

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 252
Finance

(Senator Elfreth, *et al.*)

Chesapeake Bay Bridge Crossing - Affected Counties - Infrastructure Funding

This bill requires the Governor to include in the State budget, for any fiscal year that an appropriation is included in the State budget for the planning, engineering, right-of-way acquisition, and construction of a third bridge across the Chesapeake Bay, a capital grant for each county in which the bridge originates or terminates. The grant for each county must equal 25% of the amount appropriated for the fiscal year for the planning, engineering, right-of-way acquisition, and construction of the bridge. Any such grant may only be used by a county for transportation infrastructure improvements necessitated by or related to the construction of the bridge. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: None, as discussed below. The Maryland Transportation Authority (MDTA) is a nonbudgeted State agency and its spending is not included in the State budget. Moreover, there are no current plans for any other State spending for a third bridge.

Local Effect: None, as discussed below.

Small Business Effect: None.

Analysis

Current Law/Background:

Maryland Transportation Authority

Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities (for example, the Chesapeake Bay Bridge and Intercounty Connector) 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 chair. Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund (TTF).

Chesapeake Bay Bridge

The Chesapeake Bay Bridge is the only toll bridge in Maryland that currently crosses the Chesapeake Bay. The bridge connects Maryland's Eastern Shore recreational regions with the metropolitan areas of Annapolis, Baltimore, and the District of Columbia. The original two-lane bridge was constructed in 1952, and the second three-lane bridge was constructed in 1973. MDTA estimates that about 25.6 million vehicles crossed the bridge in fiscal 2014. Traffic congestion on the bridge can be severe.

The 2015 [Bay Bridge Life Cycle Cost Analysis](#) estimates that, by 2040, average traffic on the bridge will increase by at least 31.3% (to 92,800 vehicles per day). Furthermore, on summer Fridays (one of the heaviest traffic days for the bridge), traffic volume is estimated to increase by at least 36.6% by 2040 (to 94,300 vehicles).

The analysis also researched and developed alternatives designed to improve the Bay Bridge and its approaching roadways. The analysis includes a cost estimate of \$3.25 billion to simply repair and maintain the bridge in its existing form through 2065, as well as a range of alternatives that involve building a third bridge across the bay, demolishing one or both existing bridges to rebuild with additional travel lanes, and widening the U.S. 50/301 main line by one lane. Costs for the alternatives are estimated through 2060 and range from \$7.80 billion (which simply widens and rehabilitates the existing eastbound bridge to three lanes) to \$25.34 billion (which demolishes both existing structures to rebuild a new, single, eight-lane bridge).

Third Crossing of the Chesapeake Bay – National Environmental Policy Act Process

MDTA is currently undertaking a Tier 1 National Environmental Policy Act (NEPA) study for a third crossing of the Chesapeake Bay. One of the issues being explored is the best

location for such a bridge. A draft of the study is scheduled to be complete during summer 2020, while the full study is scheduled to be complete during summer 2021. Updates on the progress and findings of the study can be found on [MDTA's website](#).

State/Local Fiscal Effect: MDTA is the State agency in charge of planning, engineering, acquiring rights-of-way for, and constructing the third crossing of the Chesapeake Bay. Since MDTA is a nonbudgeted State agency, its spending is not included in the State budget. Therefore, any funding for the project expended by MDTA using nonbudgeted funds would not be included in the calculation for determining the capital grants to counties under the bill. To the extent that other State funds are appropriated relating to the third bridge (for example, if funding were included for the State Highway Administration to improve State highways leading to the third bridge), that spending would be included in the State budget and would require that the Governor include capital grants for affected counties in that fiscal year's State budget. However, no such spending is planned at this time. Accordingly, the bill, as currently drafted, has no impact on State operations or finances.

For informational purposes, however, if MDTA's nonbudgeted spending were included in the bill's requirement regarding county grants, the grants would total \$493,500 in fiscal 2021. The only planned spending for the third crossing project in the [Consolidated Transportation Program for Fiscal 2020 through 2025](#) is \$987,000 in fiscal 2021 for MDTA to complete the Tier 1 NEPA study. Under this scenario, each affected county's grant revenues would increase by \$246,750 (25% of \$987,000); county expenditures would increase correspondingly on infrastructure improvements, as required by the bill. It is unclear, however, which counties would receive grants if grants were required in a fiscal year before a location for the bridge has been determined.

Although the bill is silent on the funding source used to provide the capital grants, it is assumed that TTF would likely be the funding source. As the Maryland Department of Transportation (MDOT) capital program is fully subscribed, overall TTF expenditures would remain unchanged. However, MDOT would be required to redirect funding from other projects in order to accommodate the grants. As the third span project progresses in future years, and if MDTA's spending is included in the calculations, the grants would likely total hundreds of millions of dollars annually, as engineering and construction costs for the project are likely to total billions of dollars. If the grants were issued using a different funding source, such as the general fund, expenditures would increase accordingly.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 572 (Delegate Bagnall) - Appropriations and Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Anne Arundel, Baltimore, Charles, Kent, and Queen Anne's counties; Maryland Association of Counties; Department of Legislative Services

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