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**MARYLAND ASPHALT ASSOCIATION**



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PRESIDENT:  
Tim Smith

February 21, 2024

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

**RE: SB 782 – UNFAVORABLE – Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works**

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 782 would authorize the Board of Public Works to temporarily suspend an increase in the motor fuel tax rates under certain circumstances. MAA opposes SB 782 because the provision in the Maryland Code tethering the state gas tax to the rate of inflation is essential to the State's efforts to keep pace with the ever-increasing costs to maintain our roadways and bridges in a state of good repair. Since its enactment, this inflationary provision has generated an additional \$15- 20 million annually for the Transportation Trust Fund (TTF) over the prior year. Realizing consistent revenue increases for the TTF is integral to maintaining the spending power of the Maryland Department of Transportation's (MDOT's) capital program, as any decrease in TTF revenues would jeopardize MDOT's capacity to issue Consolidated Transportation Bonds that depend on those revenues. The needs of our State are critical, and we cannot afford to impose more constraints on a region that is already struggling with massive deficiencies in its transportation infrastructure network.

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on Senate Bill 782.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

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