



March 4, 2020

Chairman Guzzone, Vice Chair Rosapepe and Members of the Senate Budget and Taxation Committee
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 982 Highway User Revenues – Revenue and Distribution

Dear Chairman Guzzone, Vice Chair Rosapepe and Members of the Budget and Taxation Committee:

On behalf of the City of Gaithersburg, I am writing to convey our support for SB 982, which would increase the share of funds from the Gasoline and Motor Vehicle Revenues Account (GMVRA) that the Maryland Department of Transportation (MDOT) must annually provide to local governments through capital transportation grants.

The City's Department of Public Works maintains nearly 93 miles of streets, ensuring that road utilization is kept at maximum capacity while attempting to minimize cost and limit traffic disruption. When municipal Highway User Revenues (HUR) were cut in 2010, the City had to re-prioritize road projects, such as street and alley pavement maintenance and the construction, maintenance and repair of sidewalks and curbs.

We are grateful that the General Assembly voted unanimously in 2018 to restore approximately 85% of municipal HUR funding. However, to safeguard future funds, it is essential to eliminate the sunset provision, which is due to occur after Fiscal Year (FY) 2024. If the sunset provision is not repealed, the funding in FY2025 will decrease by \$30 million, leaving only \$9 million spread across 156 municipalities.

SB 982 also restores pre-recession funding beginning in FY2025, resulting in an increase of approximately \$10 million. The funding would not increase until FY2025. Therefore, the next four State budgets would not include additional funding mandates.

Finally, the bill includes two protections already afforded to State transportation funds. The first is a "lockbox" to protect municipal and county transportation funding. The second provision would tether HUR funding to the Consumer Protection Index as is currently done to adjust the gas tax rate.

For these reasons, the City of Gaithersburg urges a favorable report for SB 982.

Please do not hesitate to contact me with any questions or concerns. You may also contact the Legislative Affairs Manager for the City of Gaithersburg, Jessica Kwasny. She can be reached at jess.kwasny@gaitthersburgmd.gov or 301.805.1090.

Sincerely,
Jud Ashman, Mayor

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