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Testimony in Support of
Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution
Senate Budget and Taxation Committee
March 09, 2022

The Rural Maryland Council supports Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to the original 30%. The Rural Maryland Council supports efforts to restore the Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the State shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and SB-726 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver's community. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 726.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.