

Mayor and Town Council

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February 26, 2020

Chairman Guy Guzzone
Senate Budget and Taxation Committee

Chairman Kumar Barve
House Environmental and Transportation Committee

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

Dear Mr. Chairman:

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 adding the lock boxing of 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 which 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 plans.

Chairman Guy Guzzone and Chairman Kumar Barve

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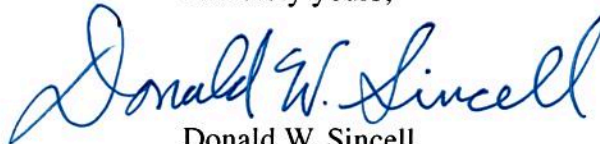
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Prior to 2010, we budgeted \$200,000 per year for paving. We currently try to budget \$100,000 each year for paving, which is a significant amount for a town our size, and yet this is only enough to pave very short sections of our 17.68 miles of municipal roads. The partial restoration of HUR in FY 2020 allows the town to reduce the amount of funds transferred from our general operating account to cover road expenses by almost \$30,000. The full and permanent restoration of HUR would allow the town to direct general operating funds to other vital needs, e.g., a long-delayed sewer rehabilitation project.

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 yours,



Donald W. Sincell
Mayor

DWS/lst