



# Montgomery County

## Office of Intergovernmental Relations

---

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

---

**SB 674**

**DATE: March 4, 2026**

**SPONSOR: Senator A. Washington**

**ASSIGNED TO: Budget and Transportation**

**CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)**

**POSITION: Informational Only (Montgomery County Department of Transportation)**

---

### **Transportation – Regional Transportation Authorities**

The Montgomery County Department of Transportation (MCDOT) emphasizes the urgent need for greater investment in transportation infrastructure in the State as a necessary precursor for economic development, held back by insufficient mobility and a transportation financing structure in need of modernization. MCDOT, like the Maryland Department of Transportation and our county peers, has insufficient funding to maintain our existing infrastructure while simultaneously trying to increase safety, increase multimodal capacity, and reduce congestion. New and innovative models of funding are needed to make necessary investments that will help keep Maryland moving. Senate Bill 674 proposes a new model that would result in an increase in available funding to move transportation projects forward.

Senate Bill 674 establishes the Baltimore, Capital, and Southern Maryland regional transportation authorities. Each regional transportation authority is charged with developing and implementing a regional transportation plan along with a regional transportation fund. The regional transportation fund would receive revenues from a combination of sales tax surcharges, hotel surcharges, and transfer tax surcharges implemented in the member jurisdictions. Funds would be allocated to both regionally significant and locally focused projects using a 70/30 split of the funding available.

Recently, regional transportation authorities have been created as agencies with the ability to collect taxes to plan and fund transportation projects across a defined region. The Northern Virginia Transportation Authority is one example. Montgomery County is interested in exploring the regional authority to generate additional funding, while also ensuring that we are incorporating best practices and considering multiple policy options that go into the creation of a new governmental entity. Therefore, we request a study to explore options for structuring the regional authorities for Maryland with consideration of the unique needs of each region.

We would request that the study consider the following topics:

**1. Relationship to existing regional transportation bodies**

Currently, transportation planning and project implementation happen at multiple levels of government: state, local, and regionally through our Metropolitan Planning Organization – National Capital Area Transportation Planning Board (TPB). It is unclear how the regional transportation plans would incorporate current local and State transportation priorities. We would like to better understand how the new regional authorities would work with the TPB for the Capital region.

**2. Administrative burden**

Consideration should be given to minimize additional administrative burdens. Knowing that there are always more needs than funds available, limiting the administrative overhead of a new agency will be critical to ensuring those limited funds deliver the greatest good.

**3. Eligible expenses and allocations**

We would like to see revenues generated to support transportation projects be directed to new capacity generating or enhancing projects, and not to state of good repair. There are existing programs to finance those needs and that funding should not be supplanted. We would also like to see a larger portion of the funds flow back to the localities (such as a 40/60 split instead of the 30/70 currently proposed). The study should address these considerations, as well as any impact on State transportation funding.

We also recognize that Montgomery County's needs may differ from those of the Baltimore or Southern Maryland regions, as well as those of Frederick and Prince George's County, and jurisdictions benefiting from the regional authorities may have additional study topics.

Given the strong interest in upgrading the State's current antiquated system of financing and deploying transportation infrastructure, MCDOT urges the Budget and Taxation Committee to consider further study of the regional transportation authority model proposed in Senate Bill 674. While the County would welcome new funding to support transportation, there are unresolved questions that should be explored further prior to moving forward.