

SENATE BILL NO. 78

April 2, 1954.

Honorable George W. Della
President of the Senate
State House
Annapolis, Maryland

Dear Mr. President:

I am returning herewith Senate Bill 78 which would defer from 1955 until 1956 the increased motor vehicle registration fees which the General Assembly of Maryland overwhelmingly approved at the 1953 session, as a part of the twelve-year road building program. This program, as finally enacted, represents the combined judgment of outstanding engineering and fiscal experts, including personnel of the State Roads Commission and impartial advisors and consultants of unquestioned repute and standing in the community. The entire program was the subject of extensive public consideration and represents the first comprehensive approach to the Maryland road problem undertaken on a long range planning basis.

A fundamental part of the program was the provision for adequate financing of road construction and maintenance, based on carefully projected estimates and financial studies. The integrated revenue projections over a twelve-year period represent a painstaking and conservative effort to avoid any lag between planning and performance because of a lack of funds. The available revenue experience—eight months—since the effective date of the enactment of the twelve-year program is much too short a period to permit of adequate and accurate comparison with the projection of revenue estimates. At the present time I am advised that revenues are levelling off at a point in line with estimates. Sources available for construction funds, particularly the 2% titling tax on motor vehicles, have shown a decided decline since December, 1953, which is balanced at this point by an excess of previous revenue collections over estimates.

The overall financial picture is now on a sound basis and in line with revenue estimates for the requirements of the road program. At this time, a further deferment of an increase in registration fees would have an adverse affect on the program, both from the standpoint of construction and maintenance. In order to properly understand the interplay of the various revenue sources and the necessity for maintaining each of them as provided in the twelve-year program, a brief word of explanation is necessary. The state revenues available for highway purposes are derived from three main sources. The gasoline tax and the 2%