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21401-1925

March 26, 2024

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Chairman Guzzone, Vice Chair Rosapepe, and Honorable Members of the Budget and Taxation Committee,

The Administration appreciates the Committee's work on House Bill (HB) 1070, Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024). The Administration offers the following comments in support of HB 1070, as amended.

As amended, House Bill 1070 requires the Maryland Transportation Authority (MDTA) to transfer a certain amount of funds annually beginning on July 1, 2025, to the Transportation Trust Fund, provided certain conditions are met. The MDTA would only make the transfers until the MDTA has made a certain cumulative amount of payments. The bill increases the MDTA revenue bond cap and authorizes the MDTA to offer certain toll discounts under certain circumstances. The proposed transfers to the Transportation Trust Fund would end once the MDTA has transferred total cumulative payments in the amount of \$750,000,000. This amount is equivalent to the GARVEE bond funding transferred in previous years from MDOT to MDTA to build the Inter-County Connector. The funds shall be transferred only after the MDTA has met all of its existing financial obligations as required under its Trust Agreement, as well as other supplemental trust agreements or financial obligations.

As amended, House Bill 1070 raises the MDTA's bond cap to \$3,750,000,000 to recognize the need for increased revenue-raising capacity and enhance MDTA's ability to improve MDTA-owned facilities in compliance with its Trust Agreement. Lastly, House Bill 1070, as amended, preserves compliance with Title 23 U.S.C. Section 129, which limits the use of Federal Aid funds.

The Administration respectfully requests a favorable report on House Bill 1070, as amended.

Yours in Service,
Eric Luedtke
Chief Legislative Officer