

2022 GBCC HB 410 HUR.pdf

Uploaded by: Ashlie Bagwell

Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Support of
House Bill 410—Transportation-Highway User Revenue--Distribution*

*March 10, 2022
House Environment and Transportation Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on House Bill 410—Transportation—Highway User Revenue--Distribution.

House Bill 410 increases the share of funds from the Gasoline and Motor Vehicle Revenue Account that the Maryland Department of Transportation must annually provide to local governments through capital transportation grants. This is achieved by making permanent the distribution in effect for FYs 20 through 24. Funding critical transportation projects of all kinds is important to expanding economic development in the region. The Greater Bethesda Chamber of Commerce understands that increased growth and development depends on access to transportation. This bill, if passed, would provide much needed support for important transportation projects in Montgomery County.

For this reason, we enthusiastically support House Bill 410 and urge a favorable vote.

HB410 - Highway User Revenue – Distribution - RMC

Uploaded by: Dakota Matthews

Position: FAV



50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

John Hartline, Chair

Testimony in Support of
House Bill 410 - Transportation – Highway User Revenue – Distribution
House Environment and Transportation Committee
March 10, 2022

The Rural Maryland Council supports House Bill 410– Transportation – Highway User Revenue – Distribution. This bill alters the amount of certain capital grants calculated based on highway user revenues that are required to be appropriated to Baltimore City, counties, and municipalities by raising the current capital grants appropriated from the Transportation Trust Fund from 9.6% to 13.5%. The Rural Maryland Council supports efforts to return the restoration of Highway User Revenue funds to pre-great recession levels to provide adequate infrastructure throughout the State.

The Highway User Revenues are the share of gas tax and vehicle titling tax dedicated for local roadways and bridges in Maryland. Historically, the state shared 30% of these revenues with local governments to maintain their roads. However, the distribution of these funds was greatly cutback due to economic downturn in 2008, and the reduction in State funding continues to affect the ability of local governments to provide infrastructure repair, maintenance, and transportation services. While these local dollars have increased gradually over the years, the funding still reflects a sizeable decrease from the share of these revenues that were allocated to local governments in the past.

Drivers generate funding for local road projects through the gas tax and HB-410 will guarantee that some of the gas tax revenue will be directed to fix local roads in a driver’s community. The Rural Maryland Council respectfully requests your favorable support of House Bill 410.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

“A Collective Voice for Rural Maryland”

CEBall_HB 1187_Support_HURs_Final.pdf

Uploaded by: Meghan Lynch

Position: FAV



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013 Voice/Relay

Calvin Ball
Howard County Executive
cball@howardcountymd.gov

www.howardcountymd.gov
FAX 410-313-3051

March 10, 2022

Delegate Kumar Barve, Chair
House Environment and Transportation Committee
House Office Building, Room 251
Annapolis, MD 21401

Re: Testimony **IN SUPPORT** of HB 1187: Transportation – Highway User Revenues – Revenue and Distribution

Dear Chair Barve, Vice Chair Stein and Members of the Committee,

The importance of fully restoring Highway User Revenues to Maryland counties and municipalities cannot be understated. I stand with government leaders from 23 other jurisdictions across the state requesting your support for House Bill 1187.

Since the Great Recession, critical funding for local roads was stripped by 90% resulting in an overall loss of approximately \$4.5 billion statewide since 2007. Over the last 13 years, Howard County has lost more than \$193 million in funding to maintain our 1,200 miles of local roads, bridges and transportation infrastructure. Our roads provide both local and regional travel to neighboring counties and this draconian deficit has meant diverting funding from other local budget line items to continue maintenance on our local roads.

Although recession-driven cutbacks have been fully or largely restored in other areas, highway user revenues have remained historically low, even after the State enacted a transportation revenue increase. This bill offers an opportunity to restore the state and local share for transportation revenues to the pre-recession level and a statewide renewed cooperation and commitment to prioritizing our highway infrastructure.

House Bill 1187 is an opportunity to provide full restoration of highway user revenues to county governments which will ensure safe, well maintained roads across Maryland counties and municipalities. Re-investing in infrastructure is good for the safety of our residents, quality of life improvements, our businesses, and the long-term health of Maryland's economy overall.

