

ACT Testimony_HB1070_Toll Rate Reform Act.pdf

Uploaded by: Amy Frieder

Position: FAV



Montgomery County's Advocates for Better Transportation

P.O. Box 7074, Silver Spring MD 20907 • admin@actfortransit.org

February 26, 2024

SUPPORT for the Maryland Toll Rate Reform Act

HB 1070

The Action Committee for Transit (ACT) supports the Maryland Toll Rate Reform Act of 2024 (HB 1070). For decades, there have been few modes of transportation which have been able to externalize the costs of their operation to such a degree as the car. HB 1070 takes important steps to begin to internalize the costs that driving incurs on society by instituting tolls at MTA facilities.

Further, as decades of road widening and car-centric planning have failed to mitigate traffic and congestion, HB 1070's emphasis that funds must be used to provide "alternative transportation options for commuters and cargo" represents what we hope is a reversal of this trend.

Finally, HB 1070's requirement that toll rates be set to maximize revenues in line with real market forces, while still taking equity into account, presents a promising source of funding at a time when our state is in dire need of funding for transportation.

For those reasons, ACT wholeheartedly supports the Maryland Toll Rate Reform ACT of 2024. We urge you to vote yes on this legislation, HB 1070.

Sincerely,

Amy Frieder
President, Action Committee for Transit

HB1070_Maryland_Toll_Rate_Reform_Act_of_2024_MLC_F

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB1070 Maryland Toll Rate Reform Act of 2024

Bill Sponsor: Delegate Korman

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB1070 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The Maryland Toll Rate Reform Act of 2024 addresses recommendations from the Transportation Revenue and Infrastructure Needs Commission. It requires the Maryland Transportation Authority (MdTA) to maximize toll revenues to generate funding for the maintenance and operation of its toll facilities.

Surplus revenues are to go to the Transportation Trust Fund to construct or maintain state highways that feed traffic to MdTA facilities or construct or maintain state highway or transit projects that serve as alternatives to the facilities.

The revenues flowing into the state's dedicated Transportation Trust Fund have declined. That account, which pays for highway and transit projects as well as for Baltimore's transit system and WMATA, is built on revenues from the state's gas tax and other taxes and fees. People are driving electric vehicles and keeping their cars longer, impacting our transportation funding.

Some of the toll increases being considered are modest and would generate only \$80 to \$90 million. This is a small, but important, plug in the transportation budget impacted by cost of our Blueprint for education. Our Coalition supports both these funding priorities.

We recommend a **FAVORABLE** report in committee.

Comments on HB 1070, MD Toll Rate Reform Act.pdf

Uploaded by: Dan Reed

Position: FAV



Chair Marc Korman
and Members, Environment and Transportation Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 29, 2024

Dear Chair Korman and Members of the Environment and Transportation Committee:

My name is Dan Reed and I serve as the Regional Policy Director for Greater Greater Washington, a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. GGWash supports House Bill 1070, the Maryland Toll Rate Reform Act, which would direct the Maryland Toll Authority (MDTA) to identify opportunities to raise much-needed transportation funding through toll revenue.


Maryland's budget shortfall threatens funding for roads and transit service throughout the state, and in some cases, has led to proposals to cut service entirely. Under the previous governor, tolls on Maryland highways, tunnels, and bridges were significantly decreased, which is no longer sustainable in today's economic climate. As written, this bill would direct the MDTA to find the "optimal" rate to increase tolls that maximizes revenue without pushing drivers to untolled routes or placing an undue burden on lower-income travelers.

Along with House Bill 1215, House Bill 1070 will provide the revenue we need to maintain the transportation network Marylanders rely on today while funding investments for the future. We urge the Environment and Transportation Committee to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director
Greater Greater Washington

The Washington, DC region is great  and it can be greater.

Maryland Toll Rates Reform Act_HB 1070_Written Tes

Uploaded by: Ernesto Villasenor

Position: FAV

Committee: Environment and Transportation
Testimony: Maryland Toll Rate Reform Act of 2024 (HB 1070)
Position: Favorable
Hearing Date: March 1, 2024

Ernesto Villasenor, Jr., J.D
Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, we strongly support the Maryland Toll Rate Reform Act of 2024 (HB 1070). This legislation provides a thorough strategy for managing toll rates and distributing revenue, aimed at ensuring the effective use of transportation funds. It prioritizes the needs of Maryland residents by establishing sustainable revenue sources for transportation, which will enable us to address our transportation needs and invest in infrastructure aligned with our climate goals.

One of the key provisions of this bill is the allocation of funds in the Transportation Facilities Overage Account for critical transportation infrastructure projects. By directing these funds towards the construction and maintenance of state highways that feed vehicular traffic to Maryland Transportation Authority (MDTA) facilities, as well as projects aimed at relieving traffic congestion and providing alternative transportation options, the legislation addresses pressing transportation challenges in our state.

