

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 52
 Finance

(Senator Pipkin)

Ways and Means

Maryland Transportation Authority - Membership

This bill increases the membership of the Maryland Transportation Authority (MdTA) to nine, alters the terms of service for members, and bans employees of the Executive Branch from serving as appointed members.

The bill takes effect January 1, 2007.

Fiscal Summary

State Effect: Nonbudgeted expenditures would increase by \$12,800 in FY 2007, primarily to reimburse the new authority members for meeting attendance, travel, and other expenses. Out-year expenditures reflect inflation and annualization. Revenues would not be affected.

| (in dollars) | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|--------------|------------|------------|------------|------------|------------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| NonBud Exp. | 12,800 | 29,200 | 29,300 | 29,300 | 29,400 |
| Net Effect | (\$12,800) | (\$29,200) | (\$29,300) | (\$29,300) | (\$29,400) |

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MdTA would consist of eight appointed members in addition to the chairman of the authority. At least four of the appointed members of MdTA must have specified technical expertise. Members of MdTA must reflect the racial, gender, and geographic diversity of the State. Terms of service for members are increased to four years, and the terms of the appointed members expire on a staggered basis. The terms of members whose terms were scheduled to expire in 2008 would now expire in 2007. The terms that were scheduled to expire in 2009 would now expire in 2008. The terms of service of the additional two members appointed under the bill expire in 2008. Appointed members may not serve more than three consecutive terms.

Current Law: There are seven members of MdTA: the chairman (who is the Secretary of Transportation) and six members appointed by the Governor. Members serve a three-year term. One-third of all terms expire each year. MdTA has supervision over all transportation facility projects and has the power to acquire and dispose of property, enter into contracts, apply for and receive grants, condemn land, and take all other actions it considers necessary to exercise its powers and perform its duties.

Background: Established in 1971 as an independent, nonbudgeted State agency, MdTA is responsible for the operation of the State's seven existing toll facilities. MdTA has assumed an expanded role in financing nontolled transportation facilities since the 1980s. MdTA has provided fund transfers and loans to the Transportation Trust Fund (TTF) and has assumed responsibility for building nontolled facilities that could not be financed through the TTF. MdTA has also served as the conduit through which debt backed by a variety of revenue sources has been issued by several Maryland Department of Transportation modal administrations.

State Expenditures: MdTA advises that it pays its authority members \$400 per meeting and travel expenses, as well as some miscellaneous expenses. There is a monthly meeting of the authority as well as subcommittee meetings. In addition, MdTA sends its members to the International Bridge, Tunnel and Turnpike Association (IBTTA) conference (held annually in September) each year, at a cost of \$1,800 per member (including registration, hotel rooms, and other travel expenditures). In fiscal 2005, including travel, fees for attending monthly meetings, and other expenses, MdTA expenditures per member totaled \$14,578.

Accordingly, nonbudgeted expenditures could increase by \$12,778 in fiscal 2007, accounting for the bill's January 1, 2007 effective date, and \$29,212 in fiscal 2008. By fiscal 2011 the cost would be \$29,384. This estimate assumes: • the stipend paid for

meeting attendance remains constant; • the cost per member for the IBTTA conference remains \$1,800 annually; and • a 1% annual increase in other operating expenses.

Additional Information

Prior Introductions: A similar bill, SB 627, was introduced in the 2005 session and was passed by the Senate, but it received an unfavorable report from the House Ways and Means Committee. Its crossfile, HB 1395, also received an unfavorable report from the House Ways and Means Committee.

Cross File: None.

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

Fiscal Note History: Revised - Enrolled Bill - April 27, 2006
ncs/ljm First Reader - January 23, 2006

Analysis by: Nora C. McArdle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510