



February 27th, 2024

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

RE: HB 1025 – UNFAVORABLE – Transportation – Motor Fuel Tax Rates, Vehicle-Miles-Traveled Tax, and Farebox Recovery Requirement (Transportation Equity, Fairness, and Privacy Act of 2024)

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. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 1025 would repeal the requirement that motor fuel tax rates be adjusted each year based on the Consumer Price Index (CPI). It would also prohibit the State or any local jurisdiction from imposing a vehicle-miles traveled tax, a mileage-based user fee, a toll based on global positioning satellite tracking or any other similar tax. Lastly, it would adjust farebox recovery requirements.

MTBMA strongly opposes HB 1025 and all legislation that would repeal the CPI-adjusted motor fuel tax. Since its enactment, this inflationary provision has generated an additional \$15-20 million annually for the Transportation Trust Fund over the prior year, which is critical to Maryland’s transportation program. At a time when the transportation budget has been drastically cut, we cannot see passage of bills such as HB 1025. Moreover, bans on additional revenue earning options are not wise or appropriate at this time. The Commission on Transportation Revenue and Infrastructure Needs, which is still ongoing, is looking at various ways the State can create additional funding streams for transportation projects. Some of the options they have looked at, and are continuing to review and flush out, are those proposed in this bill. We must wait for them to do their research and make final recommendations before passing any legislation that would impede that.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on HB 1025.

Thank you,

A handwritten signature in black ink, appearing to read 'Michael Sakata', is written over a light blue horizontal line.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association