

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

House Bill 389
Ways and Means

(Delegate Rudolph, *et al.*)

Finance

Maryland Transportation Authority - All-Electronic Tolling - Study

This bill prohibits the Maryland Transportation Authority (MDTA) from implementing its initial proposal for all-electronic tolling (AET) at the Thomas J. Hatem Bridge before January 1, 2016. The bill also requires MDTA to conduct a study of AET that includes an analysis of (1) AET in other states; (2) electronic toll collection interoperability; (3) alternative payment methods and specified toll rates; (4) issues and factors that must be addressed before AET becomes effective at specified facilities; (5) revisions to MDTA's initial AET proposal; and (6) proposed legislation, if required, relating to the implementation of AET. MDTA must submit the required report to designated legislative committees and local elected officials by January 1, 2016.

The bill takes effect June 1, 2014.

Fiscal Summary

State Effect: No direct fiscal effect on MDTA, which has already planned to delay implementation of AET at the Hatem Bridge. MDTA can conduct the mandated study and submit the required report with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Since 1971, MDTA has been responsible for constructing, managing, operating, and improving the State's toll facilities 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 chairman. MDTA transportation facilities projects include:

- bridges (*e.g.*, Susquehanna River Bridge; Harry W. Nice Memorial Potomac River Bridge; William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge; Baltimore Harbor Tunnel; Fort McHenry Tunnel; Francis Scott Key Bridge; and John F. Kennedy Memorial Highway);
- vehicle parking facilities located in priority funding areas;
- other projects that MDTA authorizes to be acquired or constructed; and
- any authorized additions or improvements to MDTA projects.

Background: With the exception of the InterCounty Connector and planned express toll lanes on Interstate 95 north of Baltimore City, all toll plazas operated by MDTA have electronic tolling administered by EZ-Pass with at least one cash toll lane. However, the Consolidated Transportation Program (CTP) includes plans to transition the Hatem Bridge over the Susquehanna River and the Key Bridge over the Patapsco River to AET by fiscal 2016. Electronic toll collections for both bridges already exceed 80% of all tolls collected, with the Hatem Bridge exceeding 90%. Plans for the Hatem Bridge conversion have been finalized, but construction has not been started. The CTP includes \$2.0 million for construction in fiscal 2015, although MDTA indicates that schedule was already under reconsideration due to public resistance. Plans for the Key Bridge conversion are 60% finalized; no construction funds are yet budgeted in the CTP.

AET is a growing trend in tolling on major toll roads, bridges, and tunnels. According to the National Conference of State Legislatures, 11 states are already using AET for some transportation facilities and toll roads. Regionally, New York, North Carolina, and Pennsylvania use AET for some facilities, and five states nationally are converting additional facilities to AET. Pennsylvania has announced plans to convert the entire Pennsylvania Turnpike to AET by 2018 at the earliest, but already has three interchanges that are cashless. North Carolina uses AET on the Triangle Expressway, and New Jersey is planning to convert the entire New Jersey Turnpike to AET. In Maryland, AET is already in use along the ICC and planned for the I-95 express toll lanes. Drivers who do not have electronic transponders used in AET are typically billed for their use based on photographs taken of their license plates as they pass through tolling sensors.

Additional Information

Prior Introductions: None.

Cross File: SB 730 (Senator Jacobs, *et al.*) - Finance.

Information Source(s): Maryland Department of Transportation, National Conference of State Legislatures, Pennsylvania Turnpike Authority, Florida Turnpike Enterprise, Department of Legislative Services

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