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Legislative District 43
Baltimore City

Education, Health, and
Environmental Affairs Committee

Chair

Joint Committee on Ending
Homelessness

Chair

Joint Committee on Children,
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SB946 Transportation - Highway User Revenues - Distribution

March 14, 2022

Chair Guzzone, Vice Chair Rosapepe, and Members of the Budget and Taxation Committee,

The Gasoline and Motor Vehicle Revenue Account (GMVRA) is more commonly known as the Highway User Revenue Account and the funds from this account are referred to as Highway User Revenues (HURs). In 2009, when the recession in our country hit, the local share of Highway User Revenues was reduced by about 90%. These are funds that can be used for a multitude of resources such as reconstruction and maintenance of roads, establishment of footpaths, covering the costs of transportation facilities, and more.

In 2018, among other temporary tweaks to HUR funding, the General Assembly approved an increase in the municipal share of HUR funding to 2.0% for Fiscal Years 2020 through FY2024. This increase brought the municipal HUR funding to 85% of pre-recession levels but only for this five-year period as it is set to expire after FY2024.

SB946 will increase the share of funds from the HUR Account that the Maryland Department of Transportation allocates annually beginning in FY 2024. Additionally, this bill would require the funds to be shared directly with local governments and municipalities instead of through local transportation grants, as they are now. Chapters 330 and 331 from 2018 required revenue from the GMVRA to be retained by the Transportation Trust Fund (TTF) and distributed to local governments through capital transportation grants. SB946 would require HURs to be allocated directly to local governments instead.

SB946 also expands the purposes for which MDOT can issue county transportation bonds. MDOT is authorized to borrow funds through county transportation bonds so counties may accelerate programs of road construction or reconstruction, provide local funds for federally aided transportation projects, make major road repairs from unexpected weather conditions, and to generally finance the cost of transportation facilities.

Under the bill, County Transportation bonds will include the purposes of (1) providing local participating funds transportation projects aided by the State and (2) for local capital projects along State roads maintained by local governments and MTA bus routes. This expansion of authorized purposes of county transportation bonds is not anticipated to affect the TTF finances since it should not increase the issuance of the bonds.

SB946 would take effect July 1st, 2022. SB946 is needed to bring the HURs back to pre-recession levels. Without action, local and municipal allocations will decrease after FY2024 from 2.0% to 0.4% which the Maryland Municipal League believes could result in a \$30 million loss per year.

I respectfully request a favorable report on SB946.

In Partnership,

A handwritten signature in blue ink, appearing to read "Mary Washington". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Senator Mary Washington, District 43