

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 738 (Senator Young, *et al.*)
Budget and Taxation

**Baltimore City - Highway User Revenues - Payment of Student Transportation
Costs**

This bill extends the period during which highway user revenues distributed to Baltimore City may be used to pay students' costs of discounted Mass Transit Administration (MTA) fares for eligible public school students. Currently, the city may use the funds for this purpose through fiscal 1997. The bill extends the period through fiscal 2002.

Fiscal Summary

State Effect: Special fund revenues from MTA fares would continue at approximately the current level in FY 1998-2002 as discussed below.

Local Effect: Baltimore City would continue to use approximately \$3.65 million per year of highway user revenues to subsidize student MTA transportation costs as discussed below.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

State Effect: The MTA collected approximately \$5.9 million (of which \$3.65 million is highway user revenues) from Baltimore City in fiscal 1996 for transporting students to and from school. Extending the period in which Baltimore City may use highway user revenues for this purpose would generate approximately this same amount in fiscal 1998-2002. If highway user revenues were not used to subsidize the MTA fares, the city may find alternative forms of transportation for students. This could potentially lead to lower ridership and thus lower revenues for the Transportation Trust Fund.

Local Effect: Currently, Baltimore City uses approximately \$3.65 million per year in highway user revenues to subsidize the cost of MTA fares for students. The bill would allow

the continued use of the highway user revenues for this purpose through fiscal 2002. If the period is not extended, the cost of student MTA transportation may be shifted to other city fund sources or the city may need to find alternative forms of transportation for the students.

Information Source(s): Department of Transportation (Mass Transit Administration), Baltimore City, Department of Fiscal Services

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