

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 262  
Ways and Means

(Delegate Hixson, *et al.*)

Finance

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Maryland Transportation Authority - Transportation Facilities Projects - Tolls

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This bill requires the Maryland Transportation Authority (MdTA), before fixing or revising tolls on any part of any transportation facility, to provide information to the fiscal committees on the proposed toll changes, including: (1) the annual revenues generated by the toll charges; (2) the proposed use of the revenues; and (3) the proposed commuter discount rates.

The bill takes effect July 1, 2004.

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Fiscal Summary

**State Effect:** None. The reporting requirements could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** 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 for BWI Airport and the Port of Baltimore. MdTA can also transfer funds to the Maryland Department of Transportation (MDOT) to finance certain projects, pending approval from BPW and an appropriation from the General Assembly. MdTA

has the authority to issue bonds. Bond and toll revenues, as well as cash reserves, finance the agency's operational and capital costs.

MdTA may fix, revise, charge, and collect rentals, rates, fees, tolls, and other charges and revenues for any transportation facilities under its authority. Tolls or other charges are not subject to regulation or supervision by any other instrumentality, agency, or unit of the State or any of its political subdivisions. Tolls and other charges that are pledged for transportation bonds must be fixed and adjusted from time to time so as to provide funds to pay the outstanding bonds, as well as to maintain and repair bridges and tunnels, and create reserves.

MdTA is subject to several legislative reporting requirements. For example, it is required to inform the Legislative Policy Committee within 30 days of entering into any contract or agreement to acquire or construct a revenue-producing facility. However, the decision to adjust tolls or launch new projects is solely MdTA's.

**Background:** MdTA raised tolls at three locations in November 2001 and again at five facilities in November 2003, excluding the Chesapeake Bay Bridge and the Potomac River (Nice) Toll Bridge. Toll revenues in fiscal 2005 will be \$160 million, or 106% higher than in fiscal 2001, due primarily to these toll increases. The 2003 toll increases for two- and three-axle vehicles are shown below. Vehicles of all axle size were affected; however, commuter discounts were not.

	<u>Former Toll</u>	<u>New Toll</u>
Susquehanna River (Hattem) Bridge	2 axle: \$4 3 axle: \$8	\$5 \$10
Francis Scott Key Bridge	2 axle: \$1 3 axle: \$2	\$2 \$4
Baltimore Harbor Tunnel	2 axle: \$1 3 axle: \$2	\$2 \$4
Fort McHenry Tunnel	2 axle: \$1 3 axle: \$2	\$2 \$4
John F. Kennedy Memorial Highway	2 axle: \$4 3 axle: \$8	\$5 \$10

MdTA's estimated fiscal 2004 debt service is \$26 million and total expenditures (operating and capital) are \$337.2 million. Toll revenues are expected to increase by \$47.6 million from fiscal 2004 to 2005. Expenditures are expected to exceed revenues by \$21 million in fiscal 2004.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Board of Public Works, Fitch Ratings, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 26, 2004  
ncs/mdr Revised - House Third Reader - March 31, 2004

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