

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
 First Reader

Senate Bill 935
 Finance

(Senator Salling)

Maryland Transportation Authority - Broening Highway/Authority Drive Toll Facility - Bypass

This bill requires the Maryland Transportation Authority (MDTA) to allow a vehicle to bypass the Broening Highway/Authority Drive toll facility if the vehicle enters the outer loop of Interstate 695 from Broening Highway/Authority Drive and does not traverse the Francis Scott Key Bridge. MDTA is expressly authorized to implement this requirement by constructing and maintaining a jersey barrier that separates the traffic bypassing the facility. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: Nonbudgeted expenditures increase by an estimated \$3.5 million in FY 2019 only for MDTA to construct a jersey barrier; ongoing maintenance costs are minimal. Nonbudgeted revenues decrease by an estimated \$291,000 annually beginning in FY 2019 as vehicles that meet the bill’s specifications no longer pay tolls.

(\$ in millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
NonBud Rev.	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)
NonBud Exp.	\$3.5	\$0	\$0	\$0	\$0
Net Effect	(\$3.8)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)

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

Local Effect: The bill does not directly affect local government 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 and for financing new revenue-producing transportation projects. MDTA transportation facilities projects include:

- bridges, tunnels, and toll highways;
- 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.

MDTA has the authority to set tolls on transportation facilities projects under its supervision. Toll revenues 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 advises that the bill addresses a situation that occurs at the Francis Scott Key Bridge. Currently, trucks on the Inner Loop of I-695 that need to access Broening Highway must first pay the Key Bridge toll and collect a toll voucher for the northbound trip. Drivers then take the service road beneath the bridge to the Outer Loop, present the voucher at the toll plaza, and exit onto Broening Highway. These trucks must pay the toll, but never actually cross the bridge. To avoid the toll, some trucks travel the local roads through Dundalk, which increases traffic on those local roads. MDTA has attempted to address this issue by decreasing the toll rate to \$2.00 per axle for 3+ axle vehicles; this change took effect January 1, 2016. The former toll rates were \$8 for 3-axles (now \$6), \$12 for 4-axles (now \$8), \$24 for 5-axles (now \$10), and \$30 for 6-axles (now \$12).

Prior to the change, an MDTA study of the issue revealed that vehicles made the turnaround described above, on average, 139 times each day. This equates to about 50,596 annual trips, resulting in between \$320,000 and \$380,000 in toll revenues annually from these vehicles (at the former toll rates).

State Expenditures: MDTA advises that it plans to construct and maintain a jersey barrier to implement the bill. Therefore, nonbudgeted expenditures increase by \$3.5 million in fiscal 2019 only; ongoing maintenance costs are expected to be minimal. This estimate assumes that MDTA must (1) remove a toll booth to accommodate the jersey barrier and

(2) begin the barrier south of the toll plaza so that it does not prevent vehicles on Broening Highway from entering Interstate 695 South.

State Revenues: MDTA nonbudgeted revenues decrease by an estimated \$291,000 annually beginning in fiscal 2019 due to the elimination of toll revenues from affected vehicles. This estimate is based on information provided by MDTA regarding the total annual revenues it anticipates from affected vehicles under the revised toll schedule discussed above.

MDTA advises that it is likely unable to implement the bill's requirements by the July 1, 2018 effective date. To the extent MDTA is unable to do so, the revenue loss may be less in fiscal 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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