

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 15 (Delegate McConkey)
Environment and Transportation

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, 2015.

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 at this time 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.

Chapter 397 of 2014 prohibits MDTA from implementing plans for AET at the Thomas J. Hatem Bridge before January 1, 2016. The Act also requires MDTA to conduct a study of AET that includes an analysis of (1) AET in other states; (2) electronic toll collection interoperability; (3) alternative payment methods and specified toll rates; (4) issues and factors that must be addressed before AET becomes effective at specified facilities; (5) revisions to MDTA's initial AET proposal; and (6) proposed legislation, if required, relating to the implementation of AET. MDTA must submit the required report to designated legislative committees and local elected officials by January 1, 2016.

Background: With the exception of the InterCounty Connector (ICC) and the 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, and the CTP for fiscal 2014 contained plans to transition the Hatem Bridge over the Susquehanna River and the Key Bridge over the Patapsco River to AET by fiscal 2016. However, in the draft CTP for fiscal 2015, construction funding has been removed for the Hatem Bridge project and no additional funding has been added for the Key Bridge project. MDTA advises that it will not proceed with implementation of either project until the AET follow-up study

required by Chapter 397 of 2014 is complete. 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 5 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 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 (such as the need for a long merge area for slow-moving cash customers to merge with ORT customers who are at speed). 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: HB 1263 of 2014 received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Maryland Department of Transportation, National Conference of State Legislatures, Pennsylvania Turnpike Authority, Department of Legislative Services

Fiscal Note History: First Reader - January 15, 2015
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