



Senate Bill 591

Transportation – Highway User Revenues – Phased Restoration

MACo Position: **SUPPORT**

Date: March 10, 2015

To: Budget and Taxation Committee

From: Andrea Mansfield and Michael Sanderson

The Maryland Association of Counties (MACo) **SUPPORTS** SB 591. This bill would restore local government's Highway User Revenues (HUR) back to the historic 30% share over an eight-year time frame beginning in Fiscal 2017.

“Transportation Funding Restoration” is MACo's top initiative for the 2015 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.

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 \$167 million – with a mere \$26 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 \$2.1 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 greater than that felt by any other jurisdiction.

In response, counties across the state increased taxes, instituted layoffs and furloughs, eliminated employee adjustments and increments, enacted across-the-board cuts, and dipped into rainy day and reserve funds — all required to offset the State funding reductions in addition to their own revenue declines related to the economy.

With respect to local roadways, counties have done the following:

- Reduced 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;
- Delayed or eliminated construction projects completely;
- Significantly reduced street tree maintenance and street light repairs;

- Reduced stormwater and waterway maintenance;
- Eliminated or significantly reduced mowing, tree trimming, street sweeping, and leaf collection;
- Reduced 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,
- Reduced personnel and/or restructured road crews' numbers.

MACo believes SB 591 offers a reasonable approach to restoring locally-funded roadways and bridges, and therefore, urges the Committee to give the bill a **FAVORABLE** report.