

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1045
Appropriations

(Delegates Boteler and Cluster)

Baltimore County - Highway User Revenues - Restrictions

This bill provides that, as a condition of receiving highway user revenues, Baltimore County may not spend any funds or grant any approvals or permits related to the planning, engineering, right-of-way acquisition, or construction of an extension of Gunview Road from its terminus at Gunpowder Falls State Park to U.S. Route 1.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: None. The bill places a condition on local government eligibility for State aid; it would not affect State finances.

Local Effect: Significant revenue decrease for Baltimore County if it loses eligibility for highway user revenues, estimated to be \$28.4 million for the county in FY 2005. Potential future county expenditures would decrease by \$4 million if it does not construct the extension of Gunview Road. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Current Law: Local governments receive a portion of most tax and fee revenues accruing to the Transportation Trust Fund through the Gasoline and Motor Vehicle Revenue Account (GMVRA). Revenue deposited into the account is distributed 70% to the Maryland Department of Transportation and 30% to counties and municipalities in the form of highway user revenues. Half of the revenues are allocated based on county road mileage and the other half is based on motor vehicle registrations per county for the preceding calendar year. The allocation per county may not be less than the amount

allocated in the fiscal year beginning July 1, 1967. From each county's gross share of highway user revenues, the State deducts the amount allocated to any municipality.

Highway user revenues may be used only for certain purposes. Generally, the revenues may be used to finance transportation facilities (airport, highway, port, railroad, or transit) or county road construction, reconstruction, or maintenance, including debt service on bonds for county or municipal roads. They may also be used to create and maintain footpaths, horse trails, and bicycle trails under certain conditions. The permitted uses are different in Kent County and Baltimore City and more broad in Talbot County.

Background: The Baltimore County Master Plan contains a project that would extend Gunview Road from south of Gunpowder Falls State Park to U.S Route 1 as a two-lane highway. The extension, estimated to be 7,000 feet, is not in the county's capital improvement program, but the county has reserved rights of way for it. The project is part of a larger network of roads, some of which have been constructed, designed to handle additional traffic in the White Marsh area.

Local Effect: If Baltimore County were to spend money or grant approvals for the project specified by the bill, it would lose its annual share of highway user revenues, estimated to be \$28.4 million in fiscal 2005. Consequently, county expenditures would have to increase significantly to compensate for the loss to meet debt service requirements. The project is estimated to cost \$4 million, using county funds; accordingly, future county expenditures would decrease by that amount if the project is halted.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Baltimore County, Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2004
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