

Office of Government Relations 88 State Circle Annapolis, Maryland 21401

SB 0499

February 12, 2025

TO: Members of the Senate Budget & Taxation Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 499 - Baltimore City - Highway User Revenues Capital Grants -

Calculation

POSITION: Support

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) <u>supports</u> Senate Bill (SB) 499 - Baltimore City - Highway User Revenues Capital Grants – Calculation.

SB 499 ensures that Baltimore City receives an equitable share of Highway User Revenues (HUR) by maintaining the share of total HUR that Baltimore City receives at 12.2%, preventing a drastic reduction in funding. Without this change, Baltimore's HUR allocation will plummet from \$95 million in FY26 to just \$16 million by FY30, significantly impacting essential infrastructure projects. Baltimore City has already lost nearly \$1 billion in HUR revenues over the years, and under current law, the city faces another devastating funding cut beginning in FY28. This reduction would cripple essential infrastructure maintenance, jeopardize federal funding, and lead to severe deterioration of roads, bridges, and traffic systems.

By maintaining the share of HUR dedicated to Baltimore City, SB 499 will:

- Ensure continued investment in essential infrastructure, including:
 - 22 major bridge projects that are currently in various stages of design. Without funding, Baltimore's Federal Highway Administration funding is at risk.
 - Road resurfacing and Complete Streets improvements—25 miles of roadways per year will deteriorate, increasing future reconstruction costs.
 - Traffic signal infrastructure—Only 10% of Baltimore's 1,300 intersections have modern communication capabilities. Without HUR funding, traffic signal systems will continue to degrade.
 - Complete Streets projects—HUR funds are required by law for these initiatives, but future cuts would eliminate funding for new projects.
 - Basic pavement, alley, and footway preservation—Funding in FY28 would be just 10% of the FY26 budget for alleys and footways and 14% of the resurfacing budget.

- Help address Baltimore City's \$1.8 billion deferred maintenance backlog, which includes sidewalks, bridges, roadways, traffic signals, alleys, and lighting.
- Secure federal funding eligibility—Maintaining Baltimore City's HUR allocation is crucial
 for providing the \$10.5 million annual local match required for federal funding. Many
 federally funding projects require local jurisdictions to contribute 20% in matching funds.
 Without sustained HUR funding, the City would have to forego applying for many critical
 infrastructure projects.

Without this bill, Baltimore will be unable to maintain basic infrastructure demands, worsening safety conditions, increasing long-term costs, and hindering economic growth. SB 499 protects Baltimore's ability to invest in its streets, bridges, and transportation networks, ensuring a safer and more connected city for residents and businesses. For these reasons, the BCA respectfully request an **favorable** report on SB 499.

ⁱ Sorensen, L. C., Avila-Acosta, M., Engberg, J. B., & Bushway, S. D. (2023). The thin blue line in schools: New evidence on school-based policing across the U.S. *Journal of Policy Analysis and Management*, 42(4), 941–970. https://doi.org/10.1002/pam.22498