Furthermore, the establishment of the Transportation Facilities Overage Account within the Transportation Trust Fund ensures that revenue collected above the required amounts is directed towards essential transportation initiatives. This proactive approach to revenue distribution will enable the completion of vital infrastructure projects that enhance connectivity and promote economic growth across Maryland.

The Maryland Toll Rate Reform Act also emphasizes the importance of setting toll rates at near-optimal levels. By considering market forces and implementing varying toll rates based on time of day, seasonality, and anticipated travel patterns, the legislation seeks to optimize toll revenue while minimizing the financial burden on commuters and residents. Additionally, the inclusion of discount rates for seniors, daily commuters, low-income state residents, Maryland E-ZPass holders, and residents living near transportation facilities underscores the commitment to equity and accessibility in toll pricing.

In conclusion, we urge the Committee to support the Maryland Toll Rate Reform Act of 2024, representing a forward-thinking approach to toll management, revenue allocation, and equitable access to essential infrastructure in line with the state's transportation priorities.

HouseBill1070_MDSierraClub_1March2024 .docx.pdf

Uploaded by: Josh Tulkin

Position: FAV



P.O. Box 278
Riverdale, MD 20738

Committee: Environment and Transportation

Testimony on: HB 1070- Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)

Position: Support

Hearing Date: March 1, 2024

The Maryland Chapter of the Sierra Club supports HB 1070. This bill raises critical revenue that is needed for our state's transportation system. The bill requires that the Maryland Transportation Authority (MDTA) maximize toll revenues to generate funding for the maintenance and operation of its toll facilities. Any revenues that are generated beyond what is required by MDTA for its operations will be earmarked into a Transportation Facilities Overage Account that can be used for construction and maintenance of state highway and transit projects that are located within the general vicinity of a transportation facility. MDTA is required to consider discounts for seniors, low-income residents, Maryland E-ZPass holders, and state residents in the process.

Maryland's six year capital budget is facing a fiscal imbalance of over \$3.15 billion. If the fiscal imbalance is not addressed, it would result in major cuts to transit service, deferred maintenance needs on our transit and highway systems, and a delay of critical vehicle electrification programs. To address the fiscal imbalance, Maryland should reevaluate its spending priorities and raise revenue.

Revenue that is raised for transportation purposes should first go to State of Good Repair projects that maintain our state's transportation systems and preserve existing public transit service. Additional funding raised should focus on expanding public transit, active transportation, vehicle electrification, and transit oriented-development projects and programs that would help meet the state's climate, mobility, and equity goals. It is important that revenue raised through programs such as these are not used for highway expansion projects that would hinder progress on these goals. Therefore we urge this committee to consider prohibiting any funds raised by this legislation to be used for highway construction.

This bill is based on recommendations from the interim report of the Commission on Transportation Revenue and Infrastructure Needs. The funding generated by this program can be used for critical repair needs and the expansion of public transit service that will help reduce pollution and improve mobility. For this reason, we urge a favorable report.

Lindsey Mendelson
Transportation Representative
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ra.org

Jane Lyons-Rader
Transportation Chair
janeplyons@gmail.com

Josh Tulkin
Chapter Director
josh.tulkin@mdsierra.org

HB1070Korman_Tolls_FactSheet.pdf

Uploaded by: Marc Korman

Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

The Maryland Toll Rate Reform Act of 2024 (HB1070) Fact Sheet

What does the bill do?

The Maryland Toll Rate Reform Act of 2024 requires the Maryland Transportation Authority (MdTA) to maximize revenues by setting toll rates at the near optimal rate. MdTA currently uses the revenue generated from tolls to pay off bonds as well as maintain and operate their facilities. This bill allocates any additional revenue above what is needed for this purpose to an account within the statewide Transportation Trust Fund. This revenue will be used to construct and maintain state transit and highway infrastructure that feeds traffic directly into an MdTA facility or provides prospective facility users with an alternate route.

Why does the state transportation system need more revenue? Why are tolls being raised?

Over the past two decades, aggregate gasoline consumption has stagnated due to improvements in vehicle fuel efficiency and adoption of zero-emission vehicles. The impact of this is an erosion in motor fuel tax revenue. The motor fuel tax has historically made up the largest share of state transportation revenue. In 2022, it made up 38.4% nationally, down from 41.1% in 2018.¹ In Maryland, the Department of Transportation estimated that motor fuel taxes would constitute 23.1% of Transportation Trust Fund revenues between FY23 and FY28. Excluding federal funds, the share of motor fuel tax revenue in the TTF is 30%.²

Additionally, in 2015, despite warnings that the decision would ultimately result in toll hikes and hinder the state's ability to address aging transportation infrastructure, then-Governor Hogan chose to lower toll rates.³ These cuts have cost the state more than \$500

¹ NCSL Staff, "Road Worries: Sagging Gas Tax, Rising Traffic Safety Woes," National Conference of State Legislatures, April 21, 2023, <https://www.ncsl.org/state-legislatures-news/details/road-worries-sagging-gas-tax-rising-traffic-safety-woes-2>.

