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February 16, 2022

Delegate Vanessa E. Atterbeary, Chair
House Ways and Means Committee
Room 301, House Office Building
Annapolis, MD 21401

RE: House Bill 577 – UNFAVORABLE – Motor Fuel Tax and Sales and Use Tax – Tax Holiday

Dear Chair Atterbeary and Members of the House Ways and Means 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.

House Bill 577 would require the Comptroller to reduce the motor fuel tax rate by 15 cents from June 30, 2022 until January 1, 2023. MAA cannot support this legislation that seeks to lower the motor fuel tax rate, even for the six-month period it requests. 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 due to their debt service requirements. The needs of our State are critical, and we cannot afford to impose more constraints on a region that is struggling with massive deficiencies in its transportation infrastructure network.

We appreciate you taking the time to address this important issue, and we urge an unfavorable report on House Bill 577.

Thank you,

Marshall Klinefelter
President
Maryland Asphalt Association