



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution

SPONSOR: Senator McCray, *et al.*

HEARING DATE: March 9, 2022

COMMITTEE: Budget and Taxation

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 726 - Transportation – Highway User Revenues – Revenue and Distribution**, which fully restores the local share of highway user revenues and holds the State to its long-standing responsibility to help fund public infrastructure.

Highway user revenues fund roads and bridges across Maryland through a formula based on road mileage and vehicle registrations. For more than 40 years, local governments received 30% of transportation revenues – mostly motor fuel tax and vehicle registration fees – to fund their roads.

This share of revenues was cut by 90% during the Great Recession – more than 12 years ago – with 23 counties' share of funds plummeting from nearly \$300M in 2007 to only \$40M in 2018. The cumulative loss in revenue across the counties from FY 2007 to FY 2023 is over \$4.5 billion. Prince George's County has one of the highest cumulative losses at \$381 million.

In 2018, a temporary phase-in was passed to provide emergency relief for local infrastructure projects – bringing those twenty-three counties to only a third of their previous, fully funded amounts – but it is set to expire in FY 2025. If **SB 726** does not pass, local infrastructure funding will again plummet, this time by about \$76.8 million, further stressing county budgets already strained by the national health pandemic, a weakened economy, aggressive education funding mandates, and other state obligations.

SB 726 not only prevents the cliff but fully restores highway user revenues to Maryland counties and municipalities, freeing up millions of county dollars to go back to their intended services (like emergency management, wastewater, and parks). **SB**

726 returns transportation dollars to the 83% of roads and bridges maintained by local governments in Maryland.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 726** and asks for a **FAVORABLE** report.