



P.O. Box 278  
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**Committee: Budget & Taxation**

**Testimony on: SB 782, Motor Fuel Tax Rates - Consumer Price Index Adjustment –**

**Suspension by Board of Public Works**

**Position: Oppose**

**Hearing Date: February 21, 2024**

The Maryland Chapter of the Sierra Club opposes SB 782, Motor Fuel Tax Rates – Consumer Price Index Adjustment – Suspension by Board of Public Works. This bill would authorize the Board of Public Works to temporarily suspend an increase in motor fuel tax rates based on the Consumer Price Index due to adverse economic conditions, a public emergency, or other extraordinary circumstances.

The motor fuel tax is a major source of funding in the state to support the Maryland Department of Transportation (MDOT). The fuel tax revenue goes into the state's Transportation Trust Fund which supports the operation and maintenance of state transportation systems, administration, capital projects, Maryland's portion of operating and capital subsidies for the Washington Metropolitan Area Transit Authority (WMATA), and capital grants to Maryland's counties and Baltimore City for local transportation needs.

In adverse economic conditions and public emergencies, it is critical that we keep the state's transportation infrastructure in operation. The cost of running the transportation system is similarly affected by adverse economic conditions, such as large increases in inflation, and public emergencies, like the COVID-19 pandemic. It should also be noted that any increase in the motor fuel tax is already capped at 8%.

Even with the existing motor fuel tax, the Transportation Trust Fund is in a dire condition, which is why the Transportation Revenue and Infrastructure Needs (TRAIN) Commission was established to review, evaluate, and make recommendations on the prioritization and funding of transportation projects. Given that the motor fuel tax is such a fundamental component of state transportation funding, it would be short-sighted to create exemptions for increases in the motor fuel tax at a time when MDOT's programs are so fiscally constrained.

We should ensure that our transportation system remains resilient in times of crises, which means ensuring stable funding sources. Therefore, we urge you to give SB 782 an unfavorable 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.