

Maryland Municipal League The Association of Maryland's Cities and Torons

TESTIMONY

March 5, 2025

Committee: Senate Budget and Taxation Committee

Bill: SB 935 - Transportation - Regional Authorities - Established

Position: Favorable with Amendments

Reason for Position:

The Maryland Municipal League (MML) supports Senate Bill 935, with amendment. The bill establishes three regional transportation authorities and additional transportation funding mechanisms. The MML amendments would divert a portion of the revenue from the new funding mechanisms to the local government from where the revenue was generated and allow for additional regional authorities to be created.

Transportation infrastructure is critical to moving people and goods in an efficient manner. However, prioritizing projects, cohesive planning, and adequate funding are challenging. Particularly in the current fiscal climate, transportation infrastructure needs are high, but funding is struggling to keep pace. Municipal governments maintain almost 10% of the lane miles in the State, so the responsibility at the local level is significant.

The framework and funding in SB 935 fundamentally alter transportation policy in a unique and potentially beneficial manner. The funding piece brings in additional revenue for transportation related projects in that region, but none of the new revenue is returned to local governments that bear the brunt of much of the transportation responsibilities. Even with the municipal portion of highway user revenue (HUR) returning to levels near what was provided for the decades preceding the historic HUR cuts in 2009, municipal governments still have a backlog of projects and current transportation funding gaps.

MML Proposed Amendments:

- 1. For paragraphs 2-7 on page 4 alter the distribution to 70% to the regional transportation fund and 30% to the local government where the transaction that generated the revenue took place.
- 2. "A group of three or more counties not already a member of a regional authority created under this section may petition the General Assembly to be created as a regional authority under this section if a majority of the counties and municipalities in those counties sign the petition."



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For these reasons, the Maryland Municipal League respectfully requests a favorable report with the above amendments on Senate Bill 935. For more information, please contact Bill Jorch, Director, Public Policy and Research at <u>billj@mdmunicipal.org</u>. Thank you in advance for your consideration.