² Maryland Department of Legislative Services, *Maryland Department of Transportation Fiscal 2024 Budget Overview*, Annapolis, MD: Maryland General Assembly (2023), 9, <https://mgaleg.maryland.gov/pubs/budgetfiscal/2024fy-budget-docs-operating-J00-Maryland-Department-of-Transportation-Overview.pdf>.

³ Lori Aratani and Ovetta Wiggins, "Maryland cuts tolls on Bay Bridge, ICC, and other roadways," *Washington Post*, May 7, 2015, https://www.washingtonpost.com/local/trafficandcommuting/hogan-slashes-tolls-in-maryland/2015/05/07/096cd64e-f4d0-11e4-bcc4-e8141e5eb0c9_story.html.

million since their implementation, one factor that has resulted in the state's transportation system budget deficit.⁴

Funding needs are only growing including Maryland's substantial operating commitment to two urban transit systems, the capital backlog across multiple modes, and the desire to embark on significant projects such as the Baltimore Red Line, MARC rail improvements, the Frederick Douglass Tunnel, roadway improvements and so on.

The legislature has looked to the General Fund in recent years to offset increasing transportation expenditures and declining revenues. In 2020, the legislature allocated \$40 million from the General Fund to the Howard Street Tunnel Project.⁵ In 2022, the legislature increased the portion of corporate income tax revenue that must be distributed to the Gasoline and Motor Vehicle Revenue Account⁶ and allocated part of the revenue from the State Lottery Fund to the Department of Transportation for bus rapid transit system grants.⁷ State support for the Washington Metropolitan Area Transit Authority (WMATA) has also come from General Funds and bond premiums.⁸ In 2023, \$100 million from the General Fund was allocated to fund certain transportation priorities.⁹ Further reallocations from the General Fund are not a long-term or sustainable solution as they require a parallel decrease in other General Fund expenditures.

As a motor fuel tax increase and further General Fund reallocations are not viable options for a sustainable revenue stream that can meet Maryland's transportation investment needs, other revenue sources and financing mechanisms will have to be leveraged.

How will the new rates be set?

The new toll rates will be set at the near optimal rate. Optimal tolling is the toll rate that maximizes revenue, determined based on an evaluation of the availability and capacity of alternative routes, the type of drivers that make up the individual facility's traffic, and their ability and willingness to pay. As the composition of traffic, and thus revenue

⁴ Hannah Gaskill and Lia Russell, "After a decade of no increases, Maryland may need to raise toll prices," *The Baltimore Sun*, September 20, 2023, <https://www.baltimoresun.com/2023/09/20/after-a-decade-of-no-increases-maryland-may-need-to-raise-toll-prices/>.

⁵ Maryland Department of Legislative Services, *Fiscal Briefing*, by Hiram L. Burch, et al., Annapolis, MD: Maryland General Assembly (2020), 30, <https://mgaleg.maryland.gov/Pubs/BudgetFiscal/2020rs-operating-budget-fiscal-briefing.pdf>.

⁶ Maryland General Assembly, *Transportation – Highway User Revenues – Revenue and Distribution*, CH 240, 2022 Regular Session, https://mgaleg.maryland.gov/2022RS/Chapters_noln/CH_240_hb1187e.pdf.

⁷ Maryland General Assembly, *Economic Development – Sports Entertainment Facilities and Events, Prince George's County Blue Line Corridor Facilities, and Racing Facilities*, CH 61, 2022 Regular Session, https://mgaleg.maryland.gov/2022RS/Chapters_noln/CH_61_hb0897t.pdf.

⁸ Maryland Department of Legislative Services, *J00A104 – Maryland Department of Transportation – Washington Metropolitan Area Transit Authority Operating Budget Analysis*, Annapolis, MD: Maryland General Assembly (2023), 15, <https://mgaleg.maryland.gov/Pubs/BudgetFiscal/2024fy-budget-docs-operating-J00A0104-MDOT-WMATA---Operating-Budget.pdf>.

⁹ Maryland General Assembly, *Budget Bill (Fiscal Year 2024)*, CH 101, 2023 Regular Session, https://mgaleg.maryland.gov/2023RS/Chapters_noln/CH_101_hb0200e.pdf.

optimization calculation, varies, the MdTA must consider imposing differing rates for weekends, holiday travel, seasons, and times of the day.

Do other states use toll revenue to fund transportation projects outside of the toll authority's jurisdiction?

