

HB 1187_FAV_MML.pdf

Uploaded by: Angelica Bailey

Position: FAV



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 29, 2022

Committee: Senate Budget & Taxation

Bill: HB 1187 - Transportation - Highway User Revenues - Revenue and Distribution

Position: Favorable with Amendments - MML Priority Legislation

Reason for Position:

The Maryland Municipal League (MML) supports HB 1187, which increases the share of Highway User Revenues (HURs) to municipalities and Baltimore City from FY 25 to FY 28.

MML appreciates the funding increases provided for in this proposal. Restoration of HURs has been a priority of the League ever since 96% of municipal HUR were cut in 2009 in the depths of the recession. Although HUR funding has crept up over the years and several one-time capital grants have been included in the State operating budget, the funding level and predictability have never returned to where they were in the decades prior to 2009.

However, we feel strongly that extending the sunset is not in the best interests of local governments. Local governments must have a stable, predictable revenue sharing mechanism to budget for long-term infrastructure planning at a funding level that meets the needs of our residents. This has not been the case over the past decade, and cities and towns have struggled to compensate for the unexpected loss of these funds. Local governments have had to re-allocate funding from other areas, cut personnel, and scale back on necessary public safety projects as a result of the 2009 cuts. We are still making up the difference. A temporary financial increase and sunset extension will help, but local governments need more funding and time to be made whole and meet their budgeting and infrastructure needs.

Municipalities have lost more than \$280 million in HUR since the initial cuts a decade ago. As proposed, HB 1187 will increase the HUR allocation for municipalities and extend the impending sunset of current funding allocations. MML greatly appreciates this progress but the certainty of a stable funding allocation at an appropriate level will allow for a more

accurate budgeting process and higher quality local transportation infrastructure. For these reasons, MML requests the Committee return to the original version of HB 1187 in which local governments received their full funding restoration and the FY 2024 sunset was eliminated, and would urge a favorable Committee report.

FOR MORE INFORMATION CONTACT:

Scott A. Hancock
Angelica Bailey
Bill Jorch
Justin Fiore

Executive Director
Director, Government Relations
Director, Research and Policy Analysis
Manager, Government Relations

Mayor Day HB 1187 _BT_FAV Testimony.pdf

Uploaded by: Jacob Day

Position: FAV



City of
Salisbury
Jacob R. Day, Mayor

29 March 2022

Committee: Budget & Taxation

Testimony on: HB 1187

Position: Favorable

Dear Members of the Budget and Taxation Committee,

As you consider the merits of **HB 1187**, I ask that you **support** this impactful legislation and vote to give **HB 1187** a **Favorable** Committee report.

The City of Salisbury supports **HB 1187**, which will codify changes to the distribution of funds credited to the Gasoline and Motor Vehicle Revenue Account that are awarded as capital grants to counties and municipalities based on Highway User Revenues (HURs). This bill is essential as it will help to ensure that municipalities continue to receive fair compensation for vital road repairs and transportation infrastructure projects.

Prior to FY 2020, municipalities received only 0.4% of Highway User Revenues. Thanks to legislation enacted in 2018, the municipal share of Highway User Revenues was increased fivefold, to 2% for FY 20-24. Now, unless HB 1187 is enacted, the municipal share of HUR funding will be slashed, reverting back to 0.4%. The negative impact that would result from this loss of funding would prove to be catastrophic to the 157 municipalities across Maryland.

Serving as both the Mayor of Salisbury and the President of the Maryland Municipal League, I recognize the value of empowering municipalities by providing us with the resources to effectively and efficiently serve Marylanders close to home, at the local level. I write in support of HB 1187 as this crucial legislation will build upon the progress achieved in 2018 by ensuring that 2.6% of funds credited to the Gasoline and Motor Vehicle Revenue Account are distributed directly to municipalities as HUR capital grants. As a state, we simply cannot afford to move backwards and forfeit the progress we have achieved over the past four years since HUR distribution was reformed.

As we continue to return tax dollars and revenue to local governments by entrusting our local municipal leaders with the resources needed to fix roads throughout their communities, we are making cities and towns across Maryland a safer and more accessible place to call "home."

