

**Department of Legislative Services**  
Maryland General Assembly  
2007 Session

**FISCAL AND POLICY NOTE**

House Bill 1077  
Ways and Means

(Delegate O'Donnell)

Budget and Taxation

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**Calvert County - Highway User Revenues - Special Taxing Districts**

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This bill states that it is the intent of the General Assembly that Calvert County: (1) accept an easement for public travel on highways in all special taxing districts in the county; (2) include any highway in a special taxing district in the county's inventory of county roads for the purposes of calculating the allocation of highway user revenues; and (3) distribute a portion of the county's highway user revenues to all special taxing districts. Further, the bill also specifies that Calvert County is not prohibited from performing these actions.

The bill takes effect June 1, 2007.

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**Fiscal Summary**

**State Effect:** None. If the intent of the bill was followed, the distribution of local highway user revenues would change; however, total State expenditures would not be affected.

**Local Effect:** Local highway user revenues in Calvert County could increase by \$591,400 in FY 2009 and by \$642,600 in FY 2012. Local highway user revenues in other counties would decrease by a commensurate amount.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Local highway user revenues are distributed to Baltimore City, counties, and municipalities for the construction and maintenance of local roads. After determining Baltimore City's allocation, the remaining revenue is distributed among the counties based on the following:

- 50% is distributed based on the ratio of road mileage in a particular county to total county road mileage statewide as of December 1 of the preceding calendar year.
- The remaining 50% is distributed based on the ratio of vehicle registrations in a particular county to total vehicle registrations statewide as of December 1 of the preceding calendar year.
- Municipalities receive a share of their respective county's distribution based on the same prorated formula noted above: 50% of a county's share is apportioned among the county and its municipalities on the basis of road mileage; and 50% is apportioned on the basis of vehicle registrations.

A county road is defined as a public highway where the title or the easement for the use of which is vested in a public body or governmental agency, excluding State highways or roads located in Baltimore City.

**Background:** Chesapeake Ranch Estates (CRE) is a 13,000 person, 3,900 home subdivision containing 67.8 miles of roads belonging to the Property Owners Association, which is also a special taxing district. The association advises that its roads were laid out in the 1950s, and are in need of considerable upgrades. As a private community, the association is responsible for road maintenance. Only 20 miles of roads are paved; the remaining roads are gravel. CRE estimates that approximately 50 miles of road would qualify as county roads for the purpose of receiving local highway user revenues. In addition, Drum Point Property Owner's Association is Calvert County's other special taxing district. It has 14.1 miles of roads.

In order for the homeowners associations to receive local highway user revenues, SHA would need to inspect the roads to determine if they qualify for State funding under the highway user revenue formula. To be considered eligible for State funding, a road must be: graded, drained, and surfaced to show evidence of maintenance and usability; must be open at all time to public travel; and the right of way must be at least 30 feet wide.

At least three other homeowners associations receive local highway user revenues for road maintenance: Ocean Pines in Worcester County, Lake Lingamere in Frederick County, and Montgomery Village in Montgomery County.

**Local Fiscal Effect:** If the intent of the bill was followed, and Calvert County included the road mileage of Chesapeake Ranch Estates and Drum Point in its county road mileage, Calvert County's share of local highway user revenues would increase; while funding in other counties would decrease accordingly.

Calvert County would have to include the road mileage in its December 1, 2007 report to the State Highway Administration; as such, it would not affect the distribution of local highway user revenues until fiscal 2009.

Calvert County's share of local highway user revenues would increase by \$591,400 in fiscal 2009 and by \$642,600 in fiscal 2012. This estimate is based on the following assumptions:

- all 81.9 miles of roads in Chesapeake Ranch Estates and Drum Point are eligible to be considered county roads for the purpose of receiving local highway user revenues; and
- the amount of miles in other counties and the remainder of Calvert County stayed constant.

Local highway user revenues in the other counties would decrease by the same amount. **Exhibit 1** shows the potential impact on each jurisdiction based on fiscal 2008 data.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Chesapeake Ranch Estates Property Owners Association, Drum Point Property Owners Association, Calvert County, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2007  
ncs/hlb

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**Exhibit 1**  
**Impact on Local Highway User Revenues – HB 1077**  
**Based on Fiscal 2008 Allocation**

<u>County</u>	<u>Road Mileage</u>	<u>Vehicle Registration</u>	<u>FY 2008 Under HB 1077</u>	<u>FY 2008 Current Law</u>	<u>Difference</u>	<u>Percent Difference</u>
Allegany	724.33	63,120	\$7,544,239	\$7,562,107	-\$17,868	-0.2%
Anne Arundel	1,788.21	515,673	32,406,678	32,450,795	-44,117	-0.1%
Baltimore City	0.00	0	232,998,000	232,998,000	0	0.0%
Baltimore	2,629.08	660,261	43,895,923	43,960,785	-64,862	-0.1%
Calvert	544.74	87,698	7,214,410	6,646,140	568,270	8.6%
Caroline	538.08	35,540	5,169,675	5,182,950	-13,275	-0.3%
Carroll	1,136.04	173,240	14,675,800	14,703,827	-28,027	-0.2%
Cecil	659.48	90,384	8,129,411	8,145,681	-16,270	-0.2%
Charles	745.33	132,712	10,358,175	10,376,562	-18,387	-0.2%
Dorchester	641.14	31,748	5,753,904	5,769,722	-15,818	-0.3%
Frederick	1,544.90	216,844	19,239,698	19,277,812	-38,114	-0.2%
Garrett	744.36	32,433	6,510,730	6,529,094	-18,364	-0.3%
Harford	1,154.70	225,759	16,819,297	16,847,784	-28,487	-0.2%
Howard	965.48	244,524	16,198,677	16,222,496	-23,819	-0.1%
Kent	302.07	20,815	2,935,244	2,942,696	-7,452	-0.3%
Montgomery	2,609.30	717,989	45,966,841	46,031,214	-64,373	-0.1%
Prince George's	2,271.03	627,417	40,103,755	40,159,783	-56,028	-0.1%
Queen Anne's	558.54	52,060	5,947,189	5,960,969	-13,780	-0.2%
St. Mary's	602.17	95,134	7,905,691	7,920,547	-14,856	-0.2%
Somerset	376.60	20,395	3,446,682	3,455,973	-9,291	-0.3%
Talbot	446.10	41,372	4,742,000	4,753,005	-11,005	-0.2%
Washington	1,020.60	133,904	12,352,188	12,377,367	-25,179	-0.2%
Wicomico	881.06	83,374	9,429,279	9,451,015	-21,736	-0.2%
Worcester	695.65	55,222	7,038,755	7,055,917	-17,162	-0.2%
<b>Total</b>	<b>23,578.99</b>	<b>4,357,618</b>	<b>\$566,782,241</b>	<b>\$566,782,241</b>	<b>\$0</b>	<b>0.0%</b>

Source: Department of Legislative Services