



MARYLAND
Association of
COUNTIES

House Bill 432

Locally Operated Transit Systems – Mandatory Funding – Inflation Adjustment (Local Transit Sustainability Act)

MACo Position: **SUPPORT**

To: Appropriations Committee

Date: February 11, 2025

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 432. This bill stabilizes funding to the Locally Operated Transit System (LOTS) grant program. LOTS partially funds county and municipal local transit systems, a critical component of infrastructure necessary to meet the state's ambitious growth, housing, and environmental goals.

Marylanders in every region of the state rely on public transportation systems, supported by the LOTS program, to commute both to and from work as well as within their communities. The vast majority of these systems are developed, operated, and maintained by county governments. Following the pandemic, previously predictable revenue streams and ridership rates declined dramatically and have yet to fully stabilize. This, in turn, adds challenges for these local systems, leaving them unable to make multi-year service plans and commitments. HB 432 seeks to provide predictability for LOTS: starting in FY27, future funding increases would be tied to the Consumer Price Index for All Urban Consumers up to five percent.

Counties support HB 432 as a commonsense bill. If Maryland is to meet the growth, housing, and environmental goals set by the General Assembly and the Governor, robust and local transit systems are the cornerstone needed to bring these ambitions into fruition. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report for HB 432.