



Senate Bill 585

Transportation - Highway User Revenues - Distribution to Municipalities

MACo Position: **SUPPORT**
with AMENDMENTS

To: Environment and Transportation Committee

Date: March 31, 2016

From: Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 585, **WITH AMENDMENTS**. The bill as amended in the Senate would guarantee one future year of extra Highway User Revenue distributions – but directs the full amount toward municipal roadways, leaving the many more road miles maintained by Baltimore City and county governments unaddressed.

If SB 585 is passed in its current form – the result is deeply unfair:

<i>(FY 2018 funding)¹</i>	Current Law Cuts	SB 585 Restores	% Restoration
Municipalities	\$41 m	\$25 m	60%
Baltimore City	82 m	none	0%
County governments	258 m	none	0%

The deep cuts to local road funding were an unfortunate part of the “great recession” cutbacks needed to balance the state budget. Their continuation in perpetuity – even while state transportation revenues have been expanded and state surpluses pile up – is unfair and unreasonable.

The final FY 2017 state budget, as passed and enacted by the General Assembly, “flat-funded” all proposed increases to local roadways. This decision came after both the Senate and House approved budgets, with full deliberation, that included additional incremental funding proposed in the Executive Budget. Counties were very disappointed with this unexpected twist.

MACo did not raise issues with SB 585 or its House crossfile during its initial consideration, as there were other bills proposing broader changes to Highway User Revenues. On those bills, MACo consistently supported restoring local road funding to all segments of local government, by whatever timetable was deemed reasonable and affordable. MACo continues to hold this position.

However, with SB 585 being the only proposal receiving any favorable treatment in any legislative deliberations this term, this bill now seems to be the centerpiece of any legislative plan for local roadways. So, despite its municipal focus, SB 585 now seems the last gasp for any action this year.

¹ House Bill 1455 of 2016, Department of Legislative Services Fiscal and Policy Note

The proposed funding in SB 585 is not a reasonable resolution to the problem of local roadway safety and maintenance. Any action on this bill should fairly consider all the parties charged with maintaining roads and bridges across the state – incorporating the distribution of both road miles and vehicles, and the unique responsibilities of Baltimore City to maintain nearly all state roads within its borders.

The Highway User Revenue formula is the time-honored and best method to equitably support local roads and bridges, rebuild the public trust in the fair use of fuel taxes and vehicle revenues, and promote driver safety in communities across the state. MACo strongly endorses this investment. It worked in Maryland for decades, and should be put back into place.

An amended version of SB 585 could accomplish this goal. MACo would strongly support either a multi-year commitment to further equity in road funding, or just a one-year funding framework that addresses needs across the state.

The Governor endorsed just such a proposal – including its mandated funding – when he introduced HB 484 and SB 591 in 2015. These bills proposed a mandated eight-year phase-in of full local road funding to all segments of local governments. MACo lent its enthusiastic support.

MACo believes that a comprehensive approach is needed in any statutory plan for road funding. We urge the Committee to take this opportunity, and use this legislation as the means to do so. Counties would be very pleased to work with the Committee on amendments to broaden the bill's effects, and accomplish the safety and fairness goals that all stakeholders deserve. For these reasons, MACo urges the Committee to vote **FAVORABLE WITH AMENDMENTS** on SB 585.