



**Queen
Anne's
County**

DEPARTMENT OF PUBLIC WORKS

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Senate Bill 726 / House Bill 1187

Transportation – Highway User Revenues – Revenue and Distribution

Position: SUPPORT

To: Budget and Taxation Committee
Environment and Transportation Committee

Date: March 9 and 10, 2022

From: R. Shane Moore, Queen Anne's County

Queen Anne's County SUPPORTS SB726/HB1187. This bill 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 revenue restoration will supply desperately needed funding to repair and maintain local roads and bridges.

Recession-driven budget cuts decimated the local share of Highway User Revenues 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.

The loss of over \$68 million in HUR since 2008 has resulted in backlogs in general road maintenance, road resurfacing and equipment replacement that we are still working to resolve today. All road resurfacing and equipment replacements were deferred indefinitely creating a +90% backlog in road resurfacing and overlays before supplemental funding was allocated to restart the program. In addition, staffing levels were reduced by over one-third (1/3) from our original pre-2008 staffing levels. The use of one-time monies from the sale of bonds, State Aid Allocations and ARRA grants as well as County general fund allocations help with road resurfacing, capital equipment and projects they do not help in rebuilding our depleted staff to meet the needs of our Roads Maintenance program.

The cumulative loss of local roadway investment since FY 2007 is over \$4.5 billion. With local governments maintaining 83% of the roads in Maryland, this represents a significant and critical loss for local resources.

The State created the highway user revenue formula in 1968, and for more than forty years afterward, local governments had received at least 30 percent of transportation revenues— mostly motor fuel tax and vehicle registration fees—to fund their roads and bridges. The Great Recession forced cuts to this area

deeper than those in any other component of the state budget. Twenty-three counties' share of funds plummeted from nearly \$300 million in 2007 to only \$40 million in 2018: an 87 percent decimation. In 2018, Baltimore City alone received nearly \$100 million less than it did before the cuts. 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 SB726/HB1187 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.

COUNTY has a cumulative loss of \$68,454,256 million in Highway User Revenues between FY 2009 and FY 2023.

The full restoration of this funding will mean better, safer, more modern infrastructure for travel, economic development, and the quality of life of Maryland's residents.

Highway user revenues fund roads and bridges across Maryland through an equitable, time-tested formula based on road mileage and vehicle registrations. This touches the roads our kids ride to school, the roads our first responders travel to keep us safe, and the roads where we all live. Without restoration of the traditional share of highway user revenues to local governments, counties and municipalities will have minimal means to address infrastructure maintenance and keep our communities safe and moving. SB726/HB1187 returns the transportation dollars to the 83% of roads and bridges maintained by local governments in Maryland. It brings back transportation dollars to our local communities. This bill restores these desperately needed funds to their intended purpose.

Accordingly, Queen Anne's County respectfully urges the Committee to give SB726/HB1187 a **FAVORABLE** report to fund all local roadways.