



February 2, 2021

Chairman Guzzone and Members of the Senate Budget and Taxation Committee
Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 362 Highway User Revenues – Revenue and Distribution

Dear Chairman Guzzone, Vice Chair Rosapepe and Members of the Budget and Taxation Committee:

On behalf of the City of Gaithersburg, I am writing to convey our strong support for SB 362, which would increase the share of funds from the Gasoline and Motor Vehicle Revenues Account (GMVRA) that the Maryland Department of Transportation (MDOT) must annually provide to local governments through capital transportation grants. The bill also eliminates the sunset provision on the current level of municipal Highway User Revenues (HUR), which is due to occur after Fiscal Year (FY) 2024.

While this year has differed from previous ones in many ways, the need to articulate and stand by our policy principles remains as important as ever. For over a decade, the City has joined our municipal counterparts to request the full restoration of HUR—a critical program to proportionately distribute a fair share of transportation revenues essential for supporting local road maintenance in Maryland’s cities and towns.

The City needs every revenue source available to continue to meet our obligations to our residents and the community. The City’s Public Works Division maintains nearly 93 miles of streets to safely keep utilization at a maximum, while minimizing cost and traffic inconvenience. The on-going pandemic has made it more important than ever to keep our streets safe and traffic controlled so our emergency vehicles can serve our most vulnerable, so freight vehicles can deliver PPE and other medical necessities, so employers can reopen, and so our residents can get back to work.

The sunset provision that is set to expire after FY 2024 must be eliminated. If the sunset is not repealed, the funding in FY 2025 will decrease by \$30 million, leaving only an estimated \$8 million available to spread across 156 municipalities. SB 362 restores pre-recession funding beginning in FY 2025, by raising the percent of funds credited to the GMVRA for municipalities from 2.0% to 2.6%. This would result in an increase of approximately \$11 million in FY 2025.

City of Gaithersburg • 31 South Summit Avenue, Gaithersburg, Maryland 20877-2038
301-258-6300 • FAX 301-948-6149 • cityhall@gaitthersburgmd.gov • gaitthersburgmd.gov

MAYOR
Jud Ashman

COUNCIL MEMBERS
Neil Harris
Laurie-Anne Sayles
Michael A. Sesma
Ryan Spiegel
Robert T. Wu

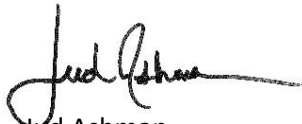
CITY MANAGER
Tanisha R. Briley

A full and permanent restoration of HUR will provide the City with the necessary resources to plan and deliver road maintenance and improvement projects. The ability to preserve our streets not only benefits our residents, but all of Maryland's constituents who travel on Gaithersburg streets and arteries.

For these reasons, the City of Gaithersburg urges a favorable report for SB 362.

Please do not hesitate to contact me with any questions or concerns. You may also contact the Legislative Affairs Manager for the City of Gaithersburg, Jessica Kwasny. She can be reached at jess.kwasny@gaitthersburgmd.gov or 301.805.1090.

Sincerely,

A handwritten signature in black ink that reads "Jud Ashman". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Jud Ashman
Mayor