



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 331 – VEHICLE-MILES-TRAVELED TAX AND ASSOCIATED MANDATED DEVICES – PROHIBITION

February 5, 2019

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

POSITION: Oppose

Senate Bill 331 would prohibit the State or a local jurisdiction from imposing or levying a vehicle-miles-traveled (VMT) tax or other similar fees, tolls, or taxes and also preclude the State or a local jurisdiction from requiring the installation of a device in or on a privately owned vehicle to facilitate the reporting of vehicle-miles traveled.

The Greater Baltimore Committee (GBC) opposes Senate Bill 331. The GBC is a strong proponent of the necessity of an efficient, well-maintained transportation network and has supported funding measures in the past to ensure that adequate public resources are available to support transportation infrastructure and operations. Federal and state gasoline taxes have long been the primary source of funding for transportation infrastructure. With the introduction of more fuel efficient and electric vehicles, revenues generated from gas taxes are not keeping pace with infrastructure funding needs. Additionally, there is very little chance that Congress will increase the federal gas tax and raising gas tax at the state level is a highly political action that occurs infrequently.

This bill is also inconsistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth and calls for:

Superior transportation infrastructure with reliable funding mechanisms. An essential prerequisite of a competitive business environment includes well-funded and maintained highway, transit, port and airport infrastructure that provides reliable and efficient options to move people, goods and services.

To account for the insufficiency from gas tax revenue as a primary means for funding transportation, federal, state, and local leaders must continually explore and identify innovative funding mechanisms to support necessary investment in our failing infrastructure. While the GBC does not currently endorse VMT as a preferred funding mechanism for transportation, we also contend that it is premature to prohibit preemptively the application of VMT at this stage. The GBC recommends that the application of VMT and the associated impacts should be analyzed further prior to any legislative action that would authorize or prohibit the application of VMT within the State of Maryland.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

The GBC also recommends that the State monitor closely the findings from VMT pilot projects that are underway in other states along the I-95 corridor and in other parts of the country prior to enacting policies or prohibitions.

For the reasons stated above, the Greater Baltimore Committee urges an unfavorable report on Senate Bill 331.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 64-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.