



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:

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