

bond issues. New bridges on the State System of roads, are constructed from proceeds of the Construction funds.

In twenty of the twenty-three counties of the State, the State Roads Commission of Maryland has been delegated the authority of performing all necessary functions in connection with the maintenance of County Systems of Roads and Bridges. The cost of maintenance of the County Systems of Roads and Bridges is charged to those funds allotted to the counties and administered by the Commission for use of the respective counties (Chapter 425, 1933, Chapter 465, 1935).

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 this Commission, together with the net revenue derived from the two-cent (2c) 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 (2c) 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 per cent. (50%) of costs being contributed by the Commission. Grade crossings are eliminated by the expenditure of funds coming into the hands of this Commission from the one-half-cent ($\frac{1}{2}$ c) gasoline tax, together with the contribution by the Railroad company.

The Commission, in 1934, issued the first of its series of Debentures. The total authorized issue was \$4,000,000.00 (Chapter 463, 1933), and an additional issue of \$3,000,000.00 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, 1935, the receipts of the Commission, from all sources, were \$14,497,470.81, and the expenditures \$13,946,686.60. The expenditure of this sum was made for the following purposes:

Maintenance of County System of Roads.....	\$ 1,009,013.18
Payments to Counties for Debt Service on Road Bonds.....	609,941.42
Construction of Roads and other Projects in Counties.....	3,158,085.37
Cash payments to Baltimore City, being 30% of the one and one-half cent ($1\frac{1}{2}$ c) Lateral Gasoline Tax and Refunds to "Incorporated Towns," and Truck License Fees and Franchise Taxes.....	976,245.11
Appropriations to Ferry Companies.....	33,600.00

Total disbursements for Counties and for Baltimore City, from Lateral Gasoline Tax, County Bond Issues, and Federal Revenue.....	\$ 5,786,885.08
Elimination of Grade Crossings.....	97,817.99
Reconstruction, Betterments, and Addition.....	3,110,019.37
Ocean City Protective Fund.....	9,200.93
Roadside Beautification.....	5,232.58
Maintenance of entire State Roads System.....	1,886,882.64
Net cost of Asset acquisitions, after deducting depreciation thereon, chargeable to projects.....	357,323.09
Materials and Supplies.....	31,574.10
Federal Funds Construction.....	1,442,185.28
Bond Interest Paid.....	154,600.00