Yes, many states in the surrounding region use toll revenue to fund their broader transportation network. Since 2007, Pennsylvania has used nearly \$8 billion in revenue generated by the Pennsylvania Turnpike Commission (PTC) to fund statewide transportation projects. As of 2022, \$50 million is dedicated annually to public transit projects.¹⁰ The New York Metropolitan Transit Authority (MTA) uses surplus toll revenues from MTA Bridges and Tunnels (B&T) to support MTA's public transit needs.¹¹ In 2019, B&T toll revenues provided \$1.14 billion to MTA transit.¹² In 2019, the New York state legislature passed a congestion pricing plan for New York City tolls into Manhattan, which will go into effect later this year. Tolls will vary depending on demand and will be charged on vehicles entering Manhattan's central business district, south of 60th Street, with discounts for low-income drivers.¹³ It is expected to raise \$1 billion annually¹⁴, 80% of which will go to subway and bus improvements and 20% to commuter rail¹⁵.

New Jersey is using tolls to finance its portion of the Gateway Tunnel project, a series of rail projects between Newark, New Jersey, and Penn Station.¹⁶ The New Jersey Turnpike Authority, which collects tolls on the New Jersey Turnpike and the Garden State Parkway, will make an annual \$81 million payment on loans to fund the state's portion.¹⁷ The New Jersey portion of the project, estimated at \$2.3 billion, was originally going to be funded by fare increases for transit riders.

Virginia has a system of allocating toll revenue to support transit through the Northern Virginia Transportation Commission (NVTC). The NVTC is an independent government agency that serves Loudon, Fairfax, and Arlington counties, as well as the cities of

¹⁰ "Act 44 Plan," Pennsylvania Turnpike Commission, <https://www.paturndpike.com/about-us/investor-relations/act-44-plan>.

¹¹ "2022 New York Laws :: PBA - Public Authorities :: Article 5 - Public Utility Authorities :: Title 9 - New York City Transit Authority :: 1219-A - Transfer and Receipt of Surplus Funds.," Justia Law, <https://law.justia.com/codes/new-york/2022/pba/article-5/title-9/1219-a/>.

¹² "MTA Bridges and Tunnels," Metropolitan Transit Authority, accessed February 12, 2024, <https://new.mta.info/agency/bridges-and-tunnels>.

¹³ "Central Business District Tolling Program," Metropolitan Transit Authority (MTA), accessed February 12, 2024, <https://new.mta.info/project/CBDTP>.

¹⁴ Michelle Kaske, "NYC's Controversial \$15 Congestion Tax Wins Initial Approval," Bloomberg, December 6, 2023, <https://www.bloomberg.com/news/articles/2023-12-06/nyc-s-congestion-pricing-tolling-structure-gets-initial-approval>.

¹⁵ "Why New York City Needs Central Business District Tolling," Metropolitan Transit Authority (MTA), accessed February 12, 2024, <https://new.mta.info/project/CBDTP/why-NYC-needs-central-business-district-tolling>.

¹⁶ "The Gateway Program," Amtrak, accessed February 12, 2024, <https://www.amtrak.com/gateway-program>.

¹⁷ Larry Higgs, "N.J. Turnpike negotiates paying \$81M a year for new rail tunnel loan," January 19, 2022, <https://www.nj.com/news/2022/01/nj-turnpike-negotiates-paying-81m-a-year-for-new-rail-tunnel-loan.html>.

Alexandria, Falls Church, and Fairfax.¹⁸ The Commission administers the Commuter Choice program which uses toll revenues from the I-66 and I-395/95 express toll lanes to fund transit projects that benefit users of the toll road.¹⁹ Local jurisdictions apply for funds from the Commuter Choice program and the NVTC evaluates and chooses projects based on merit and the region's transportation priorities.²⁰ Since its establishment in 2017, the Commuter Choice program has allocated more than \$100 million to almost 60 transit projects.²¹ These projects have included expanded bus service in Fairfax and Loudon counties, bicycle access, and more.²²

Do other states vary toll rates based on demand?

Yes, many states vary toll rates based on peak hours and weekdays versus weekends. A smaller number of toll roads vary rates based on the time of year. In addition to the Chesapeake Bay Bridge-Tunnel, the Chesapeake Expressway in Virginia²³ and Lake of the Ozarks Community Bridge in Missouri²⁴ increases rates over the summer months.

Toll raises will have a significant impact on many people in the state. How does the bill account for the impact on Marylanders?

The MdTA is currently statutorily required to provide information on proposed commuter discounts when setting or revising toll rates. This legislation additionally requires that the MdTA consider discounted rates for seniors, low-income individuals, Maryland E-ZPass holders, and those who live in the surrounding area of the MdTA facility.

What will the revenue be used for?

The primary use of the toll revenue will be used to maintain and operate toll facilities as well as pay off construction bonds. Any surplus revenue above what is needed by MdTA will be allocated to an account within the Transportation Trust Fund. This revenue will be used to improve the transportation network around MdTA facilities, including construction or maintenance of state highways that feed traffic directly to these facilities and construction or maintenance of state highway or transit projects that serve as

¹⁸ "Commuter Choice," Northern Virginia Transportation Commission, <https://novatransit.org/programs/commuterchoice/>.

