

TOWN OF
Poolesville
MARYLAND

March 3, 2020

The Honorable Kumar Barve
Maryland House of Delegates
Chairperson House Environmental and Transportation Committee
Room 251 Lowe House Office Building
6 Bladen Street
Annapolis, MD 21401

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

Dear Chairman Barve and Committee Members:

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 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 it provides more than four years before any funding increase occurs; this affords the State time to adjust its project funding allocations. There are two items which can be addressed immediately:

- Removing the sunset
- 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.

Poolesville has approximately 23 miles of roadways and allocates \$250,000 to \$300,000 each year to road paving projects; the HUR reduction created a huge budget deficit.

Recognizing this, the commissioners attempted to maintain our capital paving projects funding stream. To compensate for the reduction of HURs, we had to move road projects out of the capital paving projects, extend the useful life of the road, and place those projects further out in the capital projects. This was predicated on the hope that our roads did not deteriorate beyond typical maintenance, which might result in greater repairs before we were able to repave the roads. This still left a deficit.

To fill the gap, we:

- Froze our employee salaries
- Cancelled sidewalk projects, and our mini-grant program for volunteer groups, scouts, and schools
- Stopped funding our Main Street improvement plan, which still does not have sufficient funds to accomplish it.

Not paving and allowing residential streets to fall into disrepair:

- Increases future road maintenance costs
- Creates dangerous situations
- Result in lower property values

None of the above is acceptable.

The General Assembly's 2018 legislation provided the current HUR funding level for municipalities, highest in over a decade. It greatly improved our ability to maintain and improve our local infrastructure, and reinstate delayed projects. The looming FY 2024 sunset, of the five fiscal year program, creates a high degree of uncertainty making it difficult to engage in any long term transportation project plans.

The Town sincerely hopes that HB 1394/SB 982 receives a favorable report. It is imperative that 2020 is the year to reengage the discussion of fully and permanently restoring highway user revenues to local governments.

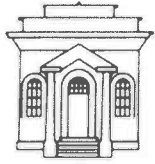
Thank you for your consideration.

Sincerely,



Jerome J. Klobukowski
President

Commissioners of Poolesville



TOWN OF
Poolesville
MARYLAND

March 3, 2020

The Honorable Guy Guzzone
Chairperson Senate Budget and Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

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

Dear Chairman Guzzone and Committee Members:

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 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 it provides more than four years before any funding increase occurs; this affords the State time to adjust its project funding allocations. There are two items which can be addressed immediately:

- Removing the sunset
- 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.

Poolesville has approximately 23 miles of roadways and allocates \$250,000 to \$300,000 each year to road paving projects; the HUR reduction created a huge budget deficit.

Recognizing this, the commissioners attempted to maintain our capital paving projects funding stream. To compensate for the reduction of HURs, we had to move road projects out of the capital paving projects, extend the useful life of the road, and place those projects further out in the capital projects. This was predicated on the hope that our roads did not deteriorate beyond typical maintenance, which might result in greater repairs before we were able to repave the roads. This still left a deficit.

To fill the gap, we:

- Froze our employee salaries
- Cancelled sidewalk projects, and our mini-grant program for volunteer groups, scouts, and schools
- Stopped funding our Main Street improvement plan, which still does not have sufficient funds to accomplish it.

Not paving and allowing residential streets to fall into disrepair:

- Increases future road maintenance costs
- Creates dangerous situations
- Result in lower property values

None of the above is acceptable.

The General Assembly's 2018 legislation provided the current HUR funding level for municipalities, highest in over a decade. It greatly improved our ability to maintain and improve our local infrastructure, and reinitiate delayed projects. The looming FY 2024 sunset, of the five fiscal year program, creates a high degree of uncertainty making it difficult to engage in any long term transportation project plans.

The Town sincerely hopes that HB 1394/SB 982 receives a favorable report. It is imperative that 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,



Jerome J. Klobukowski
President
Commissioners of Poolesville