

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 51 (Delegate McConkey)
 Ways and Means

Maryland Transportation Authority - Chesapeake Bay Bridge - Tolls

This bill prohibits the Maryland Transportation Authority (MdTA) from collecting a toll on the Chesapeake Bay Bridge if traffic is so congested that a line of vehicles waiting to cross the bridge extends more than five miles from the bridge and the average speed of vehicles in the line approaching the bridge is less than 30 miles per hour. MdTA must take whatever action is necessary to modify the trust agreement it has with the corporate trustee that secures revenue bonds for the bridge.

Fiscal Summary

State Effect: Nonbudgeted revenues would decline by approximately \$1.7 million in FY 2004 and \$2.3 million annually. Potential increase in nonbudgeted expenditures to amend the Trust Agreement.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
NonBud Rev.	(\$1,700,900)	(\$2,300,200)	(\$2,300,200)	(\$2,300,200)	(\$2,300,200)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$1,700,900)	(\$2,300,200)	(\$2,300,200)	(\$2,300,200)	(\$2,300,200)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Trust Agreement between MdTA and its shareholders states that no free vehicular passage will be permitted with the following exceptions:

- vehicles of officials and employees of all branches of State government in the discharge of their official duties;
- vehicles of any fire or police department of the State or political subdivision;
- ambulances owned or operated by agents and independent contractors; and
- lessees of MdTA and their agents and independent contractors in connection with the maintenance or operation of transportation facilities.

However, MdTA can execute a memorandum of understanding with the Maryland Department of Transportation that provides prepayment of tolls from the Transportation Trust Fund to allow a “toll free” day, upon approval from authority members and notification to the trustees. MdTA and MDOT executed such an agreement that required a \$1.4 million prepayment to allow for toll-free days over Columbus Day weekend in 2001.

Background: MdTA manages, operates, and maintains the State’s seven toll facilities (four bridges, two tunnels, and one highway) and provides law enforcement for these facilities, as well as Baltimore Washington Airport and Port of Baltimore. Toll revenues and bonds are used to finance these projects as well as selected projects for the Maryland Department of Transportation. Excluding reserve funds, MdTA’s expenditures are expected to outstrip revenues by \$134 million in fiscal 2004.

The Chesapeake Bay Bridge, built in 1952, connects Maryland’s Eastern Shore recreational regions with the metropolitan areas of Baltimore, Annapolis, and Washington, DC. Traffic congestion during the summer is particularly severe. The 4.3-mile bridge is the third highest revenue generator of all State toll projects; in fiscal 2003, it will yield approximately \$29.5 million. The toll for two-axle vehicles is \$2.50; each additional axle is \$2.50. A five-year, \$60 million project to rehabilitate the bridge deck of the westbound span is underway. The construction, which requires lane closures, has created traffic congestion during nonpeak times – one backup in October 2001 stretched 14 miles westbound and 9 miles eastbound.

State Fiscal Effect: MdTA advises that congestion on the bridge occurs when toll plazas process 2,900 – 3,000 vehicles per hour. A five-mile backup occurs on the bridge approximately 13 times per year during the nonpeak season and every weekend during the 19 weeks of summer (Friday afternoon and evening and all day Saturday). Such a backup typically involves 1,100 vehicles and lasts for three hours. Backups that meet or

exceed five miles are estimated to occur every Saturday and 40% of each Friday peak period during the summer.

MdTA estimates that the annual revenue loss due to uncollected tolls would be \$2,277,197, based on losing, on average, \$97,760 per weekend during the summer (\$1,926,782 total) and \$26,955 for each nonpeak congestion period (\$350,415 total). Revenues would decline by \$1,707,898 in fiscal 2004 due to the delayed effective date. This estimate includes vehicles with varying numbers of axles.

MdTA also indicates that amending the Trust Agreement may result in additional expenditures that cannot be determined at this time. Amending the agreement may take six months to a year.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 4, 2003
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