



House Bill 1388

Transportation – Motor Fuel Tax and Highway User Revenue – Increased Local Share

House Bill 1455

Transportation – Highway User Revenue – Restoration

MACo Position: **SUPPORT**

To: Environment & Transportation Committee

Date: March 10, 2015

From: Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1388 and HB 1455. While the specifics vary, each of these bills would fully restore local highway user revenues back to the historic state and local share - providing additional revenue for local roads and bridges.

“Local Transportation Funding Restoration” is MACo’s top initiative for the 2016 General Assembly Session. MACo feels strongly that it is now time for local roads and bridges to again play a more significant role in the State’s transportation funding plan, and supports all efforts to restore funding this session.

For decades, local roadways were funded as one of the modes of transportation receiving 30% of Highway User Revenues (motor fuel tax and vehicle registration fees). The local share was slashed during the recession-driven budgets, and the former \$555 million has been drastically cut back to \$177 million – with a mere \$27.7 million to be shared among 23 county governments (that figure used to be \$282 million). The cumulative loss of local roadway investment since Fiscal 2010 is approximately \$2.5 billion. Simply put, no other component of the State budget has suffered reductions of this magnitude. Although Baltimore City’s percentage reduction was not as large, the reduction per capita funding is far greater than that felt by any other jurisdiction.

In response, counties across the state had to increase taxes, institute layoffs and furloughs, eliminate employee adjustments and increments, enact across-the-board cuts, and dip into rainy day and reserve funds — all required to offset the State funding reductions, and in addition to their own revenue declines related to the economy.

With respect to local roadways, counties have had to do the following to withstand the loss of HUR:

- Delay or eliminate construction projects completely;
- Significantly reduce street tree maintenance and street light repairs;

- Reduce stormwater and waterway maintenance;
- Reduce preventative maintenance and surface treatment of roadways such as asphalt overlays and slurry seal - smaller jurisdictions are experiencing major reductions or have eliminated repairs and maintenance altogether;
- Eliminate or significantly reduce mowing, tree trimming, street sweeping, and leaf collection;
- Reduce guardrail replacements to the point where no new guardrails are being installed, and existing guardrails are only being repaired or replaced in the most damaged areas; and,
- Reduce personnel and/or restructure road crews' numbers.

MACo believes HB 1388 and HB 1455 offer viable approaches to fully restore locally-funded roadways and bridges in FY 2017, and therefore, urges the Committee to put local roadways back on track, and give any combination of these bills a **FAVORABLE** report.