

SB782 Testimony Scan.pdf

Uploaded by: Daniel Granzow

Position: FAV

STEPHEN S. HERSHEY, JR.
Legislative District 36
Caroline, Cecil, Kent, and
Queen Anne's Counties

MINORITY LEADER

Finance Committee

Executive Nominations Committee

Rules Committee

Joint Committee on Legislative Ethics

Legislative Policy Committee



James Senate Office Building
11 Bladen Street, Room 423
Annapolis, Maryland 21401
410-841-3639 · 301-858-3639
800-492-7122 Ext. 3639
Fax 410-841-3762 · 301-858-3762
Steve.Hershey@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 20, 2024

Chairman Guy Guzzone

Budget and Taxation Committee

3 West Miller Senate Office Building

Re: Senate Bill 782 Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works

Dear Chairman and Members of the Committee,

Senate Bill 782 authorizes the Board of Public Works to temporarily suspend an increase in motor fuel tax rates due to adverse economic conditions, a public emergency, or other extraordinary circumstances.

Currently, adjustments to the gas tax, including pauses, can only be made by the General Assembly when they are in session. During the interim, action cannot be taken by the Governor or the Board of Public Works, and the only option is to call a Special Session. This inflexibility does not allow state government to respond to market conditions and provide relief to citizens during periods of high inflation and high gas prices, as we have experienced in the last couple of years.

Senate Bill 782 would allow the Board of Public Works to suspend the automatic increase when the General Assembly is not in session.

I ask for your favorable report of Senate Bill 782.

SB782 testimony.pdf

Uploaded by: Kirk McCauley

Position: FAV



WMDA/CAR Service Station
and Automotive Repair Association

Chair: Pamela Beidle, Vice Chair Katherine Klausmeier
Members of Senate Finance Committee

RE: SB782 Motor fuel Tax Rates – consumer Price Index Adjustment –
Suspension by Board of Public Works

Position: Favorable

My name is Kirk McCauley, my employer is WMDA/CAR, as a trade association we represent service stations , convenience stores and repair facilities across the state.

SB782 Gives the State of Maryland Board of Public Works an option to help residents when events dictate it is the right thing to do. Consumer Price Index suspension is a temporary measure but shows the state's concern in certain economic conditions.

Please give SB782 a favorable report

Any questions, Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

SB782_MAPDA_fav (2024).pdf

Uploaded by: Mike O'Halloran

Position: FAV



Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

TO: Senate Budget & Taxation Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: February 21, 2024

RE: **SENATE BILL 782** – Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works

On behalf of Maryland's convenience stores and energy distributors, MAPDA urges the committee to issue a favorable report on SB782.

The Mid-Atlantic Petroleum Distributors Association (MAPDA) is a regional trade association representing energy marketers throughout Delaware, Maryland and the District of Columbia. MAPDA member companies supply a majority of all finished motor and heating fuel products sold in the region including gasoline, diesel fuel, heating fuels and biofuels such as renewable diesel and biodiesel. MAPDA members also own and operate Delaware, Maryland, and DC's gas stations and convenience stores which are mostly small, family-owned and operated businesses who offer a variety of products their consumers want and have come to rely on for ease and availability of purchase.

This legislation would allow the Board of Public Works to temporarily suspend an increase in the state's motor fuel tax. Currently, the state's motor fuel tax increases each year on July 1 based on the Consumer Price Index (CPI) subject to certain restrictions.

As the motoring public has witnessed over the past two years, inflation has caused significant hikes at the pump on July 1. They have come as families and businesses were dealing with the fallout from inflation, a war in Ukraine, post-COVID supply chain issues, and more. SB782 will provide a necessary, temporary off-ramp giving Marylanders some relief at the pump.

For these reasons, MAPDA urges the committee to issue a **favorable report on SB782**.

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.

SB782_MDSierraClub_unf 21Feb2024.pdf

Uploaded by: Lindsey Mendelson

Position: UNF



P.O. Box 278
Riverdale, MD 20738

Committee: Budget & Taxation

**Testimony on: SB 782, Motor Fuel Tax Rates - Consumer Price Index Adjustment –
Suspension by Board of Public Works**

Position: Oppose

Hearing Date: February 21, 2024

The Maryland Chapter of the Sierra Club opposes SB 782, Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works. This bill would authorize the Board of Public Works to temporarily suspend an increase in motor fuel tax rates based on the Consumer Price Index due to adverse economic conditions, a public emergency, or other extraordinary circumstances.

