

viously applied, will be available to the Counties, Baltimore City and the State Roads Commission for road construction, betterment, and additions, from the State Funds.

Federal Appropriations to the State Roads Commission for new construction, during 1939 and 1940, will be less than the appropriations made in previous years.

The cost of maintaining all existing roads and bridges on the State System, first, is reserved and deducted from the net income derived from automobile license fees imposed and collected by the Commissioner of Motor Vehicles and remitted to the State Comptroller for the use of this Commission, together with the net revenue derived from the two cent (2¢) gasoline tax set over to the use of this Commission. After deducting the cost of maintenance of the State System from the combined total receipts of the Commissioner of Motor Vehicles and the two cent (2¢) gasoline tax received by this Commission, the remainder of such fund is expended for projects of reconstruction, betterments, and additions to the entire system, or for costs of construction of new projects, including those projects constructed by Federal Aid Funds, fifty percent. (50%) of costs being contributed by the Commission. Funds for Grade Crossing Eliminations are provided by the one-half cent (½¢) gasoline Tax, together with contributions by the Railroad Companies and from special Federal Appropriations.

The Commission in 1934, issued the first of its series of Debentures. The total authorized issue was \$4,000,000 (Chapter 463, 1933), and an additional issue of \$3,000,000 was authorized at the Session of the General Assembly in 1935 (Chapter 563, 1935). The proceeds of the sales of these bonds were used in conjunction with Federal funds made available to Maryland under the National Industrial Recovery Act—Public Works Administration, and used to construct new roads and bridges on the State System of Highways.

During the fiscal year ended September 30, 1940, the receipts of the Commission, from all sources, were \$14,555,354.97, and the expenditures, \$13,063,504.33. The details of receipts and the sources from which they were derived:

From the Commissioner of Motor Vehicles, including	
Truck License Fees and Franchise Taxes . . . . .	\$3,371,775.39
Two Cent (2¢) Gasoline Tax, State Roads Commission's distributive Share, including .0014 of the Tax . . . . .	4,048,929.43
One and one-half Cent (1½¢) Lateral Gasoline Tax, State Roads Commission's distributive share, for use of the Counties . . . . .	2,912,490.81
One and one-half Cent (1½¢) Lateral Gasoline Tax, Baltimore City's distributive share . . . . .	1,261,084.84
One-half Cent (½¢) Grade Elimination Tax . . . . .	1,123,060.14
Proceeds of State Bonds used for Flood Relief . . . . .	42,333.63
Proceeds of County Bonds and Advancements by counties . . . . .	85,742.57
Receipts on account of Federal Appropriations, including Grants . . . . .	1,444,729.46
Receipts from the State of West Virginia, being their share of Bridge Construction . . . . .	25,221.47