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**Committee: Budget and Taxation**

**Testimony on: SB 841- Transportation - Motor Fuel Tax Rates, Vehicle-Miles-Traveled Tax, and Farebox Recovery Requirement (Transportation Equity, Fairness, and Privacy Act of 2024)**

**Position: Oppose**

**Hearing Date: February 28, 2024**

The Maryland Chapter of the Sierra Club opposes SB 841. This bill would repeal a requirement that certain motor fuel tax rates be adjusted in future years based on growth in the Consumer Price Index. It would prevent state or local governments from levying a tax on vehicle miles traveled and a mileage-based user fee. It would also require the Maryland Department of Transportation (MDOT) to recover an increasing percentage of all operating expenses for public transit in the Baltimore region starting in FY 2025.

The motor fuel tax is a major source of funding in the state to support MDOT. The fuel tax revenue goes into the state's Transportation Trust Fund which supports the operation and maintenance of state transportation systems, administration, capital projects, Maryland's portion of operating and capital subsidies for the Washington Metropolitan Area Transit Authority (WMATA), and grants to Maryland's counties and Baltimore City for local transportation needs.

In adverse economic conditions and public emergencies, it is critical that we keep the state's transportation infrastructure in operation. The cost of running the transportation system is similarly affected by adverse economic conditions, such as large increases in inflation, and public emergencies, like the COVID-19 pandemic. It should also be noted that any increase in the motor fuel tax is already capped at 8%.

Even with the existing motor fuel tax, the Transportation Trust Fund is in a dire condition, which is why the Transportation Revenue and Infrastructure Needs (TRAIN) Commission was established to review and make recommendations on the prioritization and funding of transportation projects. It would be short-sighted to create exemptions for increases in the motor fuel tax and other revenue options such vehicle miles traveled and mileage-based user fees at a time when MDOT's programs are so fiscally constrained.

According to the Central Maryland Transportation Alliance's 2023 report card, only 8.5% of jobs are accessible within 1 hour using public transportation within the Baltimore region. If a farebox recovery mandate is imposed in Baltimore, it would restrict the Maryland Transit Administration in maintaining and improving the system that is needed to give residents better access to jobs, education, food, healthcare, and recreation.

We should ensure that our transportation system remains resilient in times of crises, which means ensuring stable funding sources. Therefore, we urge you to give SB 841 an unfavorable report.

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Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

