



March 9, 2022

Senate Bill 726

**Transportation – Highway User Revenues – Revenue and
Distribution**

Senate Budget and Taxation Committee

Position: FAVORABLE

Senate Bill 726 fully restores the local share of highway user revenues (HUR) and holds the State to its long-standing responsibility to help fund public infrastructure. Restoration of HUR will supply desperately needed funding to repair and maintain local roads and bridges and lead to better, safer, more modern infrastructure for travel, economic development, and the quality of life of Maryland's residents.

The State created the HUR formula in 1968 to fund roads and bridges across Maryland through an equitable distribution based on road mileage and vehicle registrations. For more than 40 years, local governments received at least 30% of transportation revenues – mostly motor fuel tax and vehicle registration fees – to fund our roads and bridges. The Great Recession forced cuts to this area deeper than those in any other component of the state budget. In Anne Arundel County alone, our share of funds plummeted from nearly \$32 million in 2007, to less than \$6 million in 2018.

A temporary phase-in was passed in 2018 to provide emergency relief for local infrastructure projects. This relief consisted of only a third of our previous, fully funded amounts. But even this level of funding is set to expire in fiscal year 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, and state obligations.

Anne Arundel County has consistently spent substantially more on HUR-eligible activities than the amount of HUR available. Road resurfacing and reconstruction projects total \$25 million annually, and Anne Arundel County has budgeted \$43 million for roads and bridges. Despite this considerable local investment, Anne Arundel County still has road and bridge needs that go unfunded each year. Without restoration of the traditional share of HUR to local governments, infrastructure maintenance will suffer, affecting the roads our kids ride to school, the roads our first responders travel to keep us safe, and the roads where we all live.

Recession-driven budget cuts decimated the local share of HUR and have left local roadways, bridges, and other public infrastructure in dire need of maintenance and repair. Re-investing in infrastructure – a call heard at every level of government – is good for Maryland jobs, business attractiveness, residents' safety, and overall quality of life across the state. For these reasons, we respectfully urge the Committee to give SB 726 a **FAVORABLE** report.

A handwritten signature in blue ink, appearing to read "Stuart Pittman".

Stuart Pittman
County Executive