Highway User Revenues – Revenue and Distribution*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: March 29, 2022

From: Michael Sanderson and Dominic J. Butchko

The Maryland Association of Counties **SUPPORTS** HB 1187 **WITH AMENDMENTS**. Counties support the full restoration of the local percentage of Highway User Revenues (HURs) to their pre-2007 percentage. **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 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.

Unfortunately, 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.

HB 1187, after the House amendments, fails to fully reset the state and local share of HURs to their pre-2007 percentages. Instead, this bill increases the local share of HURs, for both Baltimore City and the 23 county governments, by a mere fraction of a percent for three years. This bump barely equates to any real increase in additional transportation resources for local governments. The pre-2007 distribution served Maryland for decades before the recession-driven cutbacks. Given the opportunities created by federal infrastructure investments, and the compelling needs demonstrated by local governments on a decade-plus “starvation diet” of road and bridge funding, counties believe now is an opportune time to restore investment in critical local infrastructure.

*It is important to note that MACo's proposed changes do not institute any new taxes, tolls, or fees – this bill is about redistributing existing resources to their rightful “fair share” percentage.*

HB 1187 should be amended to restore funding to local transportation needs. Accordingly, MACo urges the Committee to **SUPPORT** HB 1187 **WITH AMENDMENTS** and restore full funding for our local roads and bridges, whether through HB 1187 or other legislation.