
March 5, 2025

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

***RE: Letter of Information – Senate Bill 935 – Transportation – Regional Authorities -
Established***

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 935 and offers the following information for the Committee’s consideration.

SB 935 would create three regional transportation authorities in Maryland, one each for the Baltimore, Capital, and Southern Maryland regions of the State. Modeled after the approach taken in Virginia, these Authorities would each have their own specific fund, resourced from specific taxes outlined in the legislation. Unlike other bills introduced this Session,¹ SB 935 does not direct funds to local governments, but rather the bill authorizes a county in the region subject to the regional authority to impose, by law, a surcharge on retail sales, hotel lodgings, and the use of tangible personal property, a digital code, a digital product, or a taxable service within the county, subject to certain limitations.² Additionally, the legislation creates a Board for each authority, with representation from local and State elected officials, alongside members of the public. The legislation directs the regional authorities to develop transportation plans and to fund priority projects and permits the regional authorities to construct the facilities in the plan. The authorities are further directed to make recommendations to MDOT regarding transportation funding and financing issues.

SB 935 assigns substantial transportation planning functions to the new transportation authorities. Alongside MDOT, the State’s Metropolitan Planning Organizations (MPOs) play a critical and federally mandated role in developing regional transportation plans. The Committee may wish to consider integrating MPOs into regional decision-making to avoid duplication and align with federal processes. Additionally, if authorities were transitioned toward more of a “financing authority” model, whose principal functions are to finance projects

¹ Notably, Senate Bill 881 and its cross file, House Bill 1370.

² Further, these bills differ in how transfer taxes for the transfer of real property may be collected and applied by the regional authorities or participant counties.

The Honorable Guy Guzzone
Page Two

identified and implemented by others, then MDOT, MPOs, or Counties could identify priority projects, the authority would fund and finance them, and the project sponsor would build them.

Additionally, the successful completion of many major projects requires federal funding. MDOT serves as the direct recipient of federal funding from the Federal Highway Administration and the designated recipient from the Federal Transit Administration. Substantial coordination with MDOT will be required to successfully fund projects by the regional authority, and additional consideration should be given to how the regional authorities and MDOT would work together to implement successful funding packages for projects.

SB 935 authorizes the regional authorities to construct certain infrastructure. The State of Maryland has ample public agencies at the State and local level that are qualified to deliver major infrastructure projects. MDOT suggests that the regional authorities not be included as one of the parties responsible for the ongoing implementation and operation of transportation facilities.

Finally, SB 935 should consider evaluation and prioritization of projects. MDOT has proposed legislation to address the project prioritization process, known as Chapter 30. A new authority structure would benefit from making use of a reformed prioritization approach to ensure that projects funded by the authorities represent the projects with largest benefit for the region and the State.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 935.

Respectfully submitted,

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