



## **Senate Bill 400**

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

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

**WITH AMENDMENTS**

Date: February 9, 2022

From: Dominic J. Butchko and Kevin Kinnally

The Maryland Association of Counties **SUPPORTS** SB 400, **WITH AMENDMENTS**. The bill as introduced provides short-term stability for the state-levied transportation revenues needed to support safety and maintenance work on local roads and bridges across Maryland.

MACo urges amendments to not only avoid the sunset of current funding levels, but the proper restoration of the state/local balance that served Maryland for decades prior to recession-driven cutbacks. **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. 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.

SB 400, as introduced, avoids a short-term crisis with Highway User Revenues – eliminating the coming “cliff effect” following a multi-year tier in annual local funding. This is an important step. However, given the opportunity 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 support a full restoration of the 30% share to local governments, not a mere extension of the last incremental step toward that fully warranted policy goal.

SB 400 can be amended to restore funding to local transportation needs. Accordingly, MACo urges the committee to **SUPPORT full funding for our local roads and bridges**, whether through an **AMENDED** version of SB 400, or other legislation.