



CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

House Bill 695 Repair the Transportation Trust Fund Act

Date: February 11, 2025
To: Ways & Means Committee
Environment & Transportation Committee

Position: **UNFAVORABLE**
From: Matt Stegman,
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Chesapeake Bay Foundation (CBF) **OPPOSES** HB 695, which would make a number of changes to transportation funding policy in Maryland. In addition to the direct transportation-related impacts of the bill – increased reliance on personal gas-powered automobiles, foreclosing the opportunity to adopt innovative funding mechanisms, and discouraging transit ridership and investment – the bill would have an adverse effect on efforts to fund the restoration of the Chesapeake Bay.

Current law directs 2.3% of motor fuel tax revenue be distributed to The Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (The 2010 Fund). This Fund directly supports Maryland's progress in addressing nonpoint source pollution in all regions of the state and is critical in funding agricultural practices that reduce nutrient runoff into local waterways. For FY 2023, the most recent year for which a complete accounting is available, motor fuel taxes provided nearly \$12.27 million to the 2010 Fund.¹ A reduction in 2010 Fund revenue jeopardizes our progress in addressing agricultural runoff, the largest source of nutrient pollution into the Bay.

HB 695 would repeal a requirement that Maryland's motor fuel tax rates be adjusted annually based on the growth of the Consumer Price Index for All Urban Consumers. This provision was adopted to stabilize the Transportation Trust Fund and ensure tax revenues keep pace with inflation. This same provision ensures that support for the important Bay-related programs supported by the Waterway Improvement Fund and Chesapeake and Atlantic Coastal Bays 2010 Fund are also able to keep pace with increased costs.

HB 695 would have an adverse impact on efforts to restore the Chesapeake Bay at a moment when those efforts are most crucial. For that reason, CBF urges the Committee's UNFAVORABLE report on HB 695.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

¹ Comptroller of Maryland, [Motor Fuel Tax And Motor Carrier Tax \(IFTA\) Annual Report, Fiscal Year 2023](#).