



March 3, 2020

TO: Chairman Guy Guzzone
Senate Budget and Taxation Committee
Chairman Kumar Barve
House Environmental and Transportation Committee

FROM: Chevy Chase Village

SUBJECT: HB 1394/SB 982 – Highway User Revenues – Revenue and Distribution

On behalf of the residents of Chevy Chase Village, a municipality in Montgomery County, we are writing in support of HB 1394/SB 982, which would:

- Remove the funding sunset currently set to go into effect after FY 2024 when municipal highway user revenues (HURs) would drop back to recession level lows;
- Increase municipal funding starting in FY 2025 to the approximate levels that existed prior to the state diversion in FY 2010;
- Apply the same lock box protections afforded to the rest of the transportation trust fund to the HUR account; and
- Tie HUR to the consumer price index so that HURs rise with inflation.


An important aspect of this bill is that it allows over four years before any funding increase occurs, providing the State time to adjust its project funding allocations. However, two items that can be addressed immediately are removing the sunset and lock boxing the HUR account; these provisions of the bill would provide critical certainty to municipal governments that the funding is long-term and protected.

The legislation passed by the General Assembly in 2018 provided for the current funding level for municipal HUR, which is the highest it has been in over a decade, for a duration of five fiscal years. This has been greatly helpful in maintaining local infrastructure; however, with the sunset looming after FY 2024, it is difficult to engage in any long term transportation project planning.

We sincerely hope that HB 1394/SB 982 receives a favorable report. 2020 is the year to reengage the discussion of fully and permanently restoring highway user revenues to local governments.

Thank you for your consideration.

Sincerely,



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Manager, Chevy Chase Village

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