I ask for your **support** of this impactful legislation as we pave the way to a safer future for all Marylanders.

Respectfully,

Jacob R. Day
Mayor

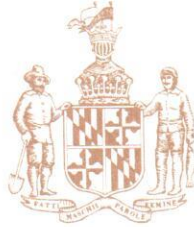
HB1187_Andernton_Senate Hearing.pdf

Uploaded by: Kendall Krach

Position: FAV

CARL ANDERTON, JR.
Legislative District 38B
Wicomico County

Environment and Transportation
Committee



The Maryland House of Delegates
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Annapolis, Maryland 21401
410-841-3431 · 301-858-3431
800-492-7122 Ext. 3431
Carl.Anderton@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 23, 2022

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

RE:HB1187 - Transportation – Highway User Revenues – Revenue and Distribution

Dear Chairman Guzzone,

Thank you for your consideration of HB HB1187- Transportation – Highway User Revenues – Revenue and Distribution. In FY2010, there was a catastrophic funding cut in Highway User Revenues that has taken Maryland's counties, cities and towns many years to recover from. Since the initial funding cut, they have survived on significantly reduced funding, supplemented by year-to-year grants in the State budget. In 2018, we introduced legislation that was unanimously approved by the General Assembly to restore approximately 85% of municipal Highway User Revenue funding. That bill sunsets the funding increase in fiscal year 2024. HB1187 removes the sunset, and adds additional funding. This continuation of funding is essential for our counties and municipalities around the State.

Thank you for your consideration and please do not hesitate to contact us with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Anderton Jr.", written over a horizontal line.

Delegate Carl Anderton Jr., District 38B

HB-1187_IndivisibleHoCoMD_FAV_PeterAlexander.pdf

Uploaded by: Peter Alexander

Position: FAV



**HB1187 Transportation – Highway User Revenues – Revenue and Distribution
Testimony before
Senate Budget and Taxation Committee
March 29, 2022
Position: Favorable**

Mister Chair, Mr. Vice Chair, and members of the Committee, my name is Peter Alexander and I represent the 750+ members of Indivisible Howard County. I am writing in support of HB1187, relating to the equitable distribution of revenues generated by highway user fees.

This bill will direct a higher proportion of highway user fee revenues from the Gasoline and Motor Vehicle Revenue Account (GMVRA) to historically underfunded projects in Baltimore City and other local governments without affecting the overall Transportation Trust Fund. Transportation-related projects in Baltimore City, the counties, and municipalities will benefit from this increased level of funding through their capital transportation grants.

Enhanced funding for improvements to our transportation infrastructure will benefit all Marylanders.

We respectfully urge a favorable committee report.

Peter Alexander, PhD
Woodbine, MD

HB1187_PGCC_SUPPORT_BT.pdf

Uploaded by: Therese Hessler

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700
County Council

POSITION STATEMENT

HB 1187

Delegates Anderton, et al
Senate Budget & Taxation
Committee

Transportation – Highway User Revenues – Revenue
and Distribution

POSITION:

SUPPORT

HB 1187 – Transportation – Highway User Revenues – Revenue and Distribution - For the purpose of altering the amounts of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities in certain fiscal years; and generally relating to revenue for and distributions of highway user revenues.

In 2019, Chapters 330 and 331 altered the manner in which the Gasoline and Motor Vehicle Revenue Account (GMVRA) revenues are shared with local governments, beginning in fiscal 2020. Instead of directly sharing the revenue with local governments, the Acts require 100% of the funds in GMVRA to be retained by the Transportation Trust Fund (TTF) and distributed to local governments through capital transportation grants. This change allows the Maryland Department of Transportation (MDOT) to issue bonds backed by the GMVRA revenues that are ultimately issued to local governments; MDOT was unable to do so prior to the enactment of Chapters 330 and 331.

This reduction of highway user revenue was over 90%. The former share of \$555 million was drastically cut back, and while counties stepped forward during the 2018 legislative session as part of a five-year funding boost, their cumulative share still trails far behind what they used to receive. Over five years ago there was an agreement with the General Assembly to restore this for a five-year period and this will continue that period beginning in 2025.

