



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of House Bill 386

Sales & Use Tax - Transportation Network Services - Application and Rates

Dear Chair Kaiser and Members of the Ways and Means Committee:

HB386 is a bill that places a sales and use tax on transportation network services (TNC's), which are more commonly referred to as rideshare services. The bill would place a 3.25% fee on single-passenger rideshare trips and a 1.4% fee on multiple passenger rideshare trips or rideshare trips in a zero-emission vehicle. The revenue collected from this fee will be directed to Maryland's Transportation Trust Fund. The bill does not alter any existing laws that allow local jurisdictions to impose their own rideshare fees.

As the only car-free legislator in the Maryland General Assembly, I know how hard it can be to get around. When I gave up my car in 2014, I made a choice to rid myself of the burden and expense of car ownership and to take decisive action to cut down my carbon footprint. Every day of my life is a transit challenge, and I do my best to get around using the bus, subway, light rail, bikes and walking.

In spite of my best efforts, I still depend on fossil-fuel-burning vehicles—and very often rideshare services—because of the lack of public transit investment we have made in Maryland. Public transit is a public good, and it should be available to everyone.

I believe that the advent of rideshares helped move us in the direction of creating a car-free society. Still, there are two important barriers to transit independence that remain unsolved.

First, the vehicles driven by rideshare drivers negatively affect our environment. They produce carbon emissions, wear down our roads and contribute to traffic congestion in our state.

Second, the majority of people who do not own vehicles are not car-free by choice. They cannot afford the many costs of vehicle ownership and depend on public transit.

HB386 will help mitigate environmental harms created by rideshares, and, most importantly, it will help fund mass transit. The draft FY2020-2025 Consolidated Transportation Program (CTP) released this year by the Maryland Transit Administration identified that the state will need to spend \$4.6 billion over the next decade to keep our current transit system in good repair. We still need to secure an additional \$2 billion to fund CTP recommendations. HB386 will get us \$15 million closer to a clean, safe, and equitable transit future.

I request a favorable report.