

March 4, 2026

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

RE: Testimony in Opposition to SB 674 - Transportation - Regional Transportation Authorities

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding SB674. We submit testimony in opposition to this legislation establishing new regional transportation authorities in the Baltimore region, capital region, and Southern Maryland region, along with dedicated special funds and new sales, hotel, and transfer tax surcharges.

While regional transportation planning is an important objective, this bill creates significant structural and fiscal concerns.

First, the creation of three new regional transportation authorities introduces another layer of government with taxing authority. These entities would operate alongside existing State and local transportation agencies, potentially duplicating functions already performed by the Maryland Department of Transportation and county governments. Fragmenting oversight may lead to inefficiencies, overlapping responsibilities, and unclear lines of accountability.

Second, the establishment of special, nonlapsing transportation funds reduces legislative flexibility and long-term budget oversight. Dedicating revenue streams outside of the normal appropriations process can limit transparency and diminish the General Assembly's ability to respond to shifting fiscal priorities.

Third, the imposition of new regional sales tax surcharges, hotel surcharges, and transfer tax surcharges raises affordability and competitiveness concerns. Layering additional taxes onto consumers, property transactions, and the hospitality sector could:

- Increase the cost of living and doing business –
- Discourage tourism and investment –
- Place disproportionate burdens on residents in already high-cost regions

In particular, transfer tax surcharges may further strain the housing market by increasing transaction costs at a time when affordability remains a significant challenge. Transportation infrastructure is vital to economic growth and quality of life, but solutions should prioritize fiscal responsibility,

transparency, and coordination within existing governance structures rather than creating new taxing authorities.

For these reasons, we respectfully urge the Committee to issue an unfavorable report.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee