

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 536

(Senator Salling, *et al.*)

Finance

**Maryland Transportation Authority - Vehicles Not Using Bridge - Toll
Prohibition**

This bill prohibits the Maryland Transportation Authority (MDTA) from charging a toll to a vehicle at a bridge's toll plaza if the vehicle does not traverse the bridge. The bill requires MDTA to (1) direct, by physical traffic management measures, vehicles that do not traverse the bridge into a toll-free lane through the toll plaza or (2) construct a lane bypassing the toll plaza for use by vehicles that do not traverse the bridge.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by an estimated \$3.1 million for MDTA to construct a bypass for affected vehicles, as discussed below. Nonbudgeted revenues decrease by an estimated \$350,000 annually beginning in FY 2018, as vehicles that meet the bill's specifications no longer pay tolls.

Local Effect: Minimal or none.

Small Business Effect: Minimal.

Analysis

Current Law: Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities and for financing new revenue-producing transportation projects. MDTA is governed by nine individuals appointed by the Governor, with the advice and consent of the Senate. The Secretary of

Transportation serves as MDTA's chairman. MDTA transportation facilities projects include:

- bridges, tunnels, and toll highways;
- vehicle parking facilities located in priority funding areas;
- other projects that MDTA authorizes to be acquired or constructed; and
- any authorized additions or improvements to MDTA projects.

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Tolls must provide funds that, when combined with bond proceeds and other available revenues, are sufficient to pay maintenance, repair, and operating costs for transportation facilities projects that are not otherwise paid for; pay the interest and principal of any outstanding bond issues; create reasonable reserves for these purposes; and provide funds for the cost of replacements, renewals, and improvements. Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund.

Prior to fixing or revising tolls on any part of any transportation facilities project, MDTA must provide the Senate Budget and Taxation, Senate Finance, House Appropriations, and House Ways and Means committees information on the proposed toll charges, including the annual revenues generated by the toll charges, the proposed use of the revenues, and the proposed commuter discount rates.

Background: MDTA advises that the bill addresses a situation that occurs at the Francis Scott Key Bridge. Currently, trucks on the Inner Loop of I-695 that need to access Broening Highway must first pay the Key Bridge toll and collect a toll voucher for the northbound trip. Drivers then take the service road beneath the bridge to the Outer Loop, present the voucher at the toll plaza, and exit onto Broening Highway. These trucks must pay the toll but never actually cross the bridge. To avoid the toll, some trucks travel the local roads through Dundalk, which increases traffic on those local roads. MDTA has attempted to address this issue by decreasing the toll rate to \$2.00 per axle for 3+ axle vehicles; this change took effect January 1, 2016. The former toll rates were \$8 for 3 axles (now \$6), \$12 for 4 axles (now \$8), \$24 for 5 axles (now \$10), and \$30 for 6 axles (now \$12).

Prior to the recent change, an MDTA study of the issue revealed that vehicles made the turnaround described above, on average, 139 times each day. This equates to about 50,596 annual trips, resulting in about \$350,000 in toll revenues annually from these vehicles.

State Fiscal Effect: The overall fiscal impact of the bill depends on which of the two approaches MDTA takes to implement the bill. MDTA could:

- develop a system to physically direct affected vehicles into a toll-free lane within its existing infrastructure at minimal cost; however, MDTA advises that this option may be a violation of its trust agreement, which states that MDTA will not allow any free vehicular passage at its facilities except for specified official vehicles (as described below); or
- construct a lane bypass to separate the nontolled traffic from the tolled traffic at a cost of approximately \$3.1 million.

Because allowing vehicles through MDTA’s existing toll infrastructure may violate its trust agreement, it is assumed that MDTA does not implement that approach. Therefore, for purposes of this fiscal and policy note, it is assumed that nonbudgeted expenditures increase by an estimated \$3.1 million for MDTA to construct a bypass for affected vehicles.

According to MDTA, an alternative option, that does not appear to meet the bill’s requirements, would be to construct a new interchange at Broening Highway to directly shift affected vehicles to a toll-free lane; however, MDTA advises that this option could cost as much as \$100 million.

MDTA nonbudgeted revenues decrease by an estimated \$350,000 annually due to the elimination of toll revenues from affected vehicles. This estimate is based on information provided by MDTA regarding the total annual revenues from affected vehicles.

Additional Comments: The MDTA trust agreement states that MDTA will not allow any free vehicular passage at its facilities except to the following vehicles:

- officials and employees of the executive, legislative, and judicial departments of the State while they are in the discharge of their official duties;
- officers and employees of MDTA while they are in the discharge of their official duties;
- any fire or police department of the State or any political subdivision while operating in the discharge of official duties;
- ambulances owned or operated by a nonprofit organization while operated in the discharge of their duties; and
- agents and independent contractors that are used in connection with maintenance or operation of MDTA highway projects.

Additional Information

Prior Introductions: HB 296 of 2016, a bill with similar provisions, received an unfavorable report from the House Environment and Transportation Committee.

Cross File: HB 290 (Delegate Grammer, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

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