Passing HB 1187 is an important step in ensuring the equitable distribution of funding for all 24 Maryland jurisdictions. We ask for your partnership and urge a favorable report on HB 1187.

All the Best,

Calvin Ball
Howard County Executive

HB 410_MTBMA_FAV.pdf

Uploaded by: Michael Sakata

Position: FAV



March 10, 2022

Delegate Kumar P. Barve, Chair
House Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

RE: HB 410 – FAVORABLE – Transportation – Highway User Revenue – Distribution

Dear Chairman Barve and Members of the House Environment and Transportation Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 410 would remove the sunset date on the increase to the share of funds from the Gasoline and Motor Vehicle Revenue Account that the Maryland Department of Transportation must provide annually to local governments through Highway User Revenue (HUR) capital grants enacted by the legislature in 2018. It would also require each local government receiving HUR funds to report various pieces of related information to the State Highway Administration by July 1 each year.

Prior to the Great Recession, local governments in Maryland received more than 30% of Transportation Trust Fund (TTF) revenues to support the roads and bridges that they maintained. In August 2009, the Board of Public Works made a devastating 90% cut to HUR’s, and the following year’s budget made that cut ongoing. MTBMA supports this legislation because it would maintain the current elevated HUR distribution formula from 2018, preventing the loss of more than \$82 million annually that the law would no longer mandate to be invested in these projects beginning in FY 2025. These funds are critical to building, repairing, and maintaining the roads and bridges that make up the backbone of Maryland’s transportation infrastructure.

We appreciate you taking the time to address this important issue, and we urge a favorable report on House Bill 410.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Sakata", is written over a faint, circular watermark or seal. The signature is fluid and cursive.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

HB0410 - TSO - HURs - SUPP_FINAL.pdf

Uploaded by: Patricia Westervelt

Position: FAV



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
James F. Ports, Jr.
Secretary

March 10, 2022

The Honorable Kumar P. Barve
Chairman, House Environment and Transportation Committee
251 House Office Building
Annapolis MD 21401

Re: Letter of Support – House Bill 410 – Transportation – Highway User Revenue – Distribution

Dear Chairman Barve and Committee Members:

The Maryland Department of Transportation (MDOT) supports House Bill 410 as it increases transportation funding to local jurisdictions by extending current Highway User Revenue (HUR) capital grant funding levels beyond the legislatively mandated reduction in fiscal year 2025.

HUR capital grants are calculated based on a formula in law as a percentage of revenues from the motor fuel tax, vehicle titling tax, corporate income tax, and rental car sales tax. These revenues fluctuate from year-to-year based on the economy and market conditions. A share of these revenues are distributed to the local governments, including Baltimore City, for road and bridge maintenance. In 1968, the Maryland General Assembly created the HUR formula, which specifies how these funds are distributed to the local jurisdictions based upon vehicle registrations and miles of roadway maintained in each jurisdiction.

Most recently, in 2018, the percentage of revenues that flow to the local jurisdictions was increased to 13.5 percent for FY 2019 to FY 2024 only; per current law, in FY 2025, the percentage of revenues allocated to local jurisdictions reverts back to 9.6 percent. House Bill 410 would allow for percentages to continue at their current rate of 13.5 percent, increasing highway user revenue capital grants by an estimated \$83 million per year starting in FY 2025. Although the impact of this change is several years away, it is important to take this action now so that local jurisdictions can take this higher funding level into account when making long-term capital planning decisions. MDOT's Final FY 2022-2027 Consolidated Transportation Program and accompanying financial plan released in January of this year reflect the proposed percentages outlined in House Bill 410.

The Maryland Department of Transportation respectfully requests the Committee grant House Bill 410 a favorable report.

Respectfully submitted,

James F. Ports, Jr.
Secretary
Maryland Department of Transportation
410-865-1001

Jaclyn Hartman
Chief Financial Officer
Maryland Department of Transportation
410-865-1035

HB 410_MAA_FAV.pdf

Uploaded by: Rachel Clark

Position: FAV

CHAIRMAN:
Rob Scrivener
VICE CHAIRMAN
Brian Russell

MARYLAND ASPHALT ASSOCIATION



SECRETARY:
David Slaughter
TREASURER:
Jeff Graf
PRESIDENT:
G. Marshall Klinefelter

March 10, 2022

Delegate Kumar P. Barve, Chair
House Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

RE: HB 410 – FAVORABLE – Transportation – Highway User Revenue – Distribution

Dear Chairman Barve and Members of the House Environment and Transportation Committee:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 410 would remove the sunset date on the increase to the share of funds from the Gasoline and Motor Vehicle Revenue Account that the Maryland Department of Transportation must provide annually to local governments through Highway User Revenue (HUR) capital grants enacted by the legislature in 2018. It would also require each local government receiving HUR funds to report various pieces of related information to the State Highway Administration by July 1 each year.

