



Craig A. Moe
Mayor

CITY OF LAUREL OFFICE OF THE MAYOR

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February 26, 2020

The Honorable Guy Guzzone
Chairman
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

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

Dear Mr. Chairman:

I am 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.

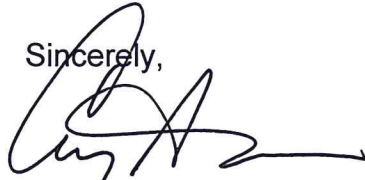
The legislation passed by the General Assembly in 2018 provided for the current funding level for municipal HUR, which is the highest it has been in over a decade, for a duration of five fiscal years which has been greatly helpful in maintaining local infrastructure; however with the sunset looming after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

In FY 2012 and FY 2016 we participated in the State of Maryland Local Infrastructure Financing Program. We incurred more debt in order to fund projects due to the reduction in the HUR. Since the increase in HUR, we have not taken on new debt.

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,

A handwritten signature in black ink, appearing to read 'Craig A. Moe', with a long horizontal flourish extending to the right.

Craig A. Moe
Mayor

cc: Maryland Senate Budget and Taxation Committee Members
The Honorable James C. Rosapepe, Maryland State Senator, District 21
The Honorable Benjamin S. Barnes, Maryland Delegate, District 21
The Honorable Mary A. Lehman, Maryland Delegate, District 21
The Honorable Joseline Pena-Melnyk, Maryland Delegate, District 21
Laurel City Council President Keith R. Sydnor
Laurel City Councilmembers
William F. Goddard, III, City Administrator
Lou Ann Crook, Deputy City Administrator
Sara Green, Chief of Staff, Office of the Mayor