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**Committee: Environment and Transportation**

**Testimony on: HB 1215- Transportation Financing - Retail Delivery Fee and  
Transportation Network Company Impact Fee (Transportation Funding Act of  
2024)**

**Position: Support**

**Hearing Date: March 1, 2024**

The Maryland Chapter of the Sierra Club supports HB 1215. This bill raises critical revenue that is needed for our state's transportation system. The bill applies a \$0.50 fee to every delivery transaction from an online purchase that has at least one item subject to the state sales tax. The bill also applies a \$0.50 fee on transportation network companies (such as Uber and Lyft). The funding from the bill is earmarked for maintenance needs of the Maryland Transit Administration, Highway User Revenues funds, and Locally Operated Transit Systems.

Assessing fees on deliveries as well as transportation network companies is appropriate to pay for the wear and tear they contribute to the roads along with carbon pollution and traffic congestion. The funding will help offset these impacts with investments in public transit and maintenance funding for our roads and highways.

Maryland's six year capital budget is facing a fiscal imbalance of over \$3.15 billion. If the fiscal imbalance is not addressed, it would result in major cuts to transit service, deferred maintenance needs on our transit and highway systems, and a delay of critical vehicle electrification programs. To address the fiscal imbalance, Maryland should reevaluate its spending priorities and raise revenue.

Revenue that is raised for transportation purposes should first go to State of Good Repair projects that maintain our state's transportation systems and preserve existing public transit service. Additional funding raised should focus on expanding public transit, active transportation, vehicle electrification, and transit oriented-development projects and programs that would help meet the state's climate, mobility, and equity goals. It is important that revenue raised through programs such as these are not used for highway expansion projects that would hinder progress on these goals. Therefore we urge this committee to consider prohibiting any funds raised by this legislation to be used for highway construction

This bill assesses reasonable fees on transportation services that will be earmarked into programs that will help address the traffic and environment impacts of these services and improve mobility for everyone. For this reason, we urge a favorable report.

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Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.