

Funding Solutions for Maryland's Transportation Infrastructure



February 20, 2013

Background

- **Maryland's gas tax (23.5 cents per gallon) was last raised in 1992 and has not kept pace with inflation and rising construction costs.**
- **Assuming MDOT meets its fiscal projections, the department's capital program will be focused solely on system preservation by fiscal 2018.**

House Transportation Funding Plan

- **Our Goal:**
 - a sustainable transportation funding solution that addresses our aging infrastructure while meeting the future mobility needs of all Marylanders.



Transportation Issues Facing the State

- **Increased demand**
- **Traffic congestion**
- **Declining purchasing power of the gas tax**
- **Deterioration of existing infrastructure**
- **Increased transit use**

Increased Demand

- **The State's transportation infrastructure needs to accommodate future increases in population growth and economic demand.**
- **Vehicle travel in Maryland is increasing twice as fast as the addition of lane miles.**
- **From 1990 to 2010, vehicle travel on State highways increased 38% and the State's population has increased 21%.**

Traffic Congestion

- According to a non-profit, national transportation research group (TRIP) 55% of Maryland's urban highways are congested.
- The D.C. and Baltimore metropolitan areas are the 1st and 5th most congested in the nation at a cost of \$1,555 and \$1,218 per year, respectively, per commuter (*lost productivity and wages, vehicle repairs, etc.*)

State Motor Fuel Tax

- The actual purchasing power of Maryland's fixed-rate gasoline tax has plummeted due to inflation and rising construction costs.
- Maryland's gas tax (23.5 cents per gallon) is approximately 20% lower than the national average.
- States have seen the real value of motor fuel tax revenues drop by a nationwide total of \$10 billion each year.

State Motor Fuel Tax

Maryland's gas tax rate is the 28th highest state rate (diesel: 27th)

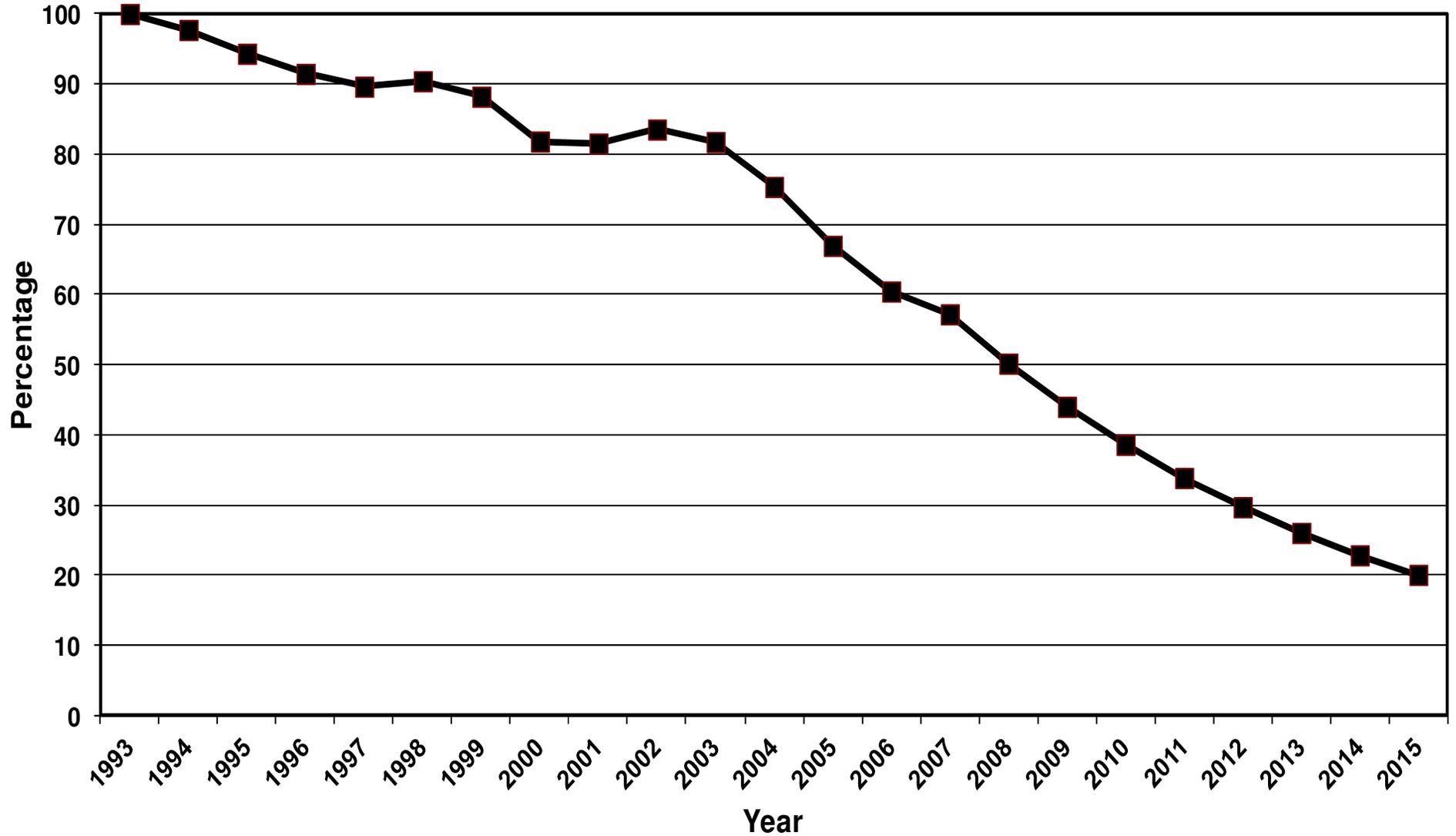
Total State Motor Fuel Tax Rates in Neighboring Jurisdictions (cents per gallon)

