



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

February 3, 2026

RE: SB 288 – FAVORABLE WITH AMENDMENTS – Transportation – Highway User Revenues Capital Grants – Calculation

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) represents approximately 110+ members, including 20 material producers, 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.

MAA supports the goal of Senate Bill 288, which updates the statutory calculation of capital grants based on Highway User Revenues (HUR) that are required to be appropriated to Baltimore City, counties, and municipalities beginning in fiscal year 2027 and each fiscal year thereafter. MAA recognizes the importance of updating the HUR capital grant formula and appreciates the intent of the legislation. However, we respectfully offer the following concerns and recommend clarifications to ensure that the program functions transparently, equitably, and in alignment with statewide infrastructure needs.

MAA supports efforts to ensure that the HUR capital grant formula reflects current transportation funding needs and priorities. Capital grants based on HUR play a critical role in addressing pavement and infrastructure maintenance, particularly on county and municipal roadways, which directly impacts our industry and the traveling public. The bill does not, however, articulate the data or analysis supporting these new percentages. Without transparent, empirical justification, fixed statutory thresholds may not reflect actual infrastructure needs, construction cost trends, or economic conditions. Mandating specific percentages absent clear supporting data risks establishing arbitrary targets that may overreach or misalign with local needs. **We recommend language that provides for periodic review and adjustment of the percentages based on updated transportation revenue and expenditure data.**

While HUR proceeds are commonly associated with roadway maintenance and capital projects, at the county and municipal level, HUR funds are sometimes used for other transportation-related purposes such as bus shelters, administrative salaries, or operational costs. SB 288 does not require reporting on or restrict how capital grant allocations are used after distribution. Absent clear guidelines or accountability provisions, there is a risk that funds intended to support roadway construction and maintenance may be diverted to non-capital or non-roadway purposes.



We urge the Committee to support an amendment that clarifies the definition of “capital grant” for HUR purposes and requires jurisdictions to report how HUR capital grants are spent, distinguishing roadway and pavement infrastructure projects from other uses.

The Maryland Asphalt Association supports the goals of SB 288 to modernize the HUR capital grant formula and appreciates the Legislature’s effort to address long-standing statutory allocation mechanisms. We respectfully urge the Committee to adopt amendments to enhance transparency, to ensure that percentage allocations are justified with verifiable data, and to clarify that HUR capital grant funds are used primarily for roadway and related infrastructure. These changes will strengthen the bill and help ensure that Maryland’s transportation investment priorities benefit from clear, data-driven policies and sound fiscal stewardship.

Sincerely,

A handwritten signature in black ink that reads 'Tim Smith'.

Tim E. Smith, P.E.
President
Maryland Asphalt Association