



Odette Ramos

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Testimony

SB726 – Transportation - Highway User Revenues – Revenue and Distribution

March 9, 2022

FAVORABLE

Chair Guzzone and Members of the Senate Budget and Taxation Committee:

I am writing to urge your support for **SB726 – Transportation - Highway User Revenues – Revenue and Distribution**

SB726 increases the amount of Highway User Revenues for each jurisdiction in Maryland.

Baltimore City is the only local jurisdiction in Maryland that is responsible for maintaining state highways and interstate (I-83) in the jurisdiction. All other state highways and interstates outside of Baltimore City are maintained by the State of Maryland, via MDOT SHA or MDOT MdTA. Therefore, Baltimore historically has had the highest allocation of the Highway User Revenues in the state.

In addition, Baltimore City is the only jurisdiction where our roads are used by residents of many other jurisdictions – either they work in Baltimore, come to enjoy your harbor or our neighborhoods, or come to receive the best health care in the world. Baltimore is the central hub of our state.

During the depths of the great recession in 2009, the State faced a mid-year budget crisis. The Board of Public Works adopted a 90% reduction of the local distributions of these Highway User Revenues and a roughly 40% reduction to Baltimore City's allocation (the largest by far to any jurisdiction). Since then, recession-driven cutbacks in many service areas have been fully or largely restored. This is not the case with Highway User Revenues – they remain far, far behind historic levels, even after the State has enacted a substantial transportation revenue increase.

As a result, since 2007, Baltimore has lost over \$900 million total over the past 15 years.

In the most recent capital budget allocation, the Baltimore City Department of Transportation presented a slide that detailed the significant infrastructure that has deferred maintenance, totaling \$1.3Billion. I have attached that diagram to this testimony. Capital costs to maintain the bridge, road, traffic calming and other transportation infrastructure is \$158.32million each year. We will never have a fighting chance of addressing our infrastructure needs without additional funding.

Once SB726/HB1187 passes and is signed, Baltimore will receive 8.3% of the Highway User Revenues. In 2025, Baltimore will receive 12.1% of the Highway User Revenues which could add another \$56.6million to Baltimore so our total allocation is closer to \$210million per year.

This legislation is critical to help us meet our transportation infrastructure needs. In my district, our requests for road repair, traffic calming, speed bumps, and more have not been fulfilled because of the lack of funding. We have a list of over 100 requests, and the current capital budget will never allow us to make headway on completing these requests. These are issues that are critical for the safety and quality of life for our residents. It is an equity issue- most of the requests that remain outstanding are in areas that have traditionally been ignored.

I urge your favorable report for this legislation.

Please do not hesitate to contact me should you have any questions. I can be reached on 410-396-4814 or via email at odette.ramos@baltimorecity.gov.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Odette Ramos", is positioned above the typed name.

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Additions: Graphics provided by Baltimore City Department of Transportation

Local Funding - Highway User Revenue (HUR)

Components of HUR:

- o Motor Fuel Tax
- o Corporate Income Tax
- o Sales and Use Tax (a portion of short-term vehicle rentals)
- o Motor Vehicle Titling Fee
- o Motor Vehicle Registration Fee

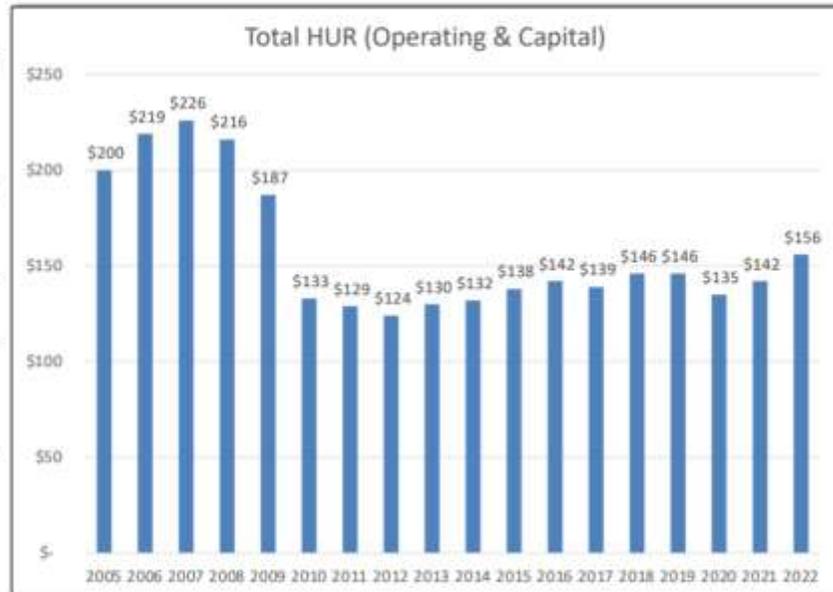
Prior to 1998: 15% of total State HUR was distributed to the City - larger percentage due to the City maintaining State Routes and Interstate

1998-2009: Baltimore City received the minimum of 11.5% of total State HUR or \$157.5M, plus 30% of the HUR minus the greater of the \$157.5M or 11.5% of HUR exceeding 1998's calculation

2010: State changed the formula to allocate revenues to the State's General Fund. This permanently reduced the allocation to the City which dropped to 8.6% in Fiscal 2010 and 7.9% in 2011

Post-2012: City allocation has ranged from 7.5% to the current 8.3% total State HUR. The 8.3% allocation is legislated to remain until FY2025, when its scheduled to be reduced to 7.7%

2013: The State stopped allocating HUR to their General Fund, but did not reinstate the allocation to the City



DOT Long Term Capital Needs

The capital needed to correct the deferred maintenance is approximately \$1.3 Billion. If DOT were to receive the funding to correct the deferred maintenance, the estimated projected annual funding for replacement of existing assets is \$158.35 Million. Correcting deferred maintenance would provide an acceptable level/condition for the infrastructure assets.

Asset Category	ESTIMATED CAPITAL NEEDED FOR DEFERRED MAINTENANCE TO BRING TO A STATE OF GOOD REPAIR	ESTIMATED ANNUAL CAPITAL FUNDING NEEDED FOR CAPITAL REPLACEMENT PER YEAR FOR THE NEXT 20 YEARS	AVERAGE PER YEAR APPROPRIATION IN THE CAPITAL BUDGET (OVER THE LAST THREE FISCAL YEARS)
Sidewalks / ADA Access	\$657M	\$37.85M	\$5.8M
Bridges	\$435M	\$31.75M	\$21.5M
Roadways	\$316M	\$64.8M	\$29.5M
DOT Facilities	\$79M	\$18.95M	-
Traffic Signalization	\$67M	\$5.35M	\$3.3M
Transit Infrastructure	\$50M	\$7.5M	\$3.3M
Alleys	\$44M	\$4.2M	\$1.5M
Lighting	\$33M	\$3.65M	-
Bicycle Facilities	\$7M	\$1.85M	\$1.1M
TOTAL	\$1.3B	\$158.35M	