¹⁹ Ibid

²⁰ Ibid

²¹ Mischa Wanek-Libman, "VRE approved for \$20 million in funding through I-395/95 Commuter Choice program," *Mass Transit Magazine*, June 5, 2023, <https://www.masstransitmag.com/rail/infrastructure/article/53062421/vre-approved-for-20-million-in-funding-through-1-395-95-commuter-choice-program>.

²² Stephen Repetski, "With Less Toll Money, Northern Virginia Looks to Fund a Pared-Back Transit Project List," *Greater Greater Washington*, September 4, 2020, <https://ggwash.org/view/78925/with-less-toll-money-northern-virginia-looks-to-fund-pared-back-transit-project-list>.

²³ "Chesapeake Expressway," City of Chesapeake, accessed February 12, 2024, <https://cityofchesapeake.net/2982/Chesapeake-Expressway>.

²⁴ "Welcome", Lake of the Ozarks Community Bridge, accessed February 12, 2024, <http://lakeoftheozarkscommunitybridge.com/>.

alternate routes. Because MdTA and the Maryland Department of Transportation bond off of their revenue, the value of these funds will ultimately be greater than the dollar amount raised.

HB1070Korman_Tolls_Testimony.pdf

Uploaded by: Marc Korman

Position: FAV

MARC KORMAN
Legislative District 16
Montgomery County

Chair
Environment and Transportation
Committee

Rules and Executive
Nominations Committee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

The Maryland Toll Rate Reform Act of 2024 (HB1070)
Testimony of Delegate Marc Korman – Favorable

Thank you, Madam Chair, Environment and Transportation Committee colleagues, and Appropriations Committee guests. I come before the committee today to discuss HB 1070, the Maryland Toll Rate Reform Act of 2024. During the interim, I served on the Transportation Revenue and Infrastructure Needs (TRAIN) Commission, which was tasked with evaluating and making recommendations on sustainable, long-term transportation funding options. In its interim report published in January, the TRAIN Commission identified tolls as one possible source of funding. The Commission recommended that the General Assembly consider requiring the Maryland Transportation Authority (MdTA) to adjust toll rates, including on out-of-state E-Z Passes, to maximize toll revenues to generate new revenue to support projects throughout Maryland's broader transportation system. This legislation seeks to implement that recommendation. It requires MdTA to maximize revenues at the near optimal rate by examining the availability and capacity of alternative routes, the type of drivers that make up the individual facility's traffic, and their ability and willingness to pay. It requires MdTA to consider varying toll rates based on the time of day, day of the week, and season.

I recognize that toll increases will have a significant impact on many people in the state. Currently, MdTA is statutorily required to propose commuter discounts when making changes to toll rates. This bill goes beyond that, requiring MdTA to additionally consider discounts for seniors, low-income residents, Maryland E-ZPass holders, and state residents who live in the vicinity of the transportation facility. But we need to be honest that there are few good options when it comes to raising the significant revenue necessary to maintain our current transportation network and build the future infrastructure we want. Like all of you, I am concerned about the state of our transportation system and the budget projections that we have seen. The Department of Transportation's draft budget plan last year had an over \$2 billion funding gap. As introduced in January, significant cuts and fee increases have been put in place. Although some of the most severe budget reductions have been avoided for a year with one-time General Fund support of \$150 million, those cuts such as reducing our Highway User Revenue commitments and not meeting the Maryland Transit Administration's state of good repair requirements will return next year. Frankly, the cuts that the Department of Transportation will have to make in future years without changes to their revenue forecast would be devastating for all of our constituents. Maryland urgently requires new, sustainable sources of revenue to ensure that we can meet our state's transportation needs.

The revenue that MdTA generates from tolls is used to maintain and operate their facilities as well as pay off construction bonds. Under this legislation, any revenue generated above what is necessary to comply with their statutory requirements will be allocated to a fund within the

Transportation Trust Fund. The Department of Transportation will then be able to use the revenue to improve the transportation network around MdTA facilities, including construction or maintenance of state highways that feed traffic directly to these facilities and construction or maintenance of state highway or transit projects that serve as alternate routes. Several other states use toll facility revenue for other purposes in this fashion, including Virginia, Pennsylvania, and New York. Virginia's Commuter Choice program, for example, has allocated more than \$100 million to transit projects in the region since its establishment in 2017, funded entirely by toll revenues from express toll lanes. In Pennsylvania, \$50 million is dedicated annually from the Pennsylvania Turnpike Commission to public transit projects.