	<u>Gasoline</u>	<u>Diesel</u>	<u>Sales Tax</u>	<u>Variable Rate</u>
Delaware	23.0¢	22.0¢		-
District of Columbia	23.5	23.5		-
North Carolina	37.8	37.8		Yes
Pennsylvania	32.3	39.2		Yes
Virginia	19.9	20.2	Yes*	-
West Virginia	34.7	34.7		Yes
Maryland	23.5¢	24.25¢		-
National Average	30.4¢	30.0¢		-

Note: Virginia imposes a 2.1% sales tax in Northern Virginia for transportation that is collected at the distributor level. The tax rate for other states may include additional state taxes and fees.

Decline in Purchasing Power of Motor Fuel Taxes

(Based on Inflation since 1993)



Existing Infrastructure

- According to *TRIP*, 44% of Maryland's major roads are in poor or mediocre condition and 25% of our bridges are structurally deficient or obsolete.
- In 2011 the American Society of Civil Engineers gave Maryland's infrastructure an overall "C-" grade – (national average: "D" grade).
- Deteriorating surface transportation infrastructure cost U.S. households \$130 billion in various expenses and time delays in 2010.

Major Rehabilitation or Reconstruction is Needed

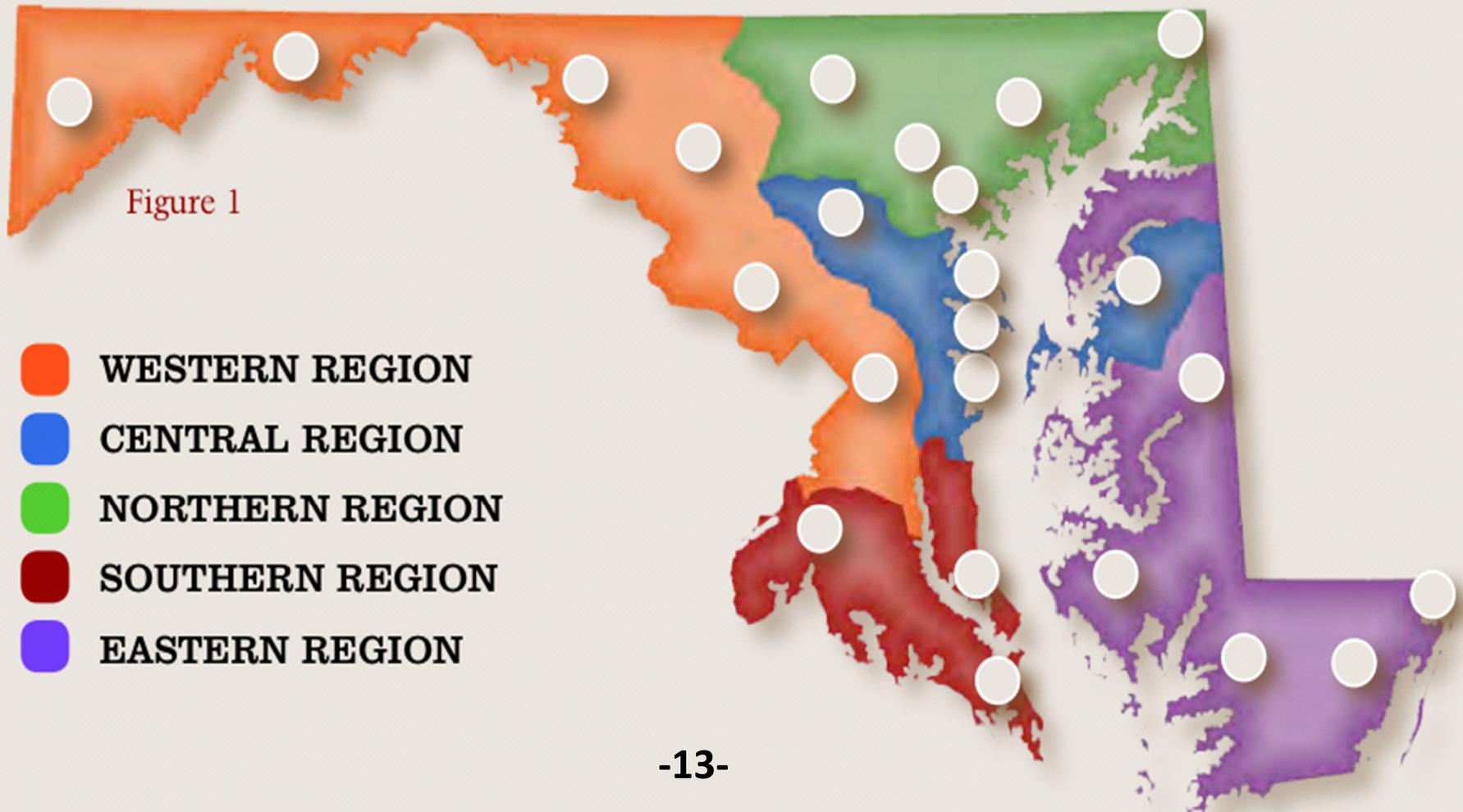
- The majority of the roadways in the Maryland State Highway Administration (MDSHA) network are reaching an age that requires major rehabilitation or reconstruction:
 - 84% of MDSHA roadways are at least 30 years old
 - 25% of Maryland's existing network was constructed prior to 1930

Surging Transit Demand

- **Transit use is the fastest growing of all modes of transportation in Maryland and has increased 34% since 1996.**
