

HOUSE BILL 1232

R1, P2

2lr1611

By: **Delegates Fisher, Bates, Boteler, Dwyer, Frank, Glass, Hough, Krebs, McComas, McConkey, McDermott, McMillan, Myers, Norman, Otto, Serafini, Stocksedale, and Szeliga**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transportation Authority – Privatization of the Intercounty**
3 **Connector and the I-95 Express Toll Lanes**

4 FOR the purpose of requiring the Maryland Transportation Authority, in consultation
5 with the Secretary of Transportation, to initiate the process to issue a request
6 for proposals on or before a certain date to privatize the Intercounty Connector
7 (ICC/MD 200) and the I-95 Express Toll Lanes north of Baltimore City;
8 providing that the request for proposals be issued in accordance with certain
9 procurement requirements; and generally relating to a request for proposals to
10 privatize the ICC and the I-95 Express Toll Lanes.

11 BY repealing and reenacting, without amendments,
12 Article – Transportation
13 Section 4-321(a)
14 Annotated Code of Maryland
15 (2008 Replacement Volume and 2011 Supplement)

16 BY adding to
17 Article – Transportation
18 Section 4-321(h)
19 Annotated Code of Maryland
20 (2008 Replacement Volume and 2011 Supplement)

21 Preamble

22 WHEREAS, The construction of the \$2.6 billion Intercounty Connector (ICC/MD
23 200) and the \$1 billion Express Toll Lanes on I-95 north of Baltimore City have
24 dramatically increased the debt load of the Maryland Transportation Authority

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (MDTA) in recent years and transformed it into a highly leveraged agency with
2 projected debt outstanding of \$2.7 billion at the end of fiscal year 2015; and

3 WHEREAS, Revenue bonds issued by the MDTA are backed by toll revenues;
4 and

5 WHEREAS, Large increases in debt service associated with the bonds for the
6 ICC and the I-95 Express Toll Lanes projects and other MDTA facilities will require
7 increased tolls in the coming years; and

8 WHEREAS, The potential of a steady revenue stream from toll revenues
9 collected from the users of MDTA toll facilities would appear to be an attractive asset
10 that could garner a significant windfall for the State were the ICC and the I-95
11 Express Toll Lanes to be sold or leased to private entities in exchange for an entity's
12 right to collect the toll revenues paid by the users of the facilities; and

13 WHEREAS, The ICC and the I-95 Express Toll Lanes would be good test cases
14 of the viability of the sale of MDTA toll facilities both to relieve the State of the
15 responsibility for the substantial debt that has been obligated to construct the
16 facilities and at the same time to allow the State to receive a significant one-time
17 financial windfall from the sale or lease of the facilities to private entities in exchange
18 for the right to collect the toll revenues generated by the facilities; now, therefore,

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Transportation**

22 4-321.

23 (a) In this section, "Intercounty Connector" means the east-west multimodal
24 highway in Montgomery and Prince George's counties between Interstate 270 and
25 Interstate 95/U.S. Route 1, as described in the 2005 — 2010 Consolidated
26 Transportation Plan.

27 **(H) (1) ON OR BEFORE DECEMBER 31, 2012, THE AUTHORITY, IN**
28 **CONSULTATION WITH THE SECRETARY, SHALL INITIATE THE PROCESS TO ISSUE**
29 **A REQUEST FOR PROPOSALS TO PRIVATIZE:**

30 **(I) THE INTERCOUNTY CONNECTOR (ICC/MD 200); AND**

31 **(II) THE I-95 EXPRESS TOLL LANES NORTH OF BALTIMORE**
32 **CITY.**

33 **(2) THE REQUEST FOR PROPOSALS SHALL INCLUDE PROVISIONS**
34 **THAT PROVIDE THAT IN EXCHANGE FOR THE PAYMENT TO THE STATE OF A**

1 LUMP-SUM AMOUNT OR THE PAYMENT OF AN ANNUAL AMOUNT FOR A FIXED
2 PERIOD, THE SUCCESSFUL BIDDER RECEIVES, SUBJECT TO AN AGREEMENT
3 BETWEEN THE PARTIES, THE RIGHT TO COLLECT THE TOLL REVENUE
4 GENERATED BY THE USERS OF THE ICC, THE I-95 EXPRESS TOLL LANES
5 NORTH OF BALTIMORE CITY, OR BOTH.

6 (3) THE REQUEST FOR PROPOSALS SHALL BE ISSUED IN
7 ACCORDANCE WITH THE REQUIREMENTS OF THE STATE FINANCE AND
8 PROCUREMENT ARTICLE.

9 (4) FUNDING TO PAY THE COSTS FOR THE ISSUANCE OF THE
10 REQUEST FOR PROPOSALS SHALL BE AS PROVIDED IN THE STATE BUDGET.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 June 1, 2012.