That said, the primary use of the tolls will be for toll facilities. Nine years ago, ignoring warnings about the financial consequences of his decision, Governor Hogan chose to cut tolls. Senate President Mike Miller declared at the time that Governor Hogan was "mortgaging the future" and "pushing off the costs to future generations of governors and legislators." Now, facing aging infrastructure, significant operating costs, and a growing transportation funding deficit, we have reached the day when we must contend with the results of this choice: more than \$500 million that did not go into maintaining our transportation system and that can never be recovered. So, I am here to tell you that, regardless of this bill, tolls will go up. I just want to see that happen in a way that maximizes our ability to invest in transportation. I urge a favorable report on HB 1070, the Maryland Toll Rate Reform Act of 2024.

HB 1070_MTBMA_FAV.pdf

Uploaded by: Michael Sakata

Position: FAV



March 1, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

RE: HB 1070 – FAVORABLE – Maryland Transportation Authority – Tolls – Collection and Use (Maryland Toll Rate Reform Act of 2024)

Dear Chair Korman and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 1070 would establish the Transportation Facilities Overage Account in the Transportation Trust Fund (“TTF”), which will be used for the construction and maintenance of state highways that feed vehicular traffic to a MDTA transportation facility and state highway or transit construction or maintenance projects that relieve traffic congestion at MDTA transportation facilities. MDTA will be required to fix, revise, charge, and collect fees, tolls, and other charges at the near optimal toll rate which will go into this new account.

MTBMA greatly appreciates the sponsor introducing this legislation which is aimed at increasing toll revenue to support the construction and maintenance of toll roads, with a focus of relieving traffic congestion at those sites. This bill is based on one of the interim recommendations of the Maryland Commission on Transportation Revenue and Infrastructure Needs. As one of its Commissioners, we spent months during the interim reviewing possible avenues for additional funding sources for the State’s TTF. One of our recommendations was that MDTA adjust toll rates to maximize toll revenues to generate new revenue to support transportation projects. The MDTA is a nonbudgeted State agency and all toll revenues are deposited in the Transportation Authority Fund, which is wholly separate from the TTF. This bill will reform the toll collection system in Maryland to assist with much needed projects.

We do however have one recommended change to the legislation—changing the word “shall” to “may” throughout the bill to avoid unintended consequences on credit scores and funding capabilities for future projects. This simple change will provide necessary flexibility without compromising the goals for MDTA. To ensure that the bill’s expanded authority, specifically in the construction and maintenance of state highways, doesn’t conflict with existing agreements, this will clearly define and limit its scope. We

believe these modifications will make the bill more acceptable to stakeholders and the public, thus safeguarding our existing partnerships.

We appreciate you taking the time to consider our request for a **FAVORABLE** report on HB 1070.

Thank you,

A handwritten signature in black ink, appearing to read 'MS', with a long horizontal flourish extending to the right.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

HB 1070 Maryland Toll Rate Reform Act of 2024 - GW

Uploaded by: Talya Kravitz

Position: FAV

February 28, 2024

The Honorable Marc Korman
Chair, Environment and Transportation Committee
Maryland House of Delegates

Re: Support for House Bill 1070 – Maryland Toll Rate Reform Act of 2024

Dear Chair Korman and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for **HB 1070**, which would require the Maryland Transportation Authority (MDTA) to maximize toll revenues to generate funding for both the operation and maintenance of its tolled facilities and projects in Maryland's broader transportation system.

The Partnership is a first-of-its-kind nonprofit alliance of the region's leading employers in Maryland, Virginia, and Washington, DC. In 2018, the Partnership released the [Blueprint for Regional Mobility](#), an action-oriented strategy to transform our region's transportation system into an asset that ensures our global competitiveness, expands access to opportunity, and removes barriers to mobility from Baltimore to Richmond. More recently, we have partnered with the Greater Baltimore Committee to advance a vision for [Baltimore's Transit Future](#). Both initiatives call for adequate and sustainable funding for a transportation system that can create shared prosperity and catalyze economic growth.

Maryland is facing a significant transportation funding deficit, estimated at more than \$2 billion over the next six years. While the Governor's proposed budget minimizes the impact for FY25, the cuts that the Department of Transportation will have to make in future years without changes to their revenue forecast would be devastating for the state. Maryland needs new, sustainable transportation revenue sources to ensure that it can meet its transportation needs.

This bill is in alignment with the recommendation of the Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission), which advises the General Assembly to mandate MDTA to optimize toll revenues to generate new revenue to support transportation funding needs in the state. The Partnership supports the TRAIN Commission's efforts to address the state's near- and long-term transportation funding challenges. This bill would enable the state to take a first step toward increasing transportation revenues, paving the way for a transportation system that is equitable and economically competitive.

For these reasons, we urge a **favorable** report on HB 1070. Thank you for your consideration and shared commitment to paving a sustainable path forward for Maryland's transportation funding, as well as making this region the best place to live, work, and build a business.