The motor fuel tax is a major source of funding in the state to support the Maryland Department of Transportation (MDOT). The fuel tax revenue goes into the state's Transportation Trust Fund which supports the operation and maintenance of state transportation systems, administration, capital projects, Maryland's portion of operating and capital subsidies for the Washington Metropolitan Area Transit Authority (WMATA), and capital grants to Maryland's counties and Baltimore City for local transportation needs.

In adverse economic conditions and public emergencies, it is critical that we keep the state's transportation infrastructure in operation. The cost of running the transportation system is similarly affected by adverse economic conditions, such as large increases in inflation, and public emergencies, like the COVID-19 pandemic. It should also be noted that any increase in the motor fuel tax is already capped at 8%.

Even with the existing motor fuel tax, the Transportation Trust Fund is in a dire condition, which is why the Transportation Revenue and Infrastructure Needs (TRAIN) Commission was established to review, evaluate, and make recommendations on the prioritization and funding of transportation projects. Given that the motor fuel tax is such a fundamental component of state transportation funding, it would be short-sighted to create exemptions for increases in the motor fuel tax at a time when MDOT's programs are so fiscally constrained.

We should ensure that our transportation system remains resilient in times of crises, which means ensuring stable funding sources. Therefore, we urge you to give SB 782 an unfavorable report.

Jane Lyons-Raeder
Chair, Transportation Committee
janelyons@gmail.com

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

SB 782_MTBMA_UNF.pdf

Uploaded by: Michael Sakata

Position: UNF



February 21, 2024

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

**RE: SB 782 – UNFAVORABLE – Motor Fuel Tax Rates – Consumer Price Index Adjustment
– Suspension by Board of Public Works**

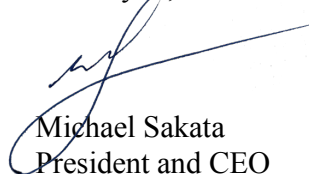
Dear Chair Guzzone and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 782 would authorize the Board of Public Works to temporarily suspend an increase in the motor fuel tax rates under certain circumstances. MTBMA opposes SB 782 because the provision in the Maryland Code tethering the state gas tax to the rate of inflation is essential to the State’s efforts to keep pace with the ever-increasing costs to maintain our roadways and bridges in a state of good repair. Since its enactment, this inflationary provision has generated an additional \$15- 20 million annually for the Transportation Trust Fund (TTF) over the prior year. Realizing consistent revenue increases for the TTF is integral to maintaining the spending power of the Maryland Department of Transportation’s (MDOT’s) capital program, as any decrease in TTF revenues would jeopardize MDOT’s capacity to issue Consolidated Transportation Bonds that depend on those revenues. The needs of our State are critical, and we cannot afford to impose more constraints on a region that is already struggling with massive deficiencies in its transportation infrastructure network.

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on Senate Bill 782.

Thank you,



Michael Sakata
President and CEO

Maryland Transportation Builders and Materials Association

SB 782_MAA_UNF.pdf

Uploaded by: Tim Smith

Position: UNF

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

February 21, 2024

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 782 – UNFAVORABLE – Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 782 would authorize the Board of Public Works to temporarily suspend an increase in the motor fuel tax rates under certain circumstances. MAA opposes SB 782 because the provision in the Maryland Code tethering the state gas tax to the rate of inflation is essential to the State's efforts to keep pace with the ever-increasing costs to maintain our roadways and bridges in a state of good repair. Since its enactment, this inflationary provision has generated an additional \$15- 20 million annually for the Transportation Trust Fund (TTF) over the prior year. Realizing consistent revenue increases for the TTF is integral to maintaining the spending power of the Maryland Department of Transportation's (MDOT's) capital program, as any decrease in TTF revenues would jeopardize MDOT's capacity to issue Consolidated Transportation Bonds that depend on those revenues. The needs of our State are critical, and we cannot afford to impose more constraints on a region that is already struggling with massive deficiencies in its transportation infrastructure network.

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on Senate Bill 782.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim E. Smith, P.E.
President
Maryland Asphalt Association