

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE

House Bill 1176 (Delegate Fisher)
 Ways and Means

Study of the Privatization of the Intercounty Connector or Segments of the Intercounty Connector

This bill requires the Department of Legislative Services (DLS) to contract with an independent consultant to complete a study of the feasibility and viability of selling or leasing the InterCounty Connector (ICC) or a segment of the ICC to a private entity. The consultant must consult with specified individuals and submit a report, by June 30, 2012, containing findings and recommendations to the Governor and the General Assembly. Funding for the study is as provided in the State budget.

The bill takes effect July 1, 2011, and terminates December 31, 2012.

Fiscal Summary

State Effect: DLS general fund expenditures increase by *at least* \$100,000 in fiscal 2012 for contractual costs associated with completing the required report. Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	100,000	0	0	0	0
Net Effect	(\$100,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Transportation Authority (MDTA) has general supervision over all transportation facilities projects (including the ICC) and may do anything necessary and convenient to carry out its powers.

Background: Established in 1971 as an independent, nonbudgeted State agency, MDTA manages, operates, and maintains the State's eight toll facilities (four bridges, two tunnels, and two highways) and provides law enforcement for these facilities, as well as Baltimore/Washington International Thurgood Marshall Airport and the Port of Baltimore. Toll revenues and bonds are used to finance these projects.

The ICC is a planned 18.8-mile tolled highway extending from the I-270/I-370 corridor in Montgomery County to the I-95/US 1 corridor in Prince George's County. The first segment of the ICC, a 5.6-mile segment from I-270/I-370 to MD 97/Georgia Avenue, opened in early 2011. The remaining portion of the road is expected to open in late 2011. The six-lane highway is the State's first fully electronic facility.

Across the nation, there is growing interest in utilizing private-sector financing as a means to maintain and expand capital infrastructure investment. In Maryland, public-private partnership (P3) agreements have primarily been utilized to finance transportation infrastructure. More recently, however, P3s have also facilitated the proposed multi-year phased redevelopment of the State center complex in Baltimore City and the financing of the Department of Health and Mental Hygiene's new public health laboratory.

State Expenditures: DLS general fund expenditures increase by at least \$100,000 in fiscal 2012 for contractual service costs associated with completing required research and analysis and developing the required report. To the extent the bill requires an investment grade traffic and revenue study, MDTA advises study costs could exceed \$1.0 million and require almost three years to appropriately determine the value of the ICC.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 17, 2011
ncs/lgc

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