Contact:

Thomas J. Maloney
Vice President, Policy & External Affairs
tmaloney@greaterwashingtonpartnership.com



HB 1070_MAA_FAV.pdf

Uploaded by: Tim Smith

Position: FAV

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
Tim Smith

March 1, 2024

Delegate Marc Korman, Chair
House Environment and Transportation Committee
251 House Office Building
Annapolis, MD 21401

RE: HB 1070 – FAVORABLE – Maryland Transportation Authority – Tolls – Collection and Use (Maryland Toll Rate Reform Act of 2024)

Dear Chair Korman and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 1070 would establish the Transportation Facilities Overage Account in the Transportation Trust Fund ("TTF"), which will be used for the construction and maintenance of state highways that feed vehicular traffic to a MDTA transportation facility and state highway or transit construction or maintenance projects that relieve traffic congestion at MDTA transportation facilities. MDTA will be required to fix, revise, charge, and collect fees, tolls, and other charges at the near optimal toll rate which will go into this new account.

MAA greatly appreciates the sponsor introducing this legislation which is aimed at increasing toll revenue to support the construction and maintenance of toll roads, with a focus of relieving traffic congestion at those sites. This bill is based on one of the interim recommendations of the Maryland Commission on Transportation Revenue and Infrastructure Needs. The Commission spent months during the interim reviewing possible avenues for additional funding sources for the State's TTF. One of our recommendations was that MDTA adjust toll rates to maximize toll revenues to generate new revenue to support transportation projects. The MDTA is a nonbudgeted State agency and all toll revenues are deposited in the Transportation Authority Fund, which is wholly separate from the TTF. This bill will reform the toll collection system in Maryland to assist with much needed projects.

We do however have one recommended change to the legislation—changing the word "shall" to "may" throughout the bill to avoid unintended consequences on credit scores and funding capabilities for future projects. This simple change will provide necessary flexibility without compromising the goals for MDTA. To ensure that the bill's expanded authority, specifically in the construction and maintenance of

CHAIRMAN:
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MARYLAND ASPHALT ASSOCIATION



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Curtis Hall
PRESIDENT:
Tim Smith

state highways, doesn't conflict with existing agreements, this will clearly define and limit its scope. We believe these modifications will make the bill more acceptable to stakeholders and the public, thus safeguarding our existing partnerships.

We appreciate you taking the time to consider our request for a **FAVORABLE** report on HB 1070.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim Smith. P.E.
President
Maryland Asphalt Association

HB 1070 FWA_CMTA Bikemore.pdf

Uploaded by: Eric Norton

Position: FWA



**Transportation
Alliance**



Bikemore

March 1, 2024

**Testimony on HB 1070 –
Maryland Toll Reform Act of 2024 –
Environment & Transportation Committee**

Position: Favorable With Amendments

The Central Maryland Transportation Alliance and Bikemore support the Maryland Toll Reform Act of 2024 with some suggested amendments that we believe strengthen the bill.

Overall, we support the intent of HB 1070 to optimize toll revenue and broaden the use of that revenue for transportation needs outside of the Maryland Transportation Authority.

The careful consideration of toll rates, including the introduction of near optimal toll rates and the incorporation of discounts for specific demographics, reflects a thoughtful and reasonable approach to toll policy in the state.

We suggest three specific amendments in 3-216 (d)(5):

1. In subsection (l), remove “construction and” so that the funds are focused on maintaining our existing infrastructure first.
2. In subsection (l)(1), replace “relieve traffic congestion” with “improve person throughput” or similar language.
3. In subsection (1)(2), replace “general vicinity” with a more specific, accountable geographic boundary, such as “within the jurisdiction in which the toll facility is located”.

We encourage a FAVORABLE WITH AMENDMENTS report for House Bill 1070.

_Economic Action Maryland HB1070 FWA.pdf

Uploaded by: Marceline White

Position: FWA



Testimony to the Environment and Transportation Committee
Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)
HB1070 Position: Favorable

The Honorable Delegate Korman, Chair
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

Chair Korman and Honorable Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

I appreciate the goals of HB1070 and recognize the need to generate revenue for transportation projects near Maryland Transportation Authority (MTA). I also understand that tolls are an effective mechanism to do so.

However, technical glitches in [EZ pass](#) and [toll](#) management and oversight led to more than 80,000 consumers being overcharged by sometimes tens of thousands of dollars. Tolls can be regressive if not appropriately [designed](#) and if discounts are not automatically provided for low-income and vulnerable groups.

For these reasons, we believe that discounts for certain populations are necessary to offset the potential costs to consumers that may be passed on via the tolls.

Therefore we urge the adoption of the amendment below:

4 (II) THE AUTHORITY SHALL ~~CONSIDER~~:
5 1. OFFERING DISCOUNT RATES FOR SENIORS, DAILY
6 COMMUTERS, LOW-INCOME STATE RESIDENTS, MARYLAND E-ZPASS HOLDERS,
7 AND STATE RESIDENTS WHO LIVE IN THE VICINITY OF THE TRANSPORTATION
8 FACILITY; AND
9 2. INSERT [**CONSIDER**] THE DISCOUNT RATES OFFERED IN DETERMINING
10 THE NEAR OPTIMAL TOLL RATE

For these reasons, we support HB1070 favorable with the proposed amendment stated above and to work with the committee to design appropriate discounts for vulnerable populations.

