

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1059
Appropriations

(Delegate Clagett)

Budget and Taxation

Transportation - Highway User Revenues - Local Government Reporting

This bill requires Baltimore City and each county and municipality that receives local highway user revenues to submit a report by January 1 of each year detailing (1) the actual local highway user expenditures incurred in the previous fiscal year; (2) the projected expenditures for the current fiscal year; and (3) for both the prior and current fiscal year, the local highway user revenues spent on specified projects. The report must be submitted to the Governor, the State Highway Administration (SHA), the Senate Budget and Taxation Committee, and the House Ways and Means Committee.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill's requirements can be handled within existing local resources.

Small Business Effect: None.

Analysis

Current Law: Baltimore City is required by January 1 of each year to report to the Governor and SHA an accounting report that details (1) the actual costs incurred the previous year; (2) the current fiscal year expenditure budget; and (3) a breakdown by specified category of highway and street-related spending.

Background: The Transportation Trust Fund (TTF) is a nonlapsing special fund that provides funding for transportation. It consists of tax and fee revenues, operating revenues, bond proceeds, and fund transfers. The Maryland Department of Transportation (MDOT) issues bonds backed by TTF revenues and invests the TTF fund balance to generate investment income. The Maryland Transit Administration, Motor Vehicle Administration, Maryland Port Administration, and Maryland Aviation Administration generate operating revenues that cover a portion of their operating expenditures.

The tax and fee revenues allocated to TTF include motor fuel taxes, titling taxes, vehicle registration fees, a portion of the rental car sales and corporate income taxes, and other miscellaneous motor vehicle fees.

After meeting debt service requirements, MDOT may use funds in TTF for any lawful purpose related to the exercise of its rights, powers, duties, and obligations. Under current law, TTF's Gasoline and Motor Vehicle Revenue Account revenue (commonly known as highway user revenue) must be distributed to MDOT and local jurisdictions as follows:

- 90.4% to MDOT;
- 7.7% to Baltimore City;
- 1.5% to counties; and
- 0.4% to municipalities.

Local governments use highway user revenues to help develop and maintain local transportation projects.

Counties and municipalities must submit annual financial reports to the Department of Legislative Services. Under Part XXII of this report, commonly known as the *Uniform Financial Report*, counties and municipalities report the disposition of all highway user revenues available to local governments for expenditures and all receipts and expenditures related to (1) the construction, maintenance, operation, and administration of roads, streets, alleys, and other public ways; (2) traffic police and road patrols; and (3) debt service and statuses of bonds and notes issued to finance highway activities. These reports are done in accordance with Federal Highway Administration requirements.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Carroll, Harford, Montgomery, and St. Mary's counties; Town of Bel Air; Maryland Association of Counties; Maryland Department of Transportation; Department of Legislative Services

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mc/lgc

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