

# HOUSE BILL 1176

R1

11r2785

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By: **Delegate Fisher**

Introduced and read first time: February 16, 2011

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Study of the Privatization of the Intercounty Connector or Segments of the**  
3 **Intercounty Connector**

4 FOR the purpose of requiring the Department of Legislative Services to contract with  
5 an independent consultant to conduct a certain study regarding the sale or lease  
6 of the Intercounty Connector (ICC) or segments of the ICC to a private entity in  
7 exchange for the entity's right to collect certain tolls; requiring the consultant to  
8 consult with certain persons; requiring the consultant to issue a report by a  
9 certain date; providing for the termination of this Act; and generally relating to  
10 a study of the privatization of the ICC or segments of the ICC.

11 Preamble

12 WHEREAS, The construction of the \$2.6 billion Intercounty Connector and the  
13 \$1 billion Express Toll Lanes on I-95 north of Baltimore have dramatically increased  
14 the debt load of the Maryland Transportation Authority (MDTA) in recent years and  
15 transformed it into a highly leveraged agency with projected debt outstanding of \$2.7  
16 billion at the end of fiscal year 2015; and

17 WHEREAS, Revenue bonds issued by the MDTA are backed by toll revenues;  
18 and

19 WHEREAS, Large increases in debt service associated with the bonds for the  
20 ICC and the I-95 Express Toll Lanes projects and other MDTA facilities will require  
21 increased tolls in the coming years; and

22 WHEREAS, The potential of a steady revenue stream from toll revenues  
23 collected from the users of MDTA toll facilities would appear to be an attractive asset  
24 that could garner a significant windfall for the State were the ICC to be sold or leased  
25 to a private entity in exchange for the entity's right to collect the toll revenues paid by  
26 the users of the facility; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           WHEREAS, The ICC in particular would appear to be a good “test case” of the  
2 viability of the sale of an MDTA toll facility to both relieve the State of the  
3 responsibility for the substantial debt that has been obligated to construct the facility  
4 while at the same time allowing the State to receive a significant one-time financial  
5 windfall from the sale or lease of the facility to a private entity in exchange for the  
6 right of the private entity to collect the toll revenue generated by the facility; now,  
7 therefore,

8           SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That:

10           (a) The Department of Legislative Services shall contract with an  
11 independent consultant to complete a study of the feasibility and viability of selling or  
12 leasing the Intercounty Connector (ICC) or a segment of the ICC to a private entity so  
13 that, in exchange for the payment to the State of a lump-sum amount or the payment  
14 of an annual amount for a fixed period, the private entity receives the right to collect  
15 the toll revenue generated by the users of the ICC or the segment of the ICC that is  
16 subject to an agreement between the parties.

17           (b) Funding for the study shall be as provided in the State budget.

18           (c) In completing the study, the independent consultant shall consult with  
19 transportation experts and persons engaged in the financing of transportation toll  
20 facilities, including individuals who have assisted in the privatization of highway toll  
21 facilities in other states over the past decade.

22           (d) On or before June 30, 2012, the independent consultant shall submit a  
23 final report of its findings and recommendations to the Governor and, subject to §  
24 2-1246 of the State Government Article, the General Assembly.

25           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 2011. It shall remain effective for a period of 1 year and 6 months and, at the  
27 end of December 31, 2012, with no further action required by the General Assembly,  
28 this Act shall be abrogated and of no further force and effect.