

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE

House Bill 916 (Delegate McMillan)
 Ways and Means

Maryland Transportation Authority - Chesapeake Bay Bridge - Electronic Toll Collection

This bill requires the Maryland Transportation Authority (MDTA) to take all actions necessary to ensure all Chesapeake Bay Bridge tolls are collected via electronic toll collection by May 1, 2014.

Fiscal Summary

State Effect: The earliest time fully electronic toll collection could be established at the Bay Bridge is mid-FY 2015. Thus, this estimate assumes net MDTA nonbudgeted expenditures increase by \$2.0 million in FY 2012, \$7.0 million in FY 2013, \$12.0 million in FY 2014, and \$5.1 million in FY 2015; and decrease by \$2.0 million in FY 2016 due to development and implementation of all electronic toll collection at the Bay Bridge. MDTA nonbudgeted revenues decrease by \$925,000 in FY 2015 and \$1.9 million in FY 2016 due to estimated toll violations.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
NonBud Rev.	\$0	\$0	\$0	(\$925,000)	(\$1,850,000)
NonBud Exp.	\$2,000,000	\$7,000,000	\$12,000,000	\$5,057,000	(\$2,031,200)
Net Effect	(\$2,000,000)	(\$7,000,000)	(\$12,000,000)	(\$5,982,000)	\$181,200

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: MDTA has general supervision over all transportation facilities projects (including the Chesapeake Bay Bridge) 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 seven toll facilities (four bridges, two tunnels, and one highway) 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 Chesapeake Bay Bridge connects Maryland's Eastern Shore recreational regions with the metropolitan areas of Baltimore, Annapolis, and the District of Columbia. The original two-lane bridge was constructed in 1952, and the second three-lane bridge was constructed in 1973. The existing bridge is the only roadway crossing of the Chesapeake Bay in Maryland; over 12.7 million vehicles crossed the bridge in the eastbound direction in fiscal 2009. The toll is only collected on vehicles heading eastbound, and the current toll for a two-axle vehicle is \$2.50.

The 2004 *Bay Bridge Transportation Needs Report* estimates that, by 2025, traffic will increase on the bridge by at least 41% over 2001 levels on both weekdays (61,000 vehicles in 2001, increasing to 86,000 in 2025) and summer Saturdays (95,000 on an August Saturday in 2001, set to increase to 135,000 in 2025).

Electronic Tolling

MDTA facilities currently allow users to pay tolls electronically with an E-ZPass. The E-ZPass system is used across the Northeast as a method for collecting tolls, and any valid E-ZPass account works on MDTA facilities. Individuals invest in an E-ZPass transponder, and the toll assessment amount is deducted electronically in accordance with their use of facilities. Electronic toll transactions can expedite the toll collection process and reduce delays at toll plazas. In fiscal 2010, 62% of MDTA tolls were collected electronically. MDTA's goal is to reach 70% electronic toll collection by fiscal 2013.

Traffic congestion on the Bay Bridge can be severe and is the result of a variety of factors. For example, the lack of shoulders on the bridge requires MDTA to close at least one lane to perform maintenance. Also, vehicles must merge into fewer lanes when approaching the bridge, causing congestion when there is a high volume of traffic. MDTA modeled existing conditions on the bridge to determine whether fully electronic tolling would have a significant impact on traffic congestion and found very little improvement in traffic operations, largely due to the limited number of bridge lanes.

The Intercounty Connector (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 ICC will be owned and operated by MDTA and the first segment, from I-370 to MD 97, is expected to open in February 2011. The six-lane highway will be the State's first fully electronic facility.

State Revenues: When estimating revenues associated with an electronic toll collection system, an assumption must be made about the percentage of lost tolls due to cameras not capturing a clear picture of toll violator's license plates. MDTA assumes a 5% loss of all toll revenue due to violations when all electronic toll collection is in place. Assuming annual revenues of approximately \$37 million, a 5% rate of lost tolls, and implementation of all electronic toll collection at the Bay Bridge in mid-fiscal 2015, MDTA nonbudgeted toll revenues decrease by \$925,000 in fiscal 2015 and \$1.9 million in fiscal 2016. These estimates are based on current toll rates; the loss in revenues could be greater to the extent toll rate increases occur in the future. Toll rate increases are currently expected to occur in fiscal 2012, 2014, and 2016, but the amount of such increases is unknown.

State Expenditures: MDTA advises that conversion to fully electronic toll collection at the Bay Bridge by May 1, 2014, is not feasible, given the amount of time required to design the changes, implement a procurement process, and stage construction. The earliest time fully electronic toll collection could be established is mid-fiscal 2015. Thus, this estimate assumes electronic toll collection begins in mid-fiscal 2015, which is still a very aggressive timeline for a project of this scale and scope.

Net MDTA nonbudgeted expenditures (1) increase by an estimated \$2.0 million in fiscal 2012, \$7.0 million in fiscal 2013, \$12.0 million in fiscal 2014, and \$5.1 million in fiscal 2015; and (2) decrease by an estimated \$2.0 million in fiscal 2016. These estimates assume:

- engineering and design of new roadway approaches to the bridge occurs in fiscal 2012 and 2013;
- construction of a plaza that accommodates all electronic tolls occurs in fiscal 2013 through 2015 and is completed in stages to minimize the interruption of traffic flow;
- E-ZPass system software is reprogrammed to accommodate all electronic toll collection at the bridge;

- construction includes (1) building gantries for toll collection; (2) removing existing toll booths; and (3) reconfiguring and constructing temporary and final lanes; and
- MDTA nonbudgeted expenditures for staff decrease by \$1.0 million in fiscal 2015 and \$2.0 million in fiscal 2016, due to the elimination of 42 toll collection positions in mid-fiscal 2015.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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