



THE VOICE OF MONTGOMERY COUNTY BUSINESS

**HB 479 – MOTOR FUEL TAX – INCREASE
HB 969 – MOTOR FUEL TAX - ADJUSTMENTS**

**HOUSE WAYS AND MEANS COMMITTEE
MARCH 2, 2010**

SUPPORT

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **supports HB 479** which would increase the gas tax 2 cents annually for five years, beginning July 1, 2010 as well as **HB 969** which would increase the gas tax by ½ cent and then index the tax to the Construction Cost Index each year thereafter.

In these times of economic recession, investing money in our infrastructure is more important than ever. This investment both enhances our transportation capacity, and also creates jobs. Unfortunately, the sustainability of the Transportation Trust Fund remains an ongoing challenge. Gas tax, titling tax and registration fee revenues are all plummeting, at the time when we need to invest in transportation the most.

The Maryland Department of Transportation has been forced to make over \$2 billion in cuts in 2008-2009 in response to this national economic downturn. We now have not only cut back on new capacity projects, but many system preservation projects have been put on hold as a result of the downturn.

While the federal stimulus has allowed some of our system preservation needs to be restored, it in no way solves the structural problem with the sustainability of the Trust Fund and we still remain decades behind in our capacity building needs. In addition, Maryland is moving three transit projects – The Purple Line, Corridor Cities Transitway, and Red Line, all through the Federal New Starts process, and we must be able to demonstrate in just a few short years, that we have the dollars available to pay for our State portion of these projects.

We applaud the efforts to inject some new revenues into the Transportation Trust Fund. While we're not convinced that the gas tax will be the appropriate long term solution for the trust fund, it appears to be the only short term solution that can get Maryland moving again.

Therefore, we request a favorable report on HB 479 or HB 969 which would provide a first step in addressing our transportation funding challenges.

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