



Montgomery County

Office of Intergovernmental Relations

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HB 1374

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SPONSOR: Delegate Solomon

ASSIGNED TO: Environment and Transportation

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POSITION: Informational (Montgomery County Department of Transportation)

Alternative Fuel, Fuel-Efficient, and Electric Vehicles – Highway User Fees

The Montgomery County Department of Transportation (MCDOT) supports the concept of a vehicle miles traveled (VMT) fee, which is a central component of House Bill 1374. This revenue approach may offer a promising pathway for the future of Maryland's transportation funding.

The State's Transportation Trust Fund is heavily reliant on motor vehicle fuel taxes, and the Fund's insolvency is becoming more dire as increasing numbers of Marylanders adopt fuel-efficient or fully electric vehicles. Electric vehicle registration fees should be seen as a short-term solution, as they are not reflective of a vehicle's relative use of the road network in the way that a gas tax reflects actual travel demand.

MCDOT supports the idea of a VMT fee, ideally calculated with consideration of the vehicle's weight, to better reflect each vehicle's relative use of and impact upon the road network. This "user pays" model reflects a more equitable system and a natural transition from a gasoline tax. As other states have introduced VMT fees, Maryland can integrate lessons learned related to administration, data privacy, and revenue projections.

MCDOT believes that a VMT fee could serve as an effective eventual replacement for the current gasoline tax. The voluntary VMT-based pilot program proposed in HB 1374 could establish administrative infrastructure and baseline data and offer a valuable learning opportunity to help inform Maryland's path forward with this approach.