

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE

House Bill 40  
Ways and Means

(Delegate Smigiel, *et al.*)

---

Transportation - Toll, Fee, or Other Charge Increases - Notice and Public  
Comment

---

This bill requires the Maryland Transportation Authority (MDTA) to notify the public on its website of any proposal to increase MDTA tolls, fees, or other charges at least 30 days prior to a vote to implement the proposal. Public comments on the proposal must be received by MDTA at the meeting during which a vote on implementing the proposal occurs.

---

Fiscal Summary

**State Effect:** Nonbudgeted expenditures increase by \$20,000 to the extent a toll increase proposal occurs and a public hearing is required. Nonbudgeted revenues decrease to the extent the bill prevents MDTA from implementing an emergency toll increase.

**Local Effect:** None.

**Small Business Effect:** None.

---

Analysis

**Current Law:** Established in 1971 as an independent, nonbudgeted State agency, MDTA manages, operates, and maintains the State's eight toll facilities (four bridges, two tunnels, and two highways) 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 Secretary of Transportation serves as the Chairman of MDTA. In addition to the Chairman, MDTA consists of eight members appointed by the Governor with Senate advice and consent.

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Tolls must provide funds that, when combined with bond proceeds and other available revenues, are sufficient to pay maintenance, repair, and operating costs for transportation facilities projects that are not otherwise paid for; pay the interest and principal of any outstanding bond issues; create reasonable reserves for these purposes; and provide funds for the cost of replacements, renewals, and improvements.

Prior to fixing or revising tolls on any part of any transportation facilities project, MDTA must provide the Senate Budget and Taxation Committee, Senate Finance Committee, House Appropriations Committee, and House Ways and Means Committee information on the proposed toll charges, including the annual revenues generated by the toll charges; the proposed use of the revenues; and the proposed commuter discount rates. Furthermore, prior to increasing a toll, current regulations require that MDTA provide 60-day public notice, take public comments for a period of at least 60 days, and accept oral comments during at least one public meeting held within 30 miles of each affected toll location during the public comment period. MDTA must take action on the proposed changes at a public meeting after the public comment period has ended. The Executive Secretary of the Maryland Transportation Authority must submit a report to the Chairman and board members on the nature of the public comments received.

Current regulations authorize MDTA to temporarily increase tolls or fees, prior to conducting public notice procedures, in order to remain in compliance with the provisions of any trust agreement, escrow deposit agreement, or resolution that provides for the payment of bonds issued by MDTA, or to ensure that unforeseen circumstances do not adversely affect the continuity of highway operations. However, this “emergency” toll or fee increase is subject to a 180-day time limit.

**Background:** Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund. In September 2011, the MDTA Board approved a revised tolling plan that is projected to generate approximately \$90 million in its first full year to pay debt for rehabilitating MDTA’s aging bridges, tunnels, and highways and for constructing additional highway capacity in the Baltimore and Washington regions. The approved plan phases in toll increases at MDTA facilities on November 1, 2011; January 1, 2012; and July 1, 2013.

Prior to the September 2011 approval of new toll rates, MDTA conducted numerous public notification efforts, including:

- holding 10 public hearings throughout the State during June and July 2011;
- coordinating a 60-day public comment period during the June 2 – August 1 period, during which approximately 4,000 comments were received; and
- compiling and distributing a public comment summary final report.

**State Fiscal Effect:** While MDTA’s current financial forecast through 2017 does not assume another toll increase proposal, to the extent a toll increase is proposed, nonbudgeted expenditures increase by \$20,000 for contractual services to conduct a public hearing. This estimate is based on the costs MDTA incurred for public hearings on toll increases approved in 2011. The contractual services include posting public notice, recording and transcript services, printing and material costs, and review and summarization of comments submitted. This estimate does not include MDTA staff time spent on oversight and coordination.

While it has never used its authority to establish an emergency toll increase, MDTA advises that, if a facility is severely damaged by a natural disaster, accident, or act of terrorism and must be closed for an extended period, toll increases at other facilities may be necessary to fund facility repairs and/or supplant lost toll revenue from the closed facility. Therefore, nonbudgeted revenues decrease to the extent the bill prevents MDTA from implementing an emergency toll increase.

---

### **Additional Information**

**Prior Introductions:** SB 25 and HB 10 of the 2011 special session were referred to the Senate Rules Committee and the House Rules and Executive Nominations Committee, respectively, but no further action was taken on either bill.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 23, 2012  
ncs/lgc

---

Analysis by: Amanda Mock

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