

HARBOR MAINTENANCE TRUST FUND



Background

In 1986, Congress established a user fee for coastal ports and harbors - the Harbor Maintenance Tax (HMT). The HMT is levied on the value of imported goods and was designed to provide 100% of operations and maintenance (O&M) funding for deep draft and coastal waterways throughout the U.S. For many years, HMT collections far exceeded funds appropriated for harbor maintenance, and the “surplus” of collections over expenditures had grown to over \$9 billion. Rather than being used for their intended purpose, HMT revenues were used to help balance the federal budget. Over the past few years, there has been a tremendous effort to develop a comprehensive fix for the Harbor Maintenance Trust Fund (HMTF). This includes working to fully spend annual collections, address the needs of “donor” ports, ensure funding to small ports, and unlock the surplus funds.



Port of Grays Harbor, Washington

Work to develop a comprehensive solution

During his tenure, House Transportation & Infrastructure Committee Chairman Peter DeFazio (D, OR-4) led the charge to ensure full spending of annual receipts and authorize a broader fix of the issues related to the HMT. As a result, a number of reforms were included in iterations of the Water Resources Development Act (WRDA), and in the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act). These included provisions to spend down the HMTF surplus incrementally, as well as establish a distribution formula directing 15% of the funds to small ports, 8% to donor ports, 4% to energy transfer ports, 17% to commercial strategic seaports, and 13% to the Great Lakes Navigation System. In addition, small ports and donor ports received authorization for expanded uses of some of the formula funding. PNWA has been supportive of these changes.



Port of Tacoma, Washington

Current HMTF spending status

Annual HMTF spending is typically based on the previous year's receipts, and Congress is making important strides in getting on a path to full spending of these annual collections. Congress appropriated \$1.63 billion in FY2020 and \$1.68 billion in FY2021. In FY2022, Congress appropriated \$2.05 billion from the HMTF in accordance with the new policies on full use of the annual receipts and an incremental increase of \$600 million in surplus funds. The FY2023 appropriations allocated \$2.318 billion from the HMTF which is in line with full use of the annual receipts and includes an incremental increase of \$700 million from surplus funds.



Port of Umpqua, Oregon