

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 288 (Chair, Environment and Transportation Committee)(By
Request - Departmental - Transportation)

Environment and Transportation

**Maryland Transportation Authority – Tolls, Fees, and Other Charges –
Temporary Adjustments**

This departmental bill increases the maximum duration – from 180 days to 300 days – of a Maryland Transportation Authority (MDTA) emergency status determination (which allows MDTA to adopt temporary adjustments to tolls, fees, mileage rate ranges, pricing periods, toll zones, or other charges without meeting specified public notice and comment requirements).

Fiscal Summary

State Effect: Nonbudgeted revenues for MDTA may increase, potentially significantly, as early as FY 2026 due to the potential increase in the duration of an emergency status period, as discussed below. State expenditures (all funds) may likewise increase as early as FY 2026 to pay higher tolls, fees, or other charges set under an emergency status determination for a longer period of time, as discussed below.

Local Effect: Local government expenditures may increase as early as FY 2026 to pay higher tolls, fees, or other charges due to the potential increase in the duration of an emergency status period, as discussed below. Revenues are not affected.

Small Business Effect: The Maryland Department of Transportation has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) generally concurs with this assessment, as discussed below.

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 the Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton (Nice/Middleton) Bridge) and for financing new revenue-producing transportation projects. MDTA is a nonbudgeted State agency, meaning that its budget is not subject to the General Assembly's appropriation process.

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.

Before MDTA adopts an increase to, or votes on a proposal to increase, its tolls, fees, mileage rate ranges, pricing periods, toll zones, fees, or other charges for its transportation facilities projects, it must comply with various public notice, review, and comment requirements, providing for a specified time period (generally, at least 10 working days) between each step of the process.

If MDTA determines that it must increase tolls, fees, mileage rate ranges, pricing periods, toll zones, or other charges within a time period or in a manner that will not permit compliance with those requirements to remain in compliance with the provisions of any trust agreement, escrow deposit agreement, or resolution that provides for the payment of bonds it has issued, or to ensure that unforeseen circumstances do not adversely affect the continuity of operations at one or more transportation facilities projects, MDTA must determine that an emergency status exists. If MDTA determines that an emergency status exists, MDTA must adopt temporary adjustments to tolls, fees, mileage rate ranges, pricing periods, toll zones, or other charges that take effect immediately on adoption by MDTA or on the effective date established by MDTA. If MDTA adopts any temporary adjustments pursuant to the above provisions, it must (1) provide notice to the public on its website and (2) immediately commence the public notice and comment procedures described above.

An emergency status determination may not exceed 180 days and may be subject to one or more additional conditions imposed by MDTA. When the emergency status expires, the temporary adjustments must end.

Background: On March 26, 2024, the Francis Scott Key Bridge collapsed after being struck by a container vessel, and MDTA advises that this incident brought to light the limitations of the existing 180-day limit on its authority to adjust its tolls, fees, and other

charges under an emergency status determination. MDTA advises that the existing 180-day time limit does not provide sufficient time for it to complete a full toll-setting process before the expiration of the emergency status determination. MDTA further advises that the bill ensures that the authority has sufficient time to follow the statutory process required to make any increase in tolls, fees, or other charges permanent before the emergency status determination expires.

State Revenues: Nonbudgeted revenues for MDTA may increase during an emergency status determination to the extent the higher tolls, fees, or other charges established under such a determination continue beyond the 180-day time limit under current law. Under current law, when the emergency status expires, the tolls, fees, and other charges must revert to the previous (lower) levels; under the bill, the increased rates can be in effect for up to 300 days instead (an increase of up to 120 days). Depending on the severity of any future emergency and the increase in tolls, fees, or other charges set by MDTA in response, the increase in nonbudgeted revenues could be significant. Because the extent to which any future emergency status determinations – and their duration – cannot be predicted, an estimate of the timing and amount of any increase in nonbudgeted revenues cannot be estimated.

State/Local Expenditures: As noted above, the bill may result in the higher tolls, fees, or other charges established during an emergency status determination to be in effect for up to 120 days longer than what is allowed under current law. Depending on the emergency status determination, expenditures for State and local agencies that regularly use, or reimburse their employees for using, MDTA's transportation facilities projects may increase as higher tolls, fees, or other charges are paid for a longer period of time.

Small Business Effect: DLS generally concurs that the bill is anticipated to have minimal or no impact on small businesses in the State; however, if an emergency status determination requires MDTA to significantly increase its tolls, fees, or other charges, small businesses that frequently use MDTA's transportation facilities projects may incur an increase in costs to pay the higher tolls, fees, or other charges for a longer period of time.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 210 (Chair, Finance Committee)(By Request - Departmental - Transportation) - Finance.

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

Fiscal Note History: First Reader - January 23, 2025
js/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Transportation Authority - Tolls, Fees, and Other Charges - Temporary Adjustments

BILL NUMBER: HB 288

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This bill is anticipated to have no direct economic impact as proposed.