



March 5, 2025

Delegate Marc Korman, Chair
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

Senator Guy Guzzone, Chair
Senate Budget & Tax Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: HB1370/SB 881 – FAVORABLE – Transportation – Regional Transportation Authorities

Dear Chair Korman, Chair Guzzone, and Members of the Committees:

The Suburban Maryland Transportation Alliance (SMTA) was formed in 2009 to educate policymakers and stakeholders about our transportation options, to advocate for increased funding for all transportation modes, and to encourage leaders to commit those funds to priority road, bridge, mass transit and other surface transportation improvements that do the most to relieve congestion, expand access and improve mobility for the residents of the National Capital Region. We believe increased investments are needed across all modes of travel on Maryland's aging and increasingly obsolete transportation networks. We ask legislators to make this a top priority this legislative session in order to support a healthy and growing economy, reduce congestion and its negative impacts on air quality, and improve our quality of life.

Background & Need for legislation: Maryland is facing a severe transportation funding crisis and needs new sources of revenue to help fund long-term transportation investments that enhance safety, reduce congestion, improve access to jobs and housing, and boost our economy. Northern Virginia has had a successful model in place since 2002 when it established the Northern Virginia Transportation Authority (NVTA), a regional transportation authority (RTA) that invests roughly \$400M a year in local and regional road and transit projects. NVTA is funded through a local Grantor's Tax (of \$.15 per \$100 of property sale price); a Transient Occupancy Tax (2% of room charges); and a local sales tax (of 0.7%). NVTA can also accept grants, issue debt and maintains a "AA" bond rating. Maryland law does not allow RTAs like this, although recent public opinion polls show that most Marylanders would be willing to allow local jurisdictions to raise local taxes to fund local and regional transportation priorities, if those local taxes are dedicated only to transportation improvements.

Major Provisions: This bill is based on legislation introduced in 2024 (HB 924) and earlier by former Senate President Thomas V. "Mike" Miller. It would establish regional transportation authorities for the Baltimore Region, Capital Region, and Southern Maryland to finance and deliver critical transportation improvements. It would also create new "Transportation Authority Surcharges" to fund local and regional transportation improvements in these regions. New revenues to fund these improvements would include a sales tax surcharge of 0.5% on specified retail sale, use or taxable service in the region; a 0.15% transfer tax surcharge; and a hotel surcharge of 1%. In each case, 70% of the new revenue would go to the respective RTA and 30% would go to the counties and municipalities therein. These revenue sources are similar to those in place in Northern Virginia and have proven highly successful in funding needed improvements without negatively impacting their economic competitiveness. RTAs could also accept grants, issue bonds, and partner with private entities to finance and deliver projects including through public-private-partnerships (P3s).

There is Broad Public Support for RTAs: The bill meets the public's demand for increased transportation investment and builds on successful approaches adopted by neighboring states, while focusing on ideas that recent polls show a majority of Maryland voters could support (*source: 2024 Gonzales Poll, N=820 reg. voters*):

- 55% would be willing to pay more in taxes for better infrastructure (including 71% of Democrats).
- 53% would consider raising the sales tax by 1 cent to fund transportation (including 66% of Democrats).
- 66% would consider allowing more P3s to boost private investment (including 66% of Democrats).
- 65% would consider allowing projects to be funded with local tax dollars (including 69% of Democrats).
- 65% favor creation of an RTA in suburban Maryland (*source: 2022 OpinionWorks poll, N=868 adults*)

We appreciate you taking the time to consider our request for a **FAVORABLE** report on HB1370/SB 881.

Note: SMTA also supports similar legislation (SB 935) that has been introduced this session that would authorize Counties to enact new local-option revenues to fund RTAs. RTAs would not levy any new taxes on their own but this bill authorizes Counties to do so, if they choose, with a similar list of revenues similar to those used by NVTa that would be dedicated to the RTA to fund transportation improvements. These include up to a 1-cent local surcharge on the State sales and use tax; a property recordation tax of up to \$.15/\$100 increment of the sale price; and a transient occupancy tax of up to 2% of the room charge.