Restoring this funding is imperative to the road improvement projects, bicycle paths and trails, and the expansion of bus services and renovations at rail stops. If passed, this legislation would help these projects get the funding they rightfully deserve.

For the foregoing reasons, the Prince George's County Council SUPPORTS House Bill 1187 and respectfully requests your favorable consideration of its position.

Prepared by: LA PEREZ Consulting
On behalf of Prince George's County Council

County Administration Building – Upper Marlboro, Maryland 20772

HB1187 - 3.29.22 -- (Opposite) Transportation - Hi

Uploaded by: Donald Fry

Position: FWA



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

HOUSE BILL 1187 – TRANSPORTATION – HIGHWAY USER REVENUES – REVENUE AND DISTRIBUTION

Sponsor – Delegate Anderton, et al

March 29, 2022

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support with Amendments

House Bill 1187 as amended increases the share of funds from the Gasoline and Motor Vehicle Revenue Account (GMVRA) that the Maryland Department of Transportation (MDOT) must annually provide to local governments through capital transportation grants beginning in fiscal 2024 through fiscal 2027. In fiscal year 2028, the share will return to the low levels instituted in 2009 at the height of the Great Recession.

Prior to the 2008 recession, local governments shared in 30% of the funds in the GMVRA. In 2009, with the state facing budget crisis, the Board of Public Works adopted a 90% reduction of the local distributions and a 40% reduction to Baltimore City (which maintains all of the roads within its borders with few exceptions). While other recession cuts have since been restored, GMVRA cuts have not, despite the State's substantial transportation revenue increase in 2013.

Legislation passed by the General Assembly in 2018 established the current funding level for municipal Highway User Revenue (HUR) for a duration of five fiscal years. The looming sunset complicates local governments' ability to commit to longer-term transportation project plans. Maintaining the current level of grants has proven inadequate to fund the transportation needs of local governments around the state.

Predictability of the revenue sources and the distribution allocation of GMVRA was something on which local governments could rely in the decades preceding the cuts of 2009. Gas tax revenue and vehicle registration fees accounted for the lion's share of revenues into the GMVRA account with local governments benefitting from funding predictability based on a statutory share of the account. This allowed for local governments to engage in long-term infrastructure planning at a funding level that met the needs of the residents. This partnership between the State and local governments provided a stable, predictable revenue sharing mechanism for local governments to rely upon when budgeting for transportation infrastructure projects. This has not been the case over the past decade and local governments have struggled to compensate for the unexpected loss of these funds.

Unfortunately, House Bill 1187 has been drastically amended and will not provide the relief that local government so desperately needs. Even at its proposed highest levels in fiscal year 2027, the share for all local governments only reaches about half of what it was prior to the recession cuts. Then in fiscal year 2028, the local government share returns to its post-recession low of 9.6%.

As currently written, House Bill 1187 is inconsistent with a key tenet in *Gaining a Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

Superior transportation infrastructure with reliable funding mechanisms. An essential prerequisite of a competitive business environment includes well-funded and maintained highway, transit, port, and airport infrastructure that provides reliable and efficient options to move people, goods, and services.

The Greater Baltimore Committee respectfully requests that the Senate Budget and Taxation Committee amend House Bill 1187 by returning it to its posture as initially introduced. With that amendment, House Bill 1187 would give local governments predictability in future transportation funding, allow them to engage in long-term infrastructure planning, and avoid reliance on general funds to pay for transportation projects.

For these reasons, the Greater Baltimore Committee urges a favorable with amendments report on House Bill 1187.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

BaltimoreCounty_FAV_HB1187.pdf

Uploaded by: Joel Beller

Position: FWA



JOHN A. OLSZEWSKI, JR.
County Executive

JOEL N. BELLER
Acting Director of Government Affairs

JOSHUA M. GREENBERG
Associate Director of Government Affairs

MIA R. GOGEL
Associate Director of Government Affairs

BILL NO.: House Bill 1187

TITLE: Transportation – Highway User Revenue – Distribution

SPONSOR: Delegate Anderton

COMMITTEE: Budget and Taxation

POSITION: **SUPORRT**

DATE: March 29, 2022

Baltimore County **SUPPORTS** House Bill 1187 – Highway User Revenue – Distribution. This legislation increases the share of funds collected from highway user revenues that must be appropriated to local governments.

