

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 from the one and one-half cent (1½¢) Lateral Gasoline Tax, and administered by the Commission for use of the respective counties (Chapter 425, 1933, Chapter 465, 1935, Chapter 341, 1937, and Chapter 766, 1939).

At the last session of the Legislature (1939) the two most important measures passed were

- (a) The Act controlling the administration of road funds for the use of the Counties. Under the Act, at least fifty percent. (50%) of the funds allotted to the use of the counties from the one and one-half cent (1½¢) Lateral Gasoline Tax fund must be applied and expended in the construction of new roads as part of the State System. This will insure the construction of additional miles of new roads;
- (b) The Budgetary provision with respect to the Diversion of road incomes to other than road purposes. Under the provisions of the Appropriation Bill, large amounts of funds previously applied to purposes other than road construction and maintenance, have been applied to no other purposes than road development, and as a consequence larger amounts than previously 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, 1939, the receipts of the Commission, from all sources, were \$20,868,469.55, and the ex-