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The Honorable Members of the Seante Committee

Maryland General Assembly, Annapolis, MD 21401

Testimony in Support of Senate Bill 881 (SB0881) with Amendments - Transportation - Regional Transportation Authorities

Hearing Date: March 05, 2025

Chairperson and Esteemed Members of the Committee,

My name is Maureen Wambui, and I am a proud Immigrant, parent, Community advocate and resident of Legislative District 8 in Maryland. I am here today to express my **support** for Senate Bill 881, which seeks to establish regional transportation authorities to improve infrastructure and transit across Maryland. However, I urge the committee to consider **amendments** that mitigate the financial burden on everyday consumers.

SB0881 is a well-intended bill that recognizes the urgent need for better roads, public transit, and transportation planning. Creating dedicated regional transportation authorities ensures that each area's specific transit needs are addressed, leading to more effective and responsive solutions. Additionally, the establishment of regional transportation funds provides a sustainable financial model for infrastructure investment.

However, as currently written, the bill places a heavy burden on consumers and small businesses through its proposed sales tax, hotel surcharge, and property transfer tax increases. These funding mechanisms, while effective, disproportionately impact working-class families, renters, homebuyers, and local businesses. Instead of relying on broad-based consumer tax increases, I propose the following amendments:

Proposed Amendments:

1. **Reduce or Cap the Sales Tax Surcharge** – Instead of applying a flat surcharge across all purchases, consider a **tiered tax system** that exempts essential goods (e.g., groceries, medicine, childcare services) to protect low-income households.
2. **Alternative Revenue from High-Income or Large Businesses** – Implement a **corporate transportation impact fee** that applies only to **large corporations** benefiting from improved infrastructure, rather than increasing general consumer costs.

3. **Adjust the Hotel Tax to Focus on Luxury and High-End Lodging** – Instead of a **blanket** hotel tax increase, apply higher surcharges to **luxury accommodations**, while exempting budget-friendly hotels to avoid discouraging tourism for middle-income travelers.
4. **Modify the Property Transfer Tax to Reduce Burden on First-Time Homebuyers** – Implement **exemptions or reductions** for first-time homebuyers and primary residence transactions while maintaining higher rates on commercial property transfers and investment sales.

These amendments ensure that regional transportation improvements move forward without disproportionately impacting everyday Marylanders. The goal of SB0881 should be to create a sustainable funding structure that balances economic fairness with infrastructure investment.

I urge the committee to adopt these modifications and pass SB0881 in a way that supports transportation development without creating unnecessary financial strain on working families.

Thank you for your time and consideration.

Respectfully submitted,

Maureen Wambui