

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1394 (Delegate Hixson)
Environment and Transportation

Maryland Transportation Authority - Decreases in Tolls or Other Charges -
Notice and Public Comment

This bill requires the Maryland Transportation Authority (MDTA) to provide an opportunity for public review and comment, at one or more meetings, when it proposes to *decrease* a toll, fee, or other charge on any part of any transportation facilities project. If the proposed decrease would result in a loss of MDTA's revenue that requires the cancellation of or alteration in the scope, design, or scheduling of a major capital project, MDTA must hold a meeting in each county where the major capital project is located. Meetings must be held at a time and place convenient for the public. Procedures that MDTA must follow under current law when it proposes to *increase* its tolls, fees, or charges also apply to proposed *decreases* in its tolls, fees, or charges under the bill.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: MDTA nonbudgeted expenditures increase by approximately \$25,000 for each additional meeting that must be held as a result of the bill; however, because MDTA has no toll adjustments planned through FY 2021, the bill is not expected to affect its operations or finances within the five-year scope of this fiscal and policy note.

Local Effect: The bill does not directly affect local government operations or finances.

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, tunnels, and toll highways;
- 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.

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.

Additionally, prior to *increasing* any toll, fee, or other charge on any part of any transportation facilities project, MDTA must provide an opportunity for public review and comment on the proposed increase during at least one meeting in each county where the increase is proposed to be implemented. MDTA must publicize such a meeting in a specified manner at least 10 working days before the start of the first meeting. The public input collected must be provided to MDTA's board members in a specified manner.

The Transportation Article defines "major capital project" as any new, expanded, or significantly improved facility or service that involves planning, environmental studies, design, right-of-way, construction, or purchase of essential equipment related to the facility or service.

Background: MDTA advises that its financial forecast does not include any toll adjustments through fiscal 2021, which is the end of its six-year forecast period.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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md/lgc

Analysis by: Richard L. Duncan

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