

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 557
 Finance

(Senator Salling, *et al.*)

Maryland Transportation Authority - Vehicle Not Using Bridge - No Toll
 Payment Required

This bill prohibits the Maryland Transportation Authority (MDTA) from charging a toll to a vehicle at a toll plaza adjacent to a bridge 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, 2020.**

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by an estimated \$15,000 in FY 2021 only for MDTA to remove a recently installed toll gantry, as discussed below. Nonbudgeted revenues decrease by an estimated \$520,000 annually beginning in FY 2021, as vehicles that meet the bill’s specifications no longer pay tolls.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
NonBud Rev.	(\$520,000)	(\$520,000)	(\$520,000)	(\$520,000)	(\$520,000)
NonBud Exp.	\$15,000	\$0	\$0	\$0	\$0
Net Effect	(\$535,000)	(\$520,000)	(\$520,000)	(\$520,000)	(\$520,000)

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

Local Effect: Minimal.

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 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 pay the toll even though they 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). MDTA estimates that there are about 60,000 of these types of trips annually, resulting in about \$520,000 in toll revenues annually from these vehicles.

MDTA also advises that in October 2019, it began cashless tolling at the Key Bridge. To ensure tolling patterns under the cashless system were consistent with cash operations, the toll gantries for the bridge were relocated, and MDTA installed a gantry specific to the Broening Highway access road.

State Fiscal Effect: Nonbudgeted expenditures increase by an estimated \$15,000 for MDTA to remove the toll gantry for the Broening Highway access road at the Key Bridge.

Doing so effectively creates a toll-free lane, pursuant to the bill's requirements, that allows vehicles to access the highway without paying a toll. While the bill could be implemented by allowing the affected vehicles to travel through the gantry without paying, doing so could be a violation of MDTA's trust agreement with its bondholders, as discussed below. The bill could also be implemented by constructing a new toll-free lane to access Broening Highway; however, doing so would cost millions of dollars and, therefore, MDTA is unlikely to implement the bill in this manner.

MDTA nonbudgeted revenues decrease by an estimated \$520,000 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: As introduced, SB 536 of 2017 and its cross file, HB 290, were identical. SB 536 passed the Senate with amendments and was referred to the House Rules and Executive Nominations Committee, but no further action was taken. HB 290 passed the House with amendments, passed the Senate, and became Chapter 719. HB 296 of 2016 received an unfavorable report from the House Environment and Transportation Committee.

Designated Cross File: None.

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

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