Thank you,

Richard Parsons
Vice Chair
Suburban Maryland Transportation Alliance

See Attached:

Polling Summary – Key Slides from “What Marylanders Really Think About Transportation” Presentation



What Maryland Voters REALLY Think About Transportation

January 2025

(It's **NOT** what you think)



Two Recent Surveys Make it Clear Where Marylanders Stand on Transportation

- 2022 Greater Washington Issues Survey (OpinionWorks)
 - *Polled random sample of 868 adult residents*
- 2024 Maryland Statewide Issues Survey (Gonzales Polls)
 - *Polled random sample of 820 Maryland registered voters*

Both Polls' Findings – highly consistent with earlier poll results from 2015—2022



3 Top Takeaways:

1. **There is a HUGE disconnect** between political insiders' perceptions and the reality of public opinion on transportation issues in Maryland.
2. **Marylanders are MUCH more supportive of improving roads and bridges** than some Maryland elected officials assume – *Related Fact: Marylanders are NOT getting out of their cars. They are driving MORE (and using transit less) than before COVID. Over 90% of us use Maryland's road network to get around.*
3. **Marylanders REALLY want more investment in road maintenance and traffic relief** (they prioritize these over all other transportation investments) and a majority can even be persuaded to pay more in taxes to get it.

6 key data points tell the whole story...



Point 1:

Transportation is a TOP State and Regional Concern

Marylanders Think Transportation Funding is Very Important

- 95% of Marylanders think Infrastructure Funding is important
- 61% say “VERY” important.
- Support is overwhelming across party lines and in every demographic

Transportation Infrastructure Funding in Maryland

An overwhelming 95% of Marylanders think that it is important for the State to invest in improving its transportation infrastructure...61% say it's “very” important and 34% say it is “somewhat” important to invest in transportation.

Transportation Funding	<u>Important</u>	<u>Not Important</u>
Statewide	95%	5%
Democrat	99%	1%
Republican	85%	15%
Independent	99%	1%
White	93%	7%
African-American	99%	1%
Women	95%	5%
Men	95%	5%

Source: Gonzales Polls, September 2024, N=820 Registered Voters



Point 2:

To Voters, Road & Bridge Maintenance and Traffic Relief are the Top Issues

Most Important Transportation Needs: Road/Bridge Maintenance & Traffic Relief

"Which of the following is the MOST important transportation need that Maryland should address...if you had to choose just one, which would it be?" (Rotated)

- Improving maintenance of roads and bridges: 46%
- Reducing traffic congestion and delays: 26%
- Providing more travel & transportation options: 19%
- Improving maintenance of bus & transit facilities: 5%

Source: Gonzales Polls, September 2024, N=820 Registered Voters

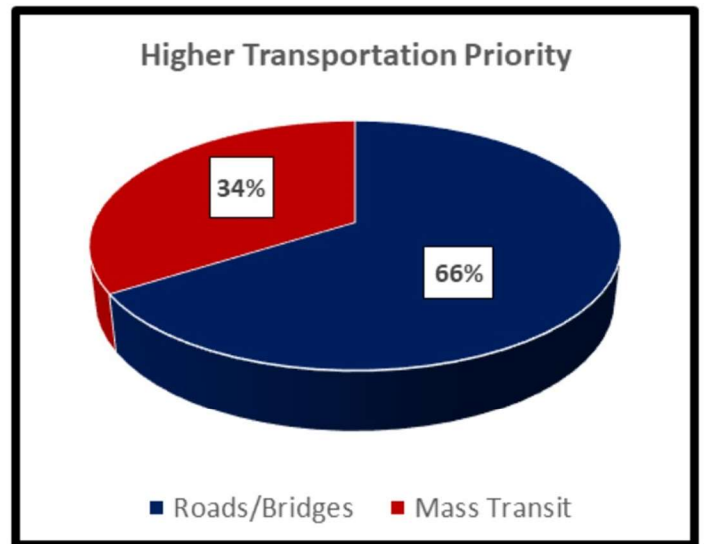


Point 3:

Marylanders Now Place a Higher Priority on Roads & Bridges than Transit

Marylanders Place a Higher Priority on Roads & Bridges Than Transit

- 66% of Marylanders say maintaining and improving state roads and bridges should receive the higher priority when it comes to transportation funding
- 34% say maintaining and improving mass transit, such as buses, light rail and MARC trains
- A majority of voters in nearly every demographic group believe roads and bridges should receive the higher priority



Source: Gonzales Polls, September 2024, N=820 Registered MD Voters



Point 4:

Marylanders Overwhelmingly SUPPORT Major Road & Bridge Improvement Projects

Marylanders Support Major Bridge & Highway Improvements

- **71% of Marylanders favor replacing the ALB and adding new HOT lanes to I-270** (including 73% of Democrats; 41% “Strongly” favor, only 7% “Strongly” oppose)
- **60% favor adding new HOT lanes and improved bus service to the Southside portion of the Beltway** (69% of Democrats, 35% strongly favor, only 8% strongly oppose)

TTF TOGETHER for
TRANSPORTATION
FUNDING

71% of
Marylanders
favor replacing
the American
Legion Bridge
and adding
express lanes
to I-270.

