



February 14<sup>th</sup>, 2023

Delegate Vanessa E. Atterbeary, Chair  
House Ways and Means Committee  
Room 131, House Office Building  
Annapolis, MD 21401

**RE: House Bill 422 – UNFAVORABLE – Motor Fuel Tax Rates – Consumer Price Index Adjustment – Repeal**

Dear Chair Atterbeary 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.

House Bill 422 would stop all future automatic increases to Maryland’s motor fuel tax rates by decoupling those rates from the Consumer Price Index (“CPI”) for all urban consumers, one of the most common metrics to measure inflation. This tether was codified by the Transportation Infrastructure Investment Act of 2013, which also increased Maryland’s motor fuel tax rates for the first time since 1992.

Since its enactment, this inflationary provision has generated an additional \$15-20 million annually for the Transportation Trust Fund (“TTF”) over the prior year. 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, as well as any future proposed projects within other transportation modals. Given the legislature’s plan this year to also use the CPI to implement automatic future increases to the state’s minimum wage, it seems that this body agrees that tethering a formula to the CPI is the best mechanism to handle such increases. 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 422.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Sakata", is written over a faint, light blue circular watermark or seal. The signature is fluid and cursive.

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association