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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.

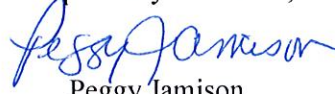
An important aspect of this bill is that it allows over four years before any funding increase occurs, providing the State time to adjust its project funding allocations. However, two items that can be addressed immediately are removing the sunset and lock boxing the HUR account; these provisions of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

The loss of Highway User Funding years ago devastated the Town of Oakland. With such difficult winters in Western Maryland, we patched and re-patched the holes in our roads. We have struggled since that time to keep our roads from literally falling apart. The full return of HUR funds without the sunset clause is imperative for municipalities such as ours to maintain existing businesses and attract new ones.

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.

Respectfully submitted,

  
Peggy Jamison  
Mayor of Oakland