



CITY OF HAVRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

March 10, 2022

The Honorable Kumar P. Barve
Chair, Environment and Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

RE: Support – House Bill 1187 - Transportation – Highway User Revenues – Revenue and Distribution:

Mr. Chairman and the Honorable Members of the Environment and Transportation Committee:

On February 22, 2022, the Mayor and City Council of Havre de Grace approved a motion supporting House Bill 1187.

If passed, HB 1187 would eliminate the sunset provisions established by chapters 330 and 331 of 2018 placed on Highway User Revenues for municipal governments. Local governments across our state depend on Highway User Revenues to maintain roads and bridges located within their jurisdictions. Under chapters 330 and 331 of 2018, municipal governments are receiving a Highway User Revenue allocation in the amount of 2%; however, if this bill does not pass, that amount will be reduced to 0.4%.

It is of the utmost importance to the City of Havre de Grace and all local governments across our state that the Maryland General Assembly passes HB 1187 this session.

The City of Havre de Grace respectfully requests the committee give HB 1187 a favorable report.

I have attached the fiscal impact associated with this matter to my testimony.

William T. Martin
Mayor, City of Havre de Grace

Fiscal Impact:

- Currently, the Highway User Revenue (HUR) is set at 2% as it pertains to municipal allocation.
- Beginning in FY 25 per 2018 Md. Laws, Ch. 33, HUR allocation will be reduced to 0.4%.
- HB 1187/SB 726 would set HUR allocation at 2.6% beginning in FY 25 and thereafter.
- In FY 23, the City anticipates \$647,700 from HUR allocation based on its current rate of 2%.
- In FY 25, if the current HUR allocation rate is reduced to 0.4% the City anticipates receiving \$129,500 in HUR allocation.
- In FY 25, if HB 1187/SB 726 passes the City anticipates receiving \$842,000 in HUR allocation.