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MARYLAND ASPHALT ASSOCIATION



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February 28th, 2024

Senator Guy Guzzone, Chair
Budget & Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: SB 841 – UNFAVORABLE – Transportation – Motor Fuels Tax Rates, Vehicle-Miles-Traveled Tax, and Farebox Recovery Requirements (Transportation Equity, Fairness, and Privacy Act of 2024)

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 841 would repeal the requirement that motor fuel tax rates be adjusted each year based on the Consumer Price Index (CPI). It would also prohibit the State or any local jurisdiction from imposing a vehicle-miles traveled tax, a mileage-based user fee, a toll based on global positioning satellite tracking or any other similar tax. Lastly, it would adjust farebox recovery requirements.

MAA strongly opposes SB 841 and all legislation that would repeal the CPI-adjusted motor fuel tax. Since its enactment, this inflationary provision has generated an additional \$15-20 million annually for the Transportation Trust Fund over the prior year, which is critical to Maryland's transportation program. At a time when the transportation budget has been drastically cut, we cannot see passage of bills such as SB 841. Moreover, bans on additional revenue earning options are not wise or appropriate at this time. The Commission on Transportation Revenue and Infrastructure Needs, which is still ongoing, is looking at various ways the State can create additional funding streams for transportation projects. Some of the options they have looked at, and are continuing to review and flush out, are those proposed in this bill. We must wait for them to do their research and make final recommendations before passing any legislation that would impede that.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on SB 841.

Sincerely,

Tim E. Smith, P.E.
President
Maryland Asphalt Association