

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 519 (Delegate Grammer)
 Environment and Transportation

Transportation - Francis Scott Key Bridge - Commuter Toll Discount Plan

This bill requires the Maryland Transportation Authority (MDTA) to offer a commuter toll discount plan that allows for 25 crossings of the Francis Scott Key Bridge within a period of 45 days for \$35.

Fiscal Summary

State Effect: MDTA nonbudgeted revenues decrease to the extent that drivers purchase the commuter toll discount plan and, as a result, pay fewer tolls than they otherwise would, as discussed below. MDTA nonbudgeted expenditures increase by \$100,000 in FY 2021 only for one-time programming costs.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
NonBud Rev.	(-)	(-)	(-)	(-)	(-)
NonBud Exp.	\$100,000	\$0	\$0	\$0	\$0
Net Effect	(-)	(-)	(-)	(-)	(-)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local governmental operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State’s toll facilities (for example, the Chesapeake Bay Bridge and Francis Scott Key Bridge) 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.

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: MDTA generally has four different levels of toll rates charged at its various toll plazas for two-axle vehicles. There is a cash rate, a video rate, an E-ZPass rate, and a commuter plan rate (which allows users to prepurchase a limited number of tolls at a discounted rate). The toll rates for a two-axle vehicle at the [Francis Scott Key Bridge](#) (as well as the Harbor Tunnel and the Fort McHenry Tunnel) are as follows:

- \$3.00 for E-ZPass;
- \$4.00 for nonE-ZPass (generally cash);
- \$6.00 for video; and
- \$1.40 for the commuter plan (\$70 for 50 trips that must be used within 45 days).

All of MDTA's toll facilities generally use a similar toll structure (although the toll amount may vary); however, MDTA also offers E-ZPass users unlimited trips across the Thomas J. Hatem Memorial Bridge for \$20 per year.

State Revenues: The commuter toll discount plan established by the bill allows 25 crossings of the Francis Scott Key Bridge for \$35, while MDTA's current commuter plan allows 50 crossings for \$70. In both cases, the trips must be used within 45 days and drivers are able to use the bridge for \$1.40 per crossing. Despite the cost per crossing being the same under MDTA's existing commuter plan and the bill's commuter toll discount plan, the bill may still decrease MDTA's nonbudgeted toll revenues in the following ways:

- drivers who otherwise do not use the bridge often enough to warrant purchasing MDTA's existing commuter plan may find the bill's plan (at \$1.40 per crossing) more financially advantageous than using E-ZPass (at \$3.00 per crossing) or cash (at \$4.00 per crossing); and
- under the existing commuter plan, drivers sometimes end up paying for trips they do not use before their plans expire; for example, under the existing plan, a driver

may purchase 400 trips (8 plans) per year at a cost of \$560 annually, but only end up using 350 of the trips before the plans expire. Under the bill, the same driver may be able to purchase exactly 350 trips (14 plans) per year at a cost of \$490, and not pay for any unused trips due to the greater flexibility provided by the bill's commuter toll discount plan.

For context, MDTA advises that in fiscal 2019, about 861,000 purchased commuter plan trips (totaling \$1.2 million at \$1.40 per crossing) went unused.

The actual loss in toll revenues resulting from the bill depends on the total number of drivers who choose to purchase the commuter toll discount plan and pay fewer tolls as a result, which cannot be reliably estimated.

State Expenditures: In order to implement the bill's discount plan, changes need to be made to MDTA's third-generation electronic tolling system, which is currently under development. Accordingly, nonbudgeted expenditures increase by \$100,000 in fiscal 2021 only for reprogramming costs.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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Analysis by: Richard L. Duncan

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