For 40 years, local governments received 30 percent of transportation revenues to fund road maintenance projects. During the 2008 recession, over concerns of drastic declines in revenues and sharp increases in State expenditures, the allocation of Highway User Revenues to local governments dropped by nearly 90 percent. More than a decade later, this funding has not been restored. It is estimated that Baltimore County has missed out on over half a billion dollars in cumulative funding since this alteration. To keep up with repairs and reconstruction of aging local infrastructure and locally maintained roads, local governments need this funding restored.

HB 1187, as amended, extends the timeline before which local shares of highway user revenues fall to 1.5%. The County feels this legislation would be strengthened if local shares returned to 15.3%, as originally written. Returning this funding closer to pre-recession levels would be instrumental in supporting the critical infrastructure projects Baltimore County residents deserve.

Accordingly, Baltimore County requests a **FAVORABLE** report on HB 1187. For more information, please contact Joel Beller, Acting Director of Government Affairs at jbeller@baltimorecountymd.gov.

HB1187-BT_MACo_SWA.pdf

Uploaded by: Michael Sanderson

Position: FWA



House Bill 1187

Transportation – Highway User Revenues – Revenue and Distribution

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation Committee

Date: March 29, 2022

From: Michael Sanderson and Dominic J. Butchko

The Maryland Association of Counties **SUPPORTS** HB 1187 **WITH AMENDMENTS**. Counties support the full restoration of the local percentage of Highway User Revenues (HURs) to their pre-2007 percentage. **Restoration of local infrastructure funding sits atop MACo's legislative initiatives for the 2022 session - it is local governments' top priority.**

For decades, the State supported a balanced means to maintain its transportation infrastructure. The bulk of transportation revenues – mainly motor fuel and vehicle titling taxes – have been split between the State (for its consolidated Transportation Trust Fund, serving multiple modes) and local governments (who own and maintain roughly 5 of every 6 road miles across the state). For decades, this split served all parties effectively.

During the depths of the “great recession” in 2009, the State faced a mid-year budget crisis. The Board of Public Works adopted a 90% reduction of the local distributions of these Highway User Revenues and a roughly 40% reduction to Baltimore City's allocation (the largest by far to any jurisdiction). Since then, recession-driven cutbacks in many service areas have been fully or largely restored.

Unfortunately, this is not the case with Highway User Revenues – they remain far, far behind historic levels, even after the State has enacted a substantial transportation revenue increase.

HB 1187, after the House amendments, fails to fully reset the state and local share of HURs to their pre-2007 percentages. Instead, this bill increases the local share of HURs, for both Baltimore City and the 23 county governments, by a mere fraction of a percent for three years. This bump barely equates to any real increase in additional transportation resources for local governments. The pre-2007 distribution served Maryland for decades before the recession-driven cutbacks. Given the opportunities created by federal infrastructure investments, and the compelling needs demonstrated by local governments on a decade-plus “starvation diet” of road and bridge funding, counties believe now is an opportune time to restore investment in critical local infrastructure.

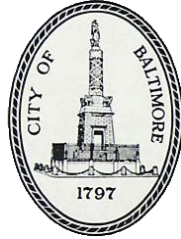
It is important to note that MACo's proposed changes do not institute any new taxes, tolls, or fees – this bill is about redistributing existing resources to their rightful “fair share” percentage.

HB 1187 should be amended to restore funding to local transportation needs. Accordingly, MACo urges the Committee to **SUPPORT** HB 1187 **WITH AMENDMENTS** and restore full funding for our local roads and bridges, whether through HB 1187 or other legislation.

HB1187-BT-FWA.pdf

Uploaded by: Natasha Mehu

Position: FWA



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB 1187

March 29, 2022

TO: Members of the Senate Budget and Taxation Committee
FROM: Natasha Mehu, Director, Office of Government Relations
RE: House Bill 1187 – Transportation – Highway User Revenues – Revenue and Distribution
POSITION: SUPPORT WITH AMENDMENTS

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports with amendments** House Bill (HB) 1187.