Prior to the Great Recession, local governments in Maryland received more than 30% of Transportation Trust Fund (TTF) revenues to support the roads and bridges that they maintained. In August 2009, the Board of Public Works made a devastating 90% cut to HUR's, and the following year's budget made that cut ongoing. MAA supports this legislation because it would maintain the current elevated HUR distribution formula from 2018, preventing the loss of more than \$82 million annually that the law would no longer mandate to be invested in these projects beginning in FY 2025. These funds are critical to building, repairing, and maintaining the roads and bridges that make up the backbone of Maryland's transportation infrastructure.

We appreciate you taking the time to address this important issue, and we urge a favorable report on House Bill 410.

Thank you,

Marshall Klinefelter
President
Maryland Asphalt Association

220222 LOS HB 410 signed.pdf

Uploaded by: Terry Hale

Position: FAV

President Robert Meffley, District 1

Vice President Jackie Gregory, District 5

Councilman William H. Coutz, District 2

Councilman Al Miller, District 3

Councilwoman Donna Culberson, District 4



James Massey
Council Manager

County Council Office
410.996.5201
Fax: 800-865-0587

COUNTY COUNCIL OF CECIL COUNTY
200 Chesapeake Blvd, Elkton Maryland 21921

February 22, 2022

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

RE: HB 410 Transportation – Highway User Revenue - Distribution
Letter of Support

Dear Chairman Barve and Members of the Environment and Transportation Committee:

The County Council of Cecil County unanimously supports HB 410 Transportation – Highway User Revenue - Distribution. The hearing on this legislation is scheduled on March 10, 2022.

It is our understanding that this legislation will increase the share of funds from the motor vehicle revenue to local governments, that will result in an increase of the percentage to Baltimore City, counties and municipalities while reducing the percentage to MDOT.

The local share of highway user revenues for FY 2025 and future years would increase from 1.5% to 3.2% for Cecil County. Highway user funds were reduced in the past because of the State's economic situation. While benefitting MDOT, county and municipal roads have suffered. Cecil County roads are in dire need of repair and upkeep.

If this legislation is not approved, Cecil County and other counties and municipalities will continue to suffer from bad road conditions.

The Cecil County Council respectfully requests that the Environment and Transportation Committee consider a favorable report on HB 410.

Sincerely;


Robert Meffley
Council President

Copy: Cecil County Delegation

HB 410 _FWA_MML.pdf

Uploaded by: Angelica Bailey

Position: FWA



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 10, 2022

Committee: House Environment & Transportation

Bill: HB 410 – Transportation – Highway User Revenues – Distribution

Position: Support with Amendment

Reason for Position:

The Maryland Municipal League supports House Bill 410 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:

Scott A. Hancock

Angelica Bailey

Bill Jorch

Justin Fiore

Executive Director

Director, Government Relations

Director, Research and Policy Analysis

Manager, Government Relations

HB0410 - 3.10.22 -- Transportation - Highway User

Uploaded by: Donald Fry

Position: FWA



TESTIMONY PRESENTED TO THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

**HOUSE BILL 410 – TRANSPORTATION – HIGHWAY USER REVENUE – DISTRIBUTION
Sponsor – The Speaker (By Request – Administration, et al)**

March 10, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support with Amendments

This Administration bill increases the share of funds from the Gasoline and Motor Vehicle Revenue Account (GMVRA) that the Maryland Department of Transportation (MDOT) must annually provide to local governments through capital transportation grants beginning in fiscal 2025 by making permanent the distribution levels that are in effect for fiscal years 2020 through 2024.

Additionally, by July 1 each year, each local government that received funding through GMVRA in the preceding fiscal year must submit an accounting report to the State Highway Administration (SHA). SHA may not disburse any GMVRA funding to a jurisdiction that has not submitted the required report.