Learn more: www.TogetherForTransportationFunding.org

Photo: Famartin

Source: Gonzales Polls, September 2024, N=820 Registered Voters



Point 5:

There is a Way Forward on Transportation Funding

Nearly Half of Marylanders Would Pay More in Taxes for Better Roads

- 49% of Maryland voters would be willing to pay a little more for **better roads and bridges** (65% of Democrats, 28% of Republicans)
- Support drops to 44% who would be willing to pay a little more for **transit improvements**

New Road Projects

Among voters, 49% say they would be willing to pay a little more in taxes if they knew the State could make the aforementioned road and traffic improvements happen, while 48% would not be willing to pay a little more in taxes, with 3% giving no response.

Taxes – New Road Projects	<u>Yes, Willing</u>	<u>No, Not Willing</u>
Statewide	49%	48%
Women	54%	43%
Men	43%	53%
Democrat	65%	34%
Republican	28%	63%
Independent	32%	64%
White	43%	53%
African American	63%	35%
Other	44%	51%

Source: Gonzales Polls, September 2024, N=820 Registered Voters

Five Key Messages Effectively Sway Marylanders to Support New Revenues for Transportation:

1. **Reduce Accident Rates** - Maryland has a 3.3-billion-dollar backlog of numerous roads, bridges and transit facilities that are aging and obsolete. Recent events, such as the Key Bridge collapse, underscore the importance of upgrading and repairing infrastructure to keep our transportation networks in good condition. Improved infrastructure can reduce accident rates and prevent tragic loss of life. **71% more likely to support funding increase, 43% much more likely** (Dems +82%, African Americans +87%).
2. **Generate Economic Growth** - Transportation investment is crucial for Maryland's economy and our ability to attract stable, high-paying jobs. For every dollar we spend on transportation projects, we get 3 to 4 dollars back in new economic growth, while generating tens of thousands of high-paying construction jobs for Maryland workers. **69% more likely to support funding increase, 41% much more likely** (Dems/African Americans +81%).
3. **VA and PA Investment** - Other states like Virginia and Pennsylvania are investing much more in their transportation infrastructure, and Maryland is falling further and further behind. Reports show that Maryland's infrastructure is deteriorating in condition and reliability. **64% more likely to support funding increase, 37% much more likely** (Dems +77%, African Americans +78%).
4. **Improve Traffic Flow** - Reports show that Maryland's traffic congestion on roads and bridges is worsening each year. Several new projects have been proposed that would significantly improve traffic flow, but state leaders have continually cut this type of funding. **62% more likely to support funding increase, 36% much more likely** (Dems +72%, African Americans +77%).
5. **Projects Delayed, Cost Billions** - Major projects like the Baltimore Red Line, a new American Legion Bridge, improvements to I-270 and US 15, and other essential initiatives can only move forward if Maryland secures additional funding. Without this, these projects will be delayed for years, costing taxpayers billions more in the long run. **61% more likely to support funding increase, 37% much more likely** (Dems +74%, African Americans +78%).

Source: Gonzales Polls, September 2024, N=820 Registered Voters

Majority of Marylanders Would Pay More in Taxes for Better Roads & Transit After Hearing Those Messages

- 55% of Maryland voters would be willing to pay more in taxes for **better infrastructure** (71% of Democrats, 36% of Republicans)
- Majority of men (53%) and women (57%) support
- Support strongest in Baltimore (66%) and DC suburbs (63%)

Maryland Statewide Survey, September 2024

Gonzales Polls

QUESTION: Tax Willingness – Informed Now, I'd like to ask you again...if you knew that the Maryland could significantly reduce traffic congestion, upgrade infrastructure, and enhance transit service by investing in new road and transit projects, would you be willing to pay a little more in taxes to make those investments happen, or not?

TAX WILLINGNESS - INFORMED	Number	Percent
Yes, willing	449	54.8 %
No, not willing	344	42.0 %
No answer	27	3.3 %
Total	820	100.0 %

- **21%** of those initially “not willing” to invest in road projects **become “willing”** after hearing reasons to increase transportation funding

Source: Gonzales Polls, September 2024, N=820 Registered Voters

Most Popular Options: P3s, Regional Authorities, 1-cent Sales Tax Increase (*IF Dedicated to Transportation*)

