

# [***Maryland lawmakers reach budget deal after debate influenced by fiscal uncertainty, US Senate race***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BPM-H5T1-DYMD-63N7-00000-00&context=1516831)

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**Body**

ANNAPOLIS, Md. — Maryland lawmakers announced an agreement on Wednesday to resolve differences over proposed tax and fee increases, settling on a far more modest approach after a $1.3 billion package was considered too high in the current economic climate, especially in an election year featuring a competitive Maryland U.S. Senate race with high stakes.

Fiscal concerns were only amplified last week by the collapse [*Baltimore's Francis Scott Key Bridge*](https://apnews.com/article/baltimore-bridge-collapse-cultural-identity-91c3bfe8c235eff0157808691259a514), after it was hit by a cargo ship.

Disagreement between the two chambers, which are both controlled by Democrats, reached a point where some complained publicly that now was not the time for big tax, fee and toll increases, as Republican former Gov. Larry Hogan was running as the GOP's most competitive U.S. Senate candidate in Maryland for decades.

While the GOP hasn’t won a Senate race in Maryland since 1980, Hogan is a rare Maryland Republican who won two terms as governor, largely due to his criticism of tax increases that resonated with tax-weary voters in his upset victory in 2014.

“If you go back to 2014 and 2018, I think it’s not brain science to see what happened and how the former governor was successful in the state of Maryland, and so that context is very real, and we have to be honest about it,” Ferguson, a Baltimore Democrat, said Tuesday in an interview with The Associated Press.

Hogan, who began building his popularity early in his first term by lowering tolls statewide in 2015, has been quick to condemn the revenue package that led to a budget showdown between the chambers. On Wednesday, he wrote that the initial proposal in the Maryland House “would cost us jobs and hurt Maryland families already squeezed by historic inflation.”

“Enough is enough,” [*Hogan posted*](https://twitter.com/GovLarryHogan/status/1775496294695371125) on X. “Let's reject these tax hikes and send a message that it's time to end ***politics***-as-usual.”

The debate has unusual implications beyond the state's borders. Democrats hold a tenuous 51-49 majority in the U.S. Senate.

A Washington Post-University of Maryland poll late last month showed Hogan remains an overwhelmingly popular political figure in Maryland, underscoring his potential to turn a usually solid blue state into a competitive one for Republicans. But while his potential opponents remain relatively unknown, the poll also shows that Maryland voters remain much more likely to prefer a Democratic U.S. Senate.

With strong majorities in both the the state House and Senate, and a 2-1 advantage in statewide voter registration, Maryland Democrats typically don’t have to worry much about the GOP in the state capital. But Hogan is a rare Maryland Republican who has won two statewide races. That's something neither of his likely Democratic opponents, including U.S. Rep. David Trone and Prince George's County Executive Angela Alsobrooks, has done.

Gov. Wes Moore, a Democrat, submitted a balanced [*$63 billion budget*](https://apnews.com/article/maryland-budget-governor-wes-moore-ee7790ac70c6273752075857b1bddd2c) for the next fiscal year in January without tax increases. The Maryland Senate largely kept [*his budget plan*](https://apnews.com/article/maryland-budget-bill-education-environment-31108343bece7375b7389e8e0dc0246e) intact, despite a drop in [*revenue estimates*](https://apnews.com/article/maryland-budget-revenues-drop-financial-17f188b3c924c819404b0c8cde37b836) announced after the governor submitted his plan. But the House changed the budget legislation to include [*new revenues*](https://apnews.com/article/budget-taxes-tolls-transportation-education-e0fc68f90a47026af84a6695c3f851b3), relying on a variety of transportation-related user fees, corporate tax reform and legalizing internet gambling. The Senate ruled out the corporate tax proposal, as well as internet gambling.

Negotiations between the two chambers dragged on long enough that Moore issued an executive order earlier this week to extend the session by 10 days, if needed, beyond Monday's scheduled adjournment. That won't be necessary.

Under the deal, new transportation-related revenue adds up to as much as $350 million in three years. It includes increases in vehicle registration fees to help pay for rising costs of emergency trauma services in the state. A new fee for electric vehicles also is part of the deal, to make up for gas tax revenues that drivers don't pay to operate them.

There's also a new statewide fee on ride-hailing services. The plan also includes new speeding fines that will increase with higher rates of speed in construction work zones.

The agreement also includes between $80 million and $90 million annually from a variety of tobacco tax increases, including $1.25 on a pack of cigarettes. The money will help pay for the state's education funding plan known as the Blueprint for Maryland's Future, which will be funded for the next three years.

Lawmakers will still have work to do on addressing transportation funding shortfalls statewide next year.

In December, the state's transportation secretary proposed roughly [*$3.3 billion in cuts*](https://apnews.com/article/transportation-funding-reductions-maryland-cb0c22d6e269847b70d76b9fd19d302e) for Maryland's six-year transportation spending plan, as inflationary pressures add to the problem as well as the fact that traditional revenue sources haven't kept up with costs.

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