Best,

Marceline White
Executive Director

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Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

HB1070_CSG_FWA

Uploaded by: Stewart Schwartz

Position: FWA

Testimony on HB 1070
Maryland Toll Rate Reform Act of 2024
House Environment and Transportation Committee

Date: February 29, 2024

Position: SUPPORT with Amendments

The Coalition for Smarter Growth (CSG) supports HB1070 with amendments. Our organization advocates for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all.

We support user fees for vehicles on roadways that cover the public costs of maintenance, operations and other impacts. Setting toll rates in line with these costs is appropriate. However, oversight of the revenues is important to ensure they are used in ways that do not worsen transportation outcomes.

CSG asks for the following amendments:

- Prioritize maintenance and state of good repair of toll facilities rather than using them as a source for expanding toll roads and connecting roads outside of MDOT's accountable multimodal project prioritization process. Strike "construction" from 3-216 (d) (5) (I) so instead of allowing use of funds for THE CONSTRUCTION AND MAINTENANCE OF STATE HIGHWAYS THAT FEED VEHICULAR TRAFFIC TO A MARYLAND TRANSPORTATION AUTHORITY TRANSPORTATION FACILITY; it allows use of funds for the MAINTENANCE OF STATE HIGHWAYS THAT FEED VEHICULAR TRAFFIC TO A MdTA FACILITY.
- Prioritize providing access to jobs, services, and goods, rather than moving vehicles as the end goal. Change "relieve traffic congestion" in 3-216 (d) (5) (II) to "increase person throughput and improve cargo movement at a Maryland Transportation Authority Transportation Facility by providing transit, rail, and demand management alternatives."
- We appreciate the bill's approach of using funds in the vicinity of the toll facility and suggest language to make it more specific to benefit the people and communities who bear the brunt of the impact including pollution. Replace "general vicinity" with "Shall be spent on projects that directly benefit people within the jurisdiction in which the toll facility is located."

We ask for a favorable report with suggested amendments for HB1070 by the committee. Thank you.

Stewart Schwartz
Executive Director

HB1070 - Maryland Motor Truck Association - Oppose

Uploaded by: Louis Campion

Position: UNF



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045

Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE: March 1, 2024

BILL NO/TITLE: House Bill 1070: Maryland Transportation Authority - Tolls - Collection and Use (Maryland Toll Rate Reform Act of 2024)

COMMITTEE: Environment & Transportation/Appropriations Committees

POSITION: Oppose

Maryland Motor Truck Association (MMTA) appreciates efforts to raise additional revenue for transportation purposes; however, MMTA opposes House Bill 1070 as we believe it will result in substantial increases in toll rates, the potential loss of discounts for high-volume toll spenders, redistribution of funds currently used for operations and maintenance of heavily utilized trucking corridors, and possible elimination of meaningful future congestion mitigation projects on Transportation Authority roadways.

For many trucking companies, tolling is one of our largest expenses. It should be noted that, when tolls were reduced in 2015, the trucking industry did not experience a toll reduction, except at the Bay Bridge. The toll rates for trucks remained the same at all other facilities across the state. We have also had five toll increases since 2001, coupled with a substantial loss of discounts for our E-ZPass users as discounts were eliminated for trucks with three and four axles, and lowered for five + axle trucks.

While MMTA opposes the use of tolls to pay for maintenance on our existing highway system, the Association recognizes that major projects that add capacity to our transportation network are often not able to be funded by traditional means. We understand that for critical capacity enhancements, tolling is typically the only way to fund new highway construction or offset the cost of adding lanes on the existing system. However, we are concerned that the passage of this legislation will likely force MDTA to greatly increase toll rates to pay for projects that have historically not been tolled and are not part of the Transportation Authority's roadways. This may jeopardize future improvements to the agency's existing structures and prevent future congestion mitigation projects, such as a potential 3rd span of the Chesapeake Bay Bridge.

It is also unclear what would be considered an optimum toll rate. Is the goal to maximize profits or minimize diversion to local roadways, which are often less safe than the major tolled thoroughfares?

Maryland's transportation system is the backbone of its commercial activity, with trucks providing the integral link for the state's rail system, the Thurgood Marshall Baltimore-Washington International Airport, and the Port of Baltimore Seagirt Marine Terminal, which serves as a distribution center of national importance. The Port relies on the motor carrier industry and the independent owner-operator to move the containers, automobiles, and breakbulk products that traverse the Port. If the costs of distribution to or from the Port rise, its attractiveness to shippers will unquestionably fall.

For the reasons noted above, MMTA respectfully opposes this legislation.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association representing the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-4223