

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 729

(Senator McCray)(By Request - Baltimore City
Administration)

Budget and Taxation

Environment and Transportation

**Baltimore City – Use of Highway User Revenues for Traffic Functions and
Enforcement – Modification**

This bill expands the authorized uses of Highway User Revenues (HUR) for Baltimore City; instead of being able to use HUR to pay or finances costs incurred by its *police department* for carrying out traffic functions and enforcing traffic laws, the bill authorizes Baltimore City to use HUR to pay any cost incurred for carrying out traffic functions and enforcing the traffic laws. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: The bill does not affect State operations or finances.

Local Effect: The bill does not materially affect Baltimore City operations or finances, as discussed below.

Small Business Effect: None.

Analysis

Current Law: The Transportation Trust Fund provides local transportation aid through the Gasoline and Motor Vehicle Revenue Account. Currently, the revenues (more commonly referred to as HUR) dedicated to the account include all or some portion of the motor vehicle fuel tax, vehicle titling tax, vehicle registration fees, short-term vehicle rental tax, and State corporate income tax.

Local governments are only permitted to use HURs for purposes authorized by State law. Generally, the funding must be used to pay the cost of transportation facilities and to construct, reconstruct, or maintain locally owned roads. A local government may, however, spend a reasonable part of its funding for the purposes of establishing and maintaining footpaths, bridle paths or horse trails, or bicycle trails, under specified circumstances.

Additionally, other uses of the funds are authorized for specified local entities. Directly related to the bill, Baltimore City and Kent County are authorized to use HUR for costs incurred by their police departments for carrying out traffic functions and enforcing traffic law.

Local Expenditures: Baltimore City advises that under current practice, it uses a portion of its share of HUR to fund crossing guards, which are paid for through the Baltimore City Police Department's (BPD) budget. By more broadly authorizing Baltimore City to use HUR to pay or finance costs incurred for carrying out traffic functions and enforcing traffic laws, instead of only authorizing the city to pay or finance such costs incurred by the police department, Baltimore City is able to directly fund crossing guards without the additional administrative step of working through the BPD budget. As such, the bill is not anticipated to affect Baltimore City's overall expenditures but likely results in administrative efficiencies.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 1362 (Delegate Prettyman, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Baltimore City; Department of Legislative Services

Fiscal Note History: First Reader - March 7, 2022
fnu2/lgc Third Reader - April 7, 2022

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510