Legislation passed by the General Assembly in 2018 provided for the current funding level for municipal Highway User Revenue (HUR) for a duration of five fiscal years. The looming sunset complicates local governments' ability to commit to longer-term transportation project plans.

Even maintaining the current level of grants is not adequate to fund the transportation needs of local governments around the state. Prior to the 2008 recession, local governments shared in 30% of the funds in the GMRVA. In 2009, as the state faced a mid-year budget crisis, the Board of Public Works adopted a 90 % reduction of the local distributions and a 40% reduction to Baltimore City (which maintains all of the roads within its borders with few exceptions). While other recession cuts have been restored, Highway User Revenues have not, despite the State adopting a substantial transportation revenue increase in 2013.

House Bill 410 is a step in the right direction by avoiding a reduction to the lowest local share levels adopted during the recession. But more needs to be done. Predictability of the revenue sources and the distribution allocation of HUR was something on which local governments could rely in the decades preceding the cuts of 2009. Gas tax revenue and vehicle registration fees accounted for the lion's share of revenues into the HUR account while distribution to local governments based on a percentage written into statute provided the funding predictability. This allowed for local governments to engage in long-term infrastructure planning at a funding level that met the needs of the residents. This arrangement represented a partnership between the State and local governments that provided a stable, predictable revenue sharing mechanism for local governments to rely upon when budgeting for transportation infrastructure projects. This has not been the case over the past decade and local governments have struggled to compensate for the unexpected loss of these funds.

The GBC supports an amendment to House Bill 410 that would increase the local government share of HUR, working toward a return to the distribution that existed prior to the Great Recession.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

House Bill 410 with the proposed amendment is consistent with a key tenet in *Gaining A Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Superior transportation infrastructure with reliable funding mechanisms. An essential prerequisite of a competitive business environment includes well-funded and maintained highway, transit, port, and airport infrastructure that provides reliable and efficient options to move people, goods, and services.

For these reasons, the Greater Baltimore Committee urges a favorable with amendments report on House Bill 410.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

HB0410-ET_MACo_SWA.pdf

Uploaded by: Michael Sanderson

Position: FWA



House Bill 410

Transportation – Highway User Revenue – Distribution

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Environment and Transportation Committee

Date: March 10, 2022

From: Dominic J. Butchko and Michael Sanderson

The Maryland Association of Counties **SUPPORTS** HB 410, **WITH AMENDMENTS**. The bill as introduced provides short-term stability for the state-levied transportation revenues needed to support safety and maintenance work on local roads and bridges across Maryland.

MACo urges amendments to not only avoid the sunset of current funding levels, but the proper restoration of the state/local balance that served Maryland for decades prior to recession-driven cutbacks. **Restoration of local infrastructure funding sits atop MACo's legislative initiatives for the 2022 session - it is local governments' top priority.**

For decades, the State supported a balanced means to maintain its transportation infrastructure. The bulk of transportation revenues – mainly motor fuel and vehicle titling taxes – have been split between the State (for its consolidated Transportation Trust Fund, serving multiple modes) and local governments (who own and maintain roughly 5 of every 6 road miles across the state). For decades, this split served all parties effectively.

During the depths of the “great recession” in 2009, the State faced a mid-year budget crisis. The Board of Public Works adopted a 90% reduction of the local distributions of these Highway User Revenues and a roughly 40% reduction to Baltimore City's allocation (the largest by far to any jurisdiction). Since then, recession-driven cutbacks in many service areas have been fully or largely restored. This is not the case with Highway User Revenues – they remain far, far behind historic levels, even after the State has enacted a substantial transportation revenue increase.

HB 410, as introduced, avoids a short-term crisis with Highway User Revenues – eliminating the coming “cliff effect” following a multi-year tier in annual local funding. This is an important step. However, given the opportunity created by federal infrastructure investments, and the compelling needs demonstrated by local governments on a decade-plus “starvation diet” of road and bridge funding, counties support a full restoration of the 30% share to local governments, not a mere extension of the last incremental step toward that fully warranted policy goal.

HB 410 can be amended to restore funding to local transportation needs. Accordingly, MACo urges the committee to **SUPPORT full funding for our local roads and bridges**, whether through an **AMENDED** version of HB 410, or other legislation.