

HB0820 - MDTA - ICC - LOI_FINAL_CO.pdf

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Secretary

March 29, 2023

The Honorable William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Information – House Bill 820 – Montgomery County – Speed Monitoring Systems – Maryland Route 200 (Intercounty Connector) MC 8-23

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) take no position on House Bill 820 but offer the following information for the Committee’s consideration.

As amended, House Bill 820 requires the MDTA to (1) Place four devices along each roadway on Maryland Route 200 (Intercounty Connector (ICC)) in Montgomery County that display a real-time posting of the speed at which a driver is traveling; (2) Increase speed enforcement efforts on the ICC; (3) Collect data on citations issued for speed violations on the ICC; and (4) submit a report on enforcement efforts and data collected by the MDTA by December 31, 2024.

Legislatively imposed unfunded mandates may raise concerns from bondholders or the rating agencies as such actions limit MDTA’s right to exercise its discretion over the use of its revenues and operation of its facilities. Even if the burden on MDTA’s revenues caused by the requirements of House Bill 820 are not significant enough to cause a breach of MDTA’s financial obligation, rating agencies generally do not favor unfunded mandates particularly when they are unlimited in implementation costs and potential increased future costs. Negative reactions from the rating agencies may trigger a downgrade or increase the MDTA’s future costs of borrowing. According to Moody’s Toll Sector methodology, an agency’s ability to act independently from the general government and a degree of insulation from political interference effect the rating scorecard by 15%. Other toll agencies such as the Miami-Dade County Expressway Authority (MDX) experienced bond rating downgrades due to legislative interventions. Credit rating downgrades materially increase financing costs that are ultimately borne by Maryland toll payers in the form of higher rates needed to service increased interest expense.

Additionally, House Bill 820 requires the MDTA Police to increase speed enforcement. The MDTA tracks existing citation quantities for ICC speeding. While MDTA Police are committed to speed enforcement on the ICC and all of our facilities, the bill’s language requiring increased speed enforcement efforts would mean increasing above the existing law enforcement activities, which may be perceived as establishing a constitutionally impermissible quota.

The Maryland Department of Transportation and the Maryland Transportation Authority respectfully request the Committee consider this information when deliberating House Bill 820.

Respectfully submitted,

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