

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1263 (Delegate McConkey, *et al.*)
Environmental Matters

Maryland Transportation Authority - Chesapeake Bay Bridge - Toll Collection

This bill requires that the Maryland Transportation Authority (MDTA) implement a procedure by July 1, 2024, that requires that all tolls on the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge be paid by an electronic means that allows vehicles to pass through the toll plaza without stopping, except for a single “cash only” lane.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: The bill has no fiscal or operational effect on MDTA’s current six-year Consolidated Transportation Program (CTP). Any potential cost differential between the open-road tolling (ORT) plus cash lane design specified by the bill and the all electronic tolling (AET) design preferred by MDTA cannot be reliably estimated and would not occur until well beyond the scope of this fiscal and policy note. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State’s toll facilities and for financing new revenue-producing transportation projects. MDTA is governed by nine individuals appointed by the Governor, with the advice and consent of the Senate. The Secretary of

Transportation serves as MDTA's chairman. MDTA transportation facilities projects include:

- bridges (*e.g.*, Susquehanna River Bridge; Harry W. Nice Memorial Potomac River Bridge; William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge; Baltimore Harbor Tunnel; Fort McHenry Tunnel; Francis Scott Key Bridge; and John F. Kennedy Memorial Highway);
- vehicle parking facilities located in priority funding areas;
- other projects that MDTA authorizes to be acquired or constructed; and
- any authorized additions or improvements to MDTA projects.

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. Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund.

Background: With the exception of the InterCounty Connector (ICC) and planned express toll lanes on Interstate 95 north of Baltimore City, all toll plazas operated by MDTA have electronic tolling administered by EZ-Pass with at least one cash toll lane. MDTA has expressed a long-term preference for converting all toll plazas to AET, beginning with plans in the current CTP to transition the Hatem Bridge over the Susquehanna River and the Key Bridge over the Patapsco River to AET by fiscal 2016. Electronic toll collections for both bridges already exceed 80% of all tolls collected, with the Hatem Bridge exceeding 90%. Plans for the Hatem Bridge conversion have been finalized, but construction has not been started. The CTP includes \$2.0 million for construction in fiscal 2015, although MDTA indicates that schedule is already under reconsideration due to public resistance. Plans for the Key Bridge conversion are 60% finalized; no construction funds are yet budgeted in the CTP. The CTP does not include plans or funding to convert the Chesapeake Bay Bridge toll plaza to AET.

AET is a growing trend in tolling on major toll roads, bridges, and tunnels. According to the National Conference of State Legislatures, 11 states are already using AET for some transportation facilities and toll roads. Regionally, New York, North Carolina, and Pennsylvania use AET for some facilities, and five states nationally are converting

additional facilities to AET. Pennsylvania has announced plans to convert the entire Pennsylvania Turnpike to AET by 2018 at the earliest, but already has three interchanges that are cashless. North Carolina uses AET on the Triangle Expressway, and New Jersey is planning to convert the entire New Jersey Turnpike to AET. In Maryland, AET is already in use along the ICC and planned for the I-95 express toll lanes. Drivers who do not have electronic transponders used in AET are typically billed for their use based on photographs taken of their license plates as they pass through tolling sensors.

State Fiscal Effect: MDTA advises that conversion to ORT with a cash lane is a more costly design option than AET due to the need for toll collectors and other structural considerations. MDTA has not developed proposals for a cash lane, so it cannot quantify the cost differential. Given the bill's July 1, 2024 deadline and the absence of any plans or funding in the current six-year CTP, any additional costs would not be incurred until well beyond the scope of this fiscal and policy note.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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