



Delegate Marc Korman, Chair
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

March 5, 2026

RE: HB 1374 – FAVORABLE WITH AMENDMENTS – Alternative Fuel, Fuel-Efficient, and Electric Vehicles – Highway Use Fees

Dear Chair Korman and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 250 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

HB 1374 repeals the current annual electric vehicle surcharge and replaces it with a new annual Highway Use Fee (HUF) applicable to alternative fuel, fuel-efficient, and plug-in electric vehicles. The bill establishes a calculation formula intended to approximate foregone motor fuel tax revenue and creates a voluntary Mileage-Based User Fee Program (MBUF) that would allow eligible vehicle owners to opt to pay a per-mile fee in lieu of the annual HUF.

MTBMA supports HB 1374 with amendments to ensure the legislation fully addresses long-term Transportation Trust Fund sustainability. First, we recommend removing the provision that caps a participant’s MBUF so that it may not exceed the annual HUF otherwise owed. If the purpose of the bill is to equitably replace declining gas tax revenues, participants in the MBUF program should pay based on actual roadway usage without an artificial ceiling.

Second, we recommend amending the bill to ensure that all revenue generated under this program flows directly into the Transportation Trust Fund without restriction to a specific modal sub-account. Gas tax revenues are not limited to a single service, and HUF revenues should similarly support the full range of Maryland’s transportation infrastructure needs.

For these reasons, MTBMA respectfully requests a favorable report on HB 1374 with the recommended amendments.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association