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Tim Smith

March 1, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

RE: HB 1070 – FAVORABLE – Maryland Transportation Authority – Tolls – Collection and Use (Maryland Toll Rate Reform Act of 2024)

Dear Chair Korman and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively 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 1070 would establish the Transportation Facilities Overage Account in the Transportation Trust Fund ("TTF"), which will be used for the construction and maintenance of state highways that feed vehicular traffic to a MDTA transportation facility and state highway or transit construction or maintenance projects that relieve traffic congestion at MDTA transportation facilities. MDTA will be required to fix, revise, charge, and collect fees, tolls, and other charges at the near optimal toll rate which will go into this new account.

MAA greatly appreciates the sponsor introducing this legislation which is aimed at increasing toll revenue to support the construction and maintenance of toll roads, with a focus of relieving traffic congestion at those sites. This bill is based on one of the interim recommendations of the Maryland Commission on Transportation Revenue and Infrastructure Needs. The Commission spent months during the interim reviewing possible avenues for additional funding sources for the State's TTF. One of our recommendations was that MDTA adjust toll rates to maximize toll revenues to generate new revenue to support transportation projects. The MDTA is a nonbudgeted State agency and all toll revenues are deposited in the Transportation Authority Fund, which is wholly separate from the TTF. This bill will reform the toll collection system in Maryland to assist with much needed projects.

We do however have one recommended change to the legislation—changing the word "shall" to "may" throughout the bill to avoid unintended consequences on credit scores and funding capabilities for future projects. This simple change will provide necessary flexibility without compromising the goals for MDTA. To ensure that the bill's expanded authority, specifically in the construction and maintenance of

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state highways, doesn't conflict with existing agreements, this will clearly define and limit its scope. We believe these modifications will make the bill more acceptable to stakeholders and the public, thus safeguarding our existing partnerships.

We appreciate you taking the time to consider our request for a **FAVORABLE** report on HB 1070.

Sincerely,



Tim Smith. P.E.
President
Maryland Asphalt Association