



Peter Franchot
Comptroller

May 23, 2022

The Honorable Lawrence J. Hogan, Jr.
Governor
100 State Circle
Annapolis, Maryland 21401-1991

Dear Governor Hogan:

Thank you for your letter concerning the unfortunate statutory provision that triggers an automatic increase to the State's motor fuel tax. I wholeheartedly agree that at a time when the rising costs of goods and services are imposing even more financial burden on Maryland families and small businesses, increasing the gas tax on our residents is both morally and economically irresponsible.

Indeed, it is disappointing that the executive and legislative branches were unable to come together and prevent this automatic increase during the 2022 Legislative Session. Instead, we now find ourselves in a situation where we are looking for legal and regulatory loopholes to prevent this devastating tax hike from taking place.

Over the past several days, my staff and attorneys have been exploring regulatory and legal authority provided by law to my agency to prevent this automatic, mandated increase from taking effect. As my office continues to look for regulatory and statutory flexibility on this matter, I am urging you to immediately proclaim a State of Energy Emergency as set forth by state law (Public Safety Article - § 14-304) and suspend the State's motor fuel tax until September. Doing so would not only provide relief for Marylanders from the current motor fuel tax rate, but it will also temporarily prevent an increase to the gas tax from taking effect.

As you noted in your letter, our State is in a strong fiscal position to absorb any financial impact of forgoing these increases. It is due to our residents and our small businesses that our State reported an unprecedented \$7.5 billion surplus, and during this time of global economic instability, it is critical that we utilize surplus funds to immediately deliver relief to the people who pay our salaries. Any lost revenue to the Transportation Trust Fund can be replenished from our historic surplus, just as we did for the one-month gas tax holiday. While I was disappointed that our gas tax holiday came to an unnecessary halt, I hope you will respond with executive action during this economic emergency and temporarily suspend the gas tax – which will increase to 43 cents – for four months. My office stands ready to implement a gas tax holiday once again as we seamlessly and effectively did last month.

Absent any executive or legislative remedy – and without any legal or regulatory flexibility afforded to me by law, which my office is continuing to explore – Marylanders will unnecessarily be financially burdened at a time when so many are already struggling. Moments like this require an all-hands-on-deck approach, and I am committed to utilizing every legal and regulatory tool at my disposal to respond to this crisis. Let us work together to deliver meaningful solutions to these challenges and show the people of Maryland that its government can – and will – respond to these trying times with bold, decisive, and swift action.

Sincerely,

PETER FRANCHOT
Comptroller of Maryland