- 66% would consider using Public-private-partnerships (P3s) to finance projects
- 65% would consider using local tax dollars to fund projects (i.e. through regional transportation authority)
- 53% of Maryland voters would be willing to support a 1-cent sales tax increase to fund transportation (Dems 66%)
- Lower levels of support for Vehicle Miles Traveled (VMT) Fee (only 36% willing); Gas tax increase (only 35% willing) – NOT POPULAR OPTIONS WITH THE PUBLIC

	Yes, Consider	No, Not Consider
Allowing more private investment by using public-private partnerships	66%	30%
Allowing local jurisdictions to fund projects using local tax dollars	65%	29%
Raising the state sales tax by 1-cent to be spent only on needed transportation improvements.	53%	44%
Introducing a fee that charges motorists based on annual Vehicle Miles Traveled	36%	58%
Raising the motor fuel tax (gas tax) when average prices drop below a certain level	35%	61%

Source: Gonzales Polls, September 2024, N=820 Registered Voters

The 3 Most Popular Solutions Would Close Maryland's Funding Gap

Maryland is facing a HUGE transportation funding shortfall of over \$1.6 Billion a year over the next 6 years.

So how much would the three new revenue sources that most voters would be willing to support yield for new infrastructure investments?

New Revenue Options with Majority Support

- Adding 1% Sales Tax for Transportation:
- Regional Authorities/Using Local Tax Dollars:
- Using P3s to Finance Major Projects:

Annual Revenue (est.)

\$1.0 Billion

\$400 Million

\$4 Billion or more*

*(Over next 6 years)

Source: Gonzales Polls, September 2024, N=820 Registered Voters

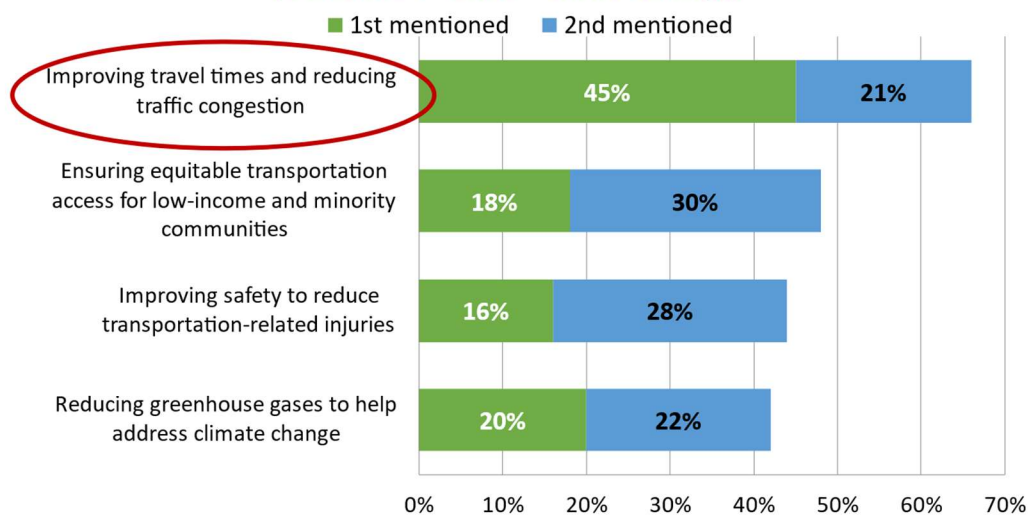


Point 6:

Marylanders Think Climate Impacts Should be Considered (but Give it a LOWER Priority than Traffic Relief, Equity or Safety)

Most Important Transportation Goals

(Combined 1st and 2nd choice rankings)



Leaders of the Washington region have adopted a 25year transportation plan that guides future road and transit projects. This plan focuses on achieving specific goals. Which of these goals would you rank as most important, and which one is second most important?

Source: OpinionWorks, August 2022, N=868 adult residents



Time to Act:

Transportation funding needs to
addressed as a TOP PRIORITY in this
Maryland General Assembly Session

- Maryland is **facing a \$10B shortfall** in transportation funding over the next 6-year capital budget cycle and is **prioritizing the wrong things**.
- Many major and urgently needed road, bridge and transit projects that enjoy **broad public support** remain unfunded and unbuilt.
- Marylanders can be convinced to **support new taxes** and fees to pay for transportation improvements, if the money is dedicated to these projects, but elected leaders need to stand up and make the case.
- The **most popular** funding approaches are:
 - Expanding the use of Public-Private-Partnerships (P3s)
 - Creating a new Regional Transportation Authority
 - A 1-cent sales tax surcharge dedicated to transportation improvements
- Marylanders feel climate is important **but improving safety & reducing congestion are higher priorities** (and reducing congestion also reduces GHG emissions).

Visit: MDTransportation.org to learn more