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March 9, 2022

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

RE: SB 726 – <u>FAVORABLE</u> – Transportation – Highway User Revenues – Revenue and Distribution

Dear Chairman Guzzone and Members of the Senate Budget and Taxation Committee:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. We proactively work 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 726 would increase the share of funds from the Gasoline and Motor Vehicle Revenue Account that the Maryland Department of Transportation must provide annually to local governments through Highway User Revenue (HUR) capital grants beginning in FY 2025.

Prior to the Great Recession, local governments in Maryland received more than 30% of Transportation Trust Fund (TTF) revenues to support the roads and bridges that they maintained. In August 2009, the Board of Public Works made a devastating 90% cut to HUR's, and the following year's budget made that cut ongoing. MAA strongly supports this legislation because it would return the HUR distribution back to the previous 30% share, increasing the amount of TTF dollars that will be invested in these projects by upwards of \$441 million by FY 2027. These funds are critical to building, repairing, and maintaining the roads and bridges that make up the backbone of Maryland's transportation infrastructure.

We appreciate you taking the time to address this important issue, and we urge a favorable report on Senate Bill 726.

Thank you,

Marshall Klinefelter

President

Maryland Asphalt Association

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