



February 22, 2024

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

RE: HB 913 – FAVORABLE W/ AMENDMENTS – Motor Vehicles – Registration – Annual Surcharge

Dear Chair Korman 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.

House Bill 913 adds an annual surcharge for motor vehicle owners—\$100 for electric vehicles and \$75 for all other vehicles, which is then adjusted for inflation annually after September 30, 2025. The proceeds collected will be distributed separately. Those from electric vehicles must be used only to fund the purchase of zero-emission or alternative-fuel buses and zero-emission or hybrid state vehicles and those collected from internal combustion engine (ICE) vehicles will be deposited into the Transportation Trust Fund.

MTMBA appreciates the introduction of this bill, as it reflects the work and recommendations made by the Maryland Commission on Transportation Revenue and Infrastructure Needs, however there are some concerning aspects to this bill that we respectfully ask to be amended. First, all proceeds from the annual surcharge need to go into the Transportation Trust Fund, with no additional limitations or guidelines on how they are spent. The transportation budget has reached an all-time low and these deficits are crippling to our industry, our local businesses, and most importantly, the economy of Maryland. The Commission was charged with looking into additional revenue streams for transportation projects and charging EV drivers was one of those recommendations. But this bill carves out the fee on EVs to be used only for purchasing new EVs. That is not going to help our transportation infrastructure as a whole.

Second, by charging a fee on ICE vehicles, those drivers are now being double-taxed, as they already pay a tax on motor fuel. The point of charging a fee on EVs was to ensure they pay their fair share, since they also use and drive on the roads. Respectfully, we ask that this is removed from the bill. If these two critical changes are not made, we unfortunately cannot support this bill.

We appreciate you taking the time to consider our request for a **FAVORABLE WITH AMENDMENTS** report on House Bill 913.

Thank you,

A handwritten signature in blue ink, appearing to read 'Michael Sakata', with a long horizontal flourish extending to the right.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association