In response to a significant shortfall in state revenues at the height of the Great Recession, Highway User Revenues (HUR) to local jurisdictions were dramatically cut during FY2010. Despite the prolonged economic recovery and stabilization of the Transportation Trust Fund – in part due to a fuel tax increase during the 2014 Legislative Session - HUR state allocation to local governments remains historically low. No jurisdiction has been impacted more negatively than the City of Baltimore.

Baltimore City has historically received the largest share of local HUR allocation of any locality in Maryland because we are the only jurisdiction where the State Highway Administration does not maintain any roads. Instead, virtually all roads within Baltimore City are maintained locally by the Baltimore City Department of Transportation. Baltimore City's FY2021 HUR allocation was roughly two-thirds of FY2007 allocation, and over the course of the past 14 fiscal years, this ongoing funding cut has resulted in a cumulative loss of more than \$900 million in revenue that is desperately needed to reinvest in the City's aging infrastructure. With the recent passing of the Infrastructure Investment and Jobs Act, the restoration of HUR allocation to local governments is critical due to the need for local matching funds to tap federal infrastructure dollars. Furthermore, providing the City of Baltimore the capacity to invest in our infrastructure would also directly benefit the State of Maryland as the current condition of Baltimore City roadways contributes to wear and tear on the thousands of state-owned vehicles operated by MDOT MTA.

The BCA supports HB 1187 as originally introduced and urges the committee to amend the bill to mirror its crossfile SB 726 as originally introduced. Under these amendments starting in FY2025 the City's annual HUR appropriation percentage would increase to 12.1% rather than incrementally increasing the City to 9.4% before dropping us back down to 7.7% as HB 1187 would in its current posture. Though the proposed increase to the City's annual HUR appropriation doesn't fully address the lost revenue from the past decade, the additional revenue will be of tremendous benefit to the City of Baltimore as we look to modernize and improve our transportation infrastructure.

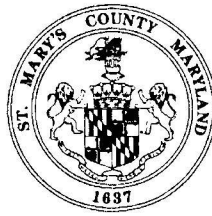
For these reasons, the BCA respectfully requests a **favorable with amendments** report on HB 1187.

*Annapolis – phone: 410.269.0207 • fax: 410.269.6785
Baltimore – phone: 410.396.3497 • fax: 410.396.5136
<https://mogr.baltimorecity.gov/>*

125 HB 1187 CSMC signed.pdf

Uploaded by: Randy Guy

Position: FWA



House Bill 1187

Transportation – Highway User Revenues – Revenue and Distribution

SUPPORT WITH AMENDMENTS

March 28, 2022

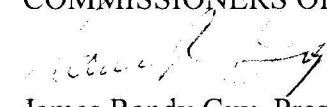
Delegate Guy J. Guzzone, Chairman
Budget & Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

Dear Chairman Guzzone:

The Commissioners of St. Mary's County **SUPPORT WITH AMENDMENTS** HB 1187 – Transportation – Highway User Revenues – Revenue and Distribution which will be heard in the Environment and Transportation Committee.

We support HB 1187 as originally written and urge a favorable report with amendments restoring full funding to Maryland's counties. We appreciate the introduction of this legislation and believe it will benefit the citizens of St. Mary's County with the appropriate amendments. We look forward to working with you on this and other initiatives throughout the session.

Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY


James Randy Guy, President

CSMC/AB/sf
T:/Consent/2022/125

Cc: Senator Jack Bailey
Delegate Matthew Morgan
Delegate Gerald Clark
Delegate Brian Crosby
Commissioner Eric Colvin
Commissioner Michael Hewitt
Commissioner Todd Morgan
Commissioner John O'Connor
David Weiskopf, Interim County Administrator
John Houser, Assistant County Attorney



House Bill 1187

Transportation – Highway User Revenues – Revenue and Distribution

SUPPORT WITH AMENDMENTS

March 28, 2022

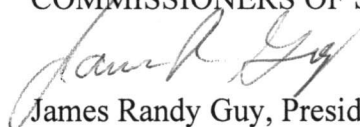
Delegate Guy J. Guzzone, Chairman
Budget & Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

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Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY


James Randy Guy, President

CSMC/AB/sf
T:/Consent/2022/125

Cc: Senator Jack Bailey
Delegate Matthew Morgan
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