



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

February 9, 2022

Committee: Senate Budget & Taxation

Bill: _____ SB 400 – Transportation – Highway User Revenues – Distribution

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports Senate Bill 400 with amendments.

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.

In 2018, the General Assembly passed CH 330/331 which increased HUR funding for municipalities, counties, and Baltimore City. This legislation returned about 85% of municipal HUR but included a sunset provision ending that funding level after FY 2024. This bill proposes eliminating that drastic sunset provision, which would keep us at our current levels of funding in perpetuity.

The League appreciates this crucial measure, but we do not believe it goes far enough. Municipalities have lost more than \$280 million in HUR since the initial cuts over a decade ago. We need to return the HUR allocation for municipalities to pre-recession levels. The certainty of a stable funding allocation at a level that suits the needs of local governments will allow for a more stable budgeting process and higher quality local transportation infrastructure.

The League is also concerned with the reporting requirements included in this bill. Local governments are already required to submit an annual report to the Maryland Department of Transportation that includes much of the same information. The proposed reporting

requirements are largely redundant and will create more administrative work for local governments.

MML proposes removing the new reporting requirements and adding provisions to increase HUR funding to the levels we need to safely maintain our local infrastructure. With adoption of these amendments, the League would enthusiastically support this measure.

FOR MORE INFORMATION CONTACT:

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