- **In addition to the Maryland Transit Administration (MTA) and Washington Metropolitan Area Transit Authority (WMATA) 24 locally operated transit systems operate in the State's 23 counties and the cities of Baltimore, Annapolis and Ocean City.**

Locally Operated Transit Systems

LOCATIONS OF LOCALLY OPERATED TRANSIT SYSTEMS



RIDERSHIP INCREASE ON MTA SINCE 2005

Transit Mode	2005 Annual Ridership (thousands)	2009 Annual Ridership (thousands)	Percent Change
Local Bus	63,241	69,846	10%
Commuter Bus	2,929	3,972	36%
Metro Subway	12,863	13,567	5%
Light Rail	4,925 ⁽¹⁾	8,712	77%
MARC Train	6,884	8,081	17%
Mobility/Paratransit	550	1,094	99%
Taxi Access	241	356	48%
Locally Operated Transit Systems	37,752	45,635	21%
Totals	124,460	151,262	22%

Projects to Spur Economic Growth

- 23 counties and Baltimore City submitted their top transportation funding priorities to MDOT for the Consolidated Transportation Program with a \$12 billion aggregate cost.
- According to the Federal Highway Administration, every \$1 billion spent on highway construction creates 28,000 jobs.

Benefits for All Marylanders

- **According to the Federal Highway Administration, every \$100 million spent on highway safety improvements saves 145 lives over a 10-year period.**
- **All Maryland residents will benefit from improved transportation infrastructure and less congestion:**
 - **cleaner air**
 - **shorter commute times**
 - **fewer accidents**
 - **lower vehicle repair costs**