

CHAIRMAN:  
Jeff Graf  
VICE CHAIRMAN  
David Slaughter

**MARYLAND ASPHALT ASSOCIATION**



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

January 31, 2024

Delegate Marc Korman, Chair  
House Environment and Transportation Committee  
251 House Office Building  
Annapolis, MD 21401

**RE: HB 245 – UNFAVORABLE – Department of the Environment – Fees, Penalties, Funding, and Regulation**

Dear Chair Korman 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.

House Bill 245 is an omnibus Departmental bill that increases permitting fees within various programs in the Department of the Environment (MDE). We recognize that many of these fees have remained untouched for years, sometimes decades, but we are extremely concerned by the rates of these increases, in some cases 10 times the current cost. We also do not understand MDE's intent with these increases—will this be a one-time jump or should we anticipate more increases over the coming years. Current law states that the fees shall cover the reasonable costs of reviewing applications for the permits and the reasonable costs in implementing and enforcing the terms of the permits. Some of these increases will result in substantial increases that when applied across the industry as a whole will result in permitting revenues that would seem to exceed the costs they are meant to cover—what will MDE do with these excess funds, beyond the costs of administering the programs?

We are concerned about aspects of the bill related to the section on regulated air emissions, which increases the total per ton from \$50 to \$200. We estimate the impact of this increase to the asphalt industry to be around \$155,000. This is a three-fold increase. Additionally, petroleum imports will increase by 3 cents a barrel, which will have an impact of around \$65,000 to our industry. These costs will be passed on from the liquid suppliers to the asphalt pavement manufacturers, and in turn, the State. We would like to offer a reasonable alternative, recognizing that fees do need to increase. We request that all increases in the bill be tied directly to the Consumer Price Index (CPI). For the air permits, this

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would be roughly \$101 instead of \$200. The law in fact already states that the fees may be adjusted to reflect changes to the CPI.

At a time when we are still suffering from slowed growth in our economy, tremendous financial strain, and major cuts to transportation spending by the Administration, we cannot operate under these drastic increases. Our industry is struggling and the burden of these additional costs will have a significant adverse impact on our member companies. By increasing these fees at the rate MDE has set, our members will be forced to either increase our pricing to the State or abandon working in Maryland. We look forward to working collaboratively with MDE to come to a consensus that works for everyone.

We appreciate you taking the time to consider our request and for the reasons stated above, we respectfully request an **UNFAVORABLE** report House Bill 245.

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