



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE ENVIRONMENT & TRANSPORTATION COMMITTEE

HOUSE BILL 1394 – HIGHWAY USER REVENUES – REVENUE AND DISTRIBUTION

March 5, 2020

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

Position: Support

The Greater Baltimore Committee (GBC) supports House Bill 1394, which would remove the funding sunset for municipal highway user revenues (HUR) currently set to go into effect after Fiscal Year 2024. House Bill 1394 would also increase municipal funding starting in Fiscal Year 2025 to the approximate levels that existed prior to the reductions in Fiscal Year 2010. Finally, House Bill 1394 would 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.

Two provisions of House Bill 1394—removing the sunset and lock boxing the HUR account—would provide critical certainty to municipal governments that the funding is long-term and protected. Additionally, through established timelines, House Bill 1394 delays funding increases for four years, which provides the State with adequate time to adjust project funding allocations.

The legislation passed by the General Assembly in 2018 provided for the current funding level for municipal HUR, which is the highest it has been in over a decade, for a duration of five fiscal years which has been helpful to local governments in maintaining their infrastructure. Yet, with the sunset looming after Fiscal Year 2024, local governments are concerned about committing to longer-term transportation project plans.

House Bill 1394 is consistent with a key tenet in *Gaining the 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.

Finally, the Greater Baltimore Committee's 2020 Legislative Priorities encourage policymakers to implement a balanced transportation policy and funding priorities that create interconnected, multimodal transportation networks and promote equitable investment in systems across regions, modes, and communities.

For these reasons, the Greater Baltimore Committee urges a favorable report on House Bill 1394.

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 65-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.

GREATER BALTIMORE COMMITTEE

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