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March 6th, 2025

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

**RE: SB 557 – UNFAVORABLE– Vehicle-Miles-Traveled Tax and Associated Mandated Devices
- Prohibition (Transportation Freedom Act of 2025)**

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) represents approximately 120 members, including 20 material producers and 100 contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

Senate Bill 557, the Transportation Freedom Act of 2025, prohibits the State of Maryland and local jurisdictions from imposing a Vehicle-Miles-Traveled (VMT) tax. The bill prohibits mileage-based user fees or other similar fees, tolls, or taxes. This bill would also prevent the State or local jurisdictions from requiring the installation of a device in or on a privately owned vehicle, ensuring that no law could mandate installing devices to monitor vehicle miles traveled.

We urge an unfavorable report on SB 557, as it hampers the state's ability to address both current and future challenges within the Transportation Trust Fund. Maryland's transportation funding structure is at a critical crossroads, and organizations like MAA cannot support legislation that removes potential alternative revenue sources essential for maintaining and improving our transportation infrastructure. By restricting viable funding options to replace the gas tax for road construction and maintenance, this bill threatens the sustainability and growth of our industry—and Maryland's economy as a whole.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on SB 557.

Thank you,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim Smith, P.E.
President
Maryland Asphalt Association