



TESTIMONY

COMMITTEE: Senate Budget and Taxation

DATE: February 3, 2026

POSITION: Favorable

BILL: SB 288

The Maryland Municipal League (MML) strongly supports Senate Bill 288, which provides a critical stabilization of Highway User Revenues (HUR) for Maryland's 157 cities and towns by removing the "sunset" provisions and locking in the municipal share of GMVRA at **3.0%**.

Maryland municipalities are still catching up from the decades of cuts that started in 2009. Those initial cuts decreased the municipal share to 0.4%, a drop of 85% which resulted in a loss of over \$30 million per year. As a result of those cuts and subsequent legislation, municipal governments lost over \$300 million in HUR. The expected drop from 3% to 2.4% is the equivalent of another \$12 million per year.

The fiscal challenges of underfunding have been compounded by historic inflation. The cost of asphalt, heavy machinery, and construction contracts has skyrocketed, effectively eroding the purchasing power of the current HUR allocations. Without the permanent increase and stabilization provided by SB 288, municipalities will continue to lose ground against the rising costs of maintaining safe and navigable roadways.

Perhaps most critically, the lack of adequate HUR funding has forced a shift in how local transportation is financed. Because HUR-eligible projects are essential for public safety and economic commerce, many municipalities have had no choice but to **subsidize transportation projects with property tax revenue**.

- Property taxes—intended for police, parks, and general administration—are increasingly being diverted to fill the gap left by insufficient state transportation grants.
- This creates an inequitable burden on local residents, who are effectively paying for road maintenance through their property assessments because the state-level "user fee" (HUR) is not being fully returned to the local level.

SB 288 is a common-sense measure that recognizes the vital role municipalities play in Maryland's transportation network. It ensures that the current 3.0% funding level is protected from future "cliffs" and provides the stability needed for multi-year capital planning. For these reasons, the League respectfully requests that the committee provide Senate Bill 288 with a favorable report.

Roughly 10% of the State's lane miles are in municipalities, which make up less than 5% of the land area.

For more information relating to this piece of testimony, please contact:

Justin Fiore: Director, Advocacy and Public Policy, justinf@mdmunicipal.org