

# **SB0499-BT-ADMIN.pdf**

Uploaded by: Nina Themelis

Position: FAV



**BRANDON M. SCOTT**  
MAYOR

*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) supports 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.

<sup>i</sup> 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>

## **SB 499 Baltimore City – Highway User revenues Capi**

Uploaded by: tamika winkler

Position: FAV

**CORY V. MCCRAY**  
*Legislative District 45*  
Baltimore City

DEPUTY MAJORITY WHIP

Budget and Taxation Committee

*Subcommittees*

Chair, Health and Human Services

Vice Chair, Capital Budget

Executive Nominations Committee

Legislative Policy Committee

Joint Committee on Gaming Oversight



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Cory.McCray@senate.state.md.us

**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

## **Vote Yes to SB 499**

**Title:** Baltimore City – Highway User revenues Capital Grants – Calculation  
Budget & Taxation  
Hearing: February 12, 2025

Dear Chair, Vice Chair, and Members of the Committee,

I am writing to request your favorable vote on **SB 499**, which calls for an increase in the percentage, from 9.5% to 12.2%, used to calculate a capitol grant based on highway user revenue to be appropriated for Baltimore City.

**SB 499** grants a fairer share of highway user revenue back to Baltimore City. As over 140,000 people commute to the Baltimore region daily, the high-volume of drivers alone call for a more equitable distribution of any revenue accrued through highway revenue generation.

I urge you to vote favorably for **Senate Bill 499**. By doing so, you provide Baltimore City with much needed funding and rectify disproportionate funding allocations.

Continued Blessings,

A handwritten signature in blue ink, appearing to read "Cory V. McCray".

Cory V. McCray  
45<sup>th</sup> District

# **SB0499 - TSO - LOI - Baltimore City - HUR Capital**

Uploaded by: Patricia Westervelt

Position: INFO

February 12, 2025

The Honorable Guy Guzzone  
Chair, Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD 21401

***RE: Letter of Information – SB 499 – Baltimore City – Highway User Revenues Capital Grants – Calculation***

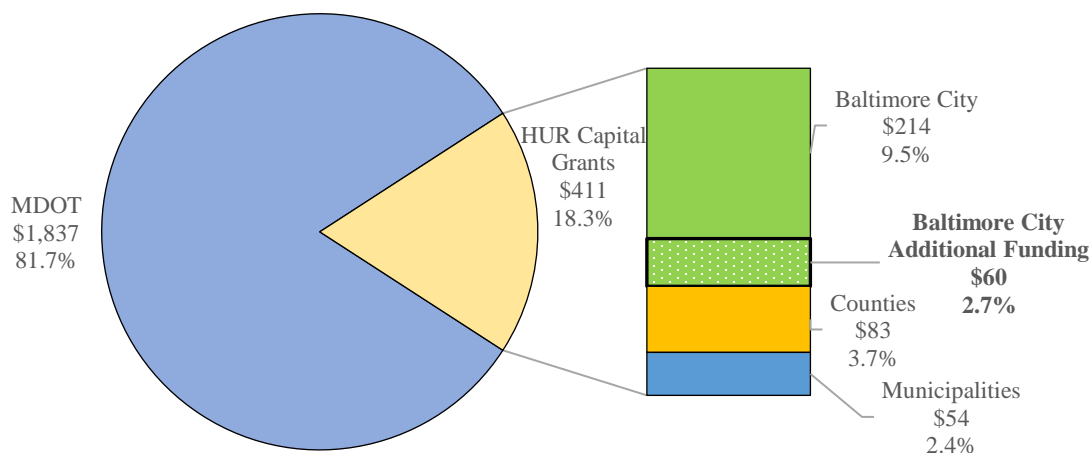
Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position but offers the following information for the Committee's consideration of Senate Bill 499.

HUR capital grants allocate a portion of certain transportation revenues imposed at the statewide level to local jurisdictions. The allocation is made in accordance with distributions established in law. Funds not distributed to local jurisdictions are retained in the Transportation Trust Fund for statewide transportation purposes. SB 499 mandates an increase in funding for the Baltimore City highway user revenues (HUR) capital grant beginning in FY 2028.

The proposed distribution of revenues under SB 499 is outlined in Figure 1. As shown, this bill would redirect approximately \$60 million annually that is currently programmed for statewide transportation projects. This results in approximately a \$180 million reduction to MDOT's six-year capital program.

Figure 1: Distribution of Certain Transportation Revenues Under Senate Bill 499  
FY 2028





The General Assembly periodically reconsiders the allocation of HUR capital grants. Typically, allocations for all local jurisdictions are modified at one time, versus considerations for the City or a subset of counties or municipalities.

The HUR capital grant program was last modified in 2022, at which time the General Assembly increased allocation of transportation revenues to all local jurisdictions through FY 2027. To hold harmless the statewide funding for MDOT, the General Assembly increased the portion of corporate income tax revenues distributed to the Transportation Trust Fund (TTF). Beginning in FY 2028, the share of corporate income tax revenue distributed to the TTF decreases from 22% to 20% in conjunction with reduced funding to local jurisdictions. *An increase in funding to any HUR capital grants, absent a matching increase in available revenues, results in decreased funding available to MDOT; this will negatively impact the Department's ability to deliver on its operations and those capital projects identified for funding in the Fiscal Year 2025 to 2030 Consolidated Transportation Program.*

MDOT made significant, strategic reductions to its operating and capital programs over the last several years to maintain affordability of the six-year program.<sup>1</sup> Additional revenues established by the General Assembly during the 2024 legislative session, as well as additional revenues proposed by Governor Moore this session, allowed the Department to restore some reductions. However, continued fiscal constraint is required until the investments being made in Maryland's economic growth jumpstart the economy. A mandated increase in the Baltimore City HUR capital grant will require offsetting reductions across the Department to maintain the affordability of MDOT's six-year operating and capital program.

The Maryland Department of Transportation respectfully requests the Committee consider this information during its deliberation of Senate Bill 499.

Respectfully submitted,

Jaclyn D. Hartman  
Assistant Secretary of  
Transportation Investments  
Maryland Department of Transportation  
410-865-1005

Matthew Mickler  
Director of Government Affairs  
Maryland Department of Transportation  
410-865-1090

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<sup>1</sup> Notably, MDOT did not propose HUR reductions as a means of balancing its fiscal year 2026 operating or capital budgets, thereby maintaining funding for local roadway investments at mandated levels despite declining revenues gas tax revenues.