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February 29th, 2024

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

RE: HB 1280 – <u>FAVORABLE</u> – Sales and Use Tax – Electricity to Charge Electric Vehicles – Transportation Trust Fund

Dear Chair Atterbeary 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 1280 would allocate revenue generated from the sales and use tax on electricity used to charge electric vehicles (EVs) to the Transportation Trust Fund.

MAA strongly supports this legislation because the Transportation Trust Fund is currently facing a significant funding shortfall, and we must take proactive steps to address this issue. HB 1280 represents a practical solution to this shortfall to provide the much-needed resources for essential transportation projects. Moreover, this bill aligns with the principle that EVs should contribute to the TTF, considering they do not pay the motor fuel tax, yet still rely on the roads and infrastructure. By enacting this legislation, we can ensure the continued operation and enhancement of Maryland's transportation network.

We appreciate you taking the time to consider our request for a FAVORABLE report on HB 1280.

Sincerely,

Tim E. Smith. P.E.

President

Maryland Asphalt Association

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