

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 480 (Delegate Grammer)
 Environment and Transportation

Transportation - Francis Scott Key Bridge - Shoppers Discount Plan

This bill requires the Maryland Transportation Authority (MDTA) to offer a shoppers toll discount plan that allows, on Sundays through Thursdays, 20 crossings of the Francis Scott Key Bridge within a period of 90 days for a fee of \$20, subject to mandatory renewal for one year.

Fiscal Summary

State Effect: *Under one set of assumptions*, nonbudgeted revenues to MDTA decrease by approximately \$4.9 million in FY 2021 and by approximately \$6.5 million annually thereafter. MDTA nonbudgeted expenditures increase by \$100,000 in FY 2021 only for one-time programming costs.

(\$ in millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
NonBud Rev.	(\$4.9)	(\$6.5)	(\$6.5)	(\$6.5)	(\$6.5)
NonBud Exp.	\$0.1	\$0	\$0	\$0	\$0
Net Effect	(\$5.0)	(\$6.5)	(\$6.5)	(\$6.5)	(\$6.5)

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

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Potential meaningful.

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 Francis Scott Key Bridge) 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.

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. Toll revenues are deposited into the Transportation Authority Fund, which is wholly separate from the Transportation Trust Fund.

Background: MDTA generally has four different levels of toll rates charged at its various toll plazas for two-axle vehicles. There is a cash rate, a video rate, an E-ZPass rate, and a commuter plan rate (which allows users to prepurchase a limited number of tolls at a discounted rate). The toll rates for a two-axle vehicle at the [Francis Scott Key Bridge](#) (as well as the Harbor Tunnel and Fort McHenry Tunnel) are as follows:

- \$3.00 for E-ZPass;
- \$4.00 for nonE-ZPass (generally cash);
- \$6.00 for video; and
- \$1.40 per trip for the commuter plan (\$70 for 50 trips that must be used within 45 days).

All of MDTA's toll facilities generally use a similar toll structure (although the toll amount may vary); however, MDTA also offers E-ZPass users unlimited trips across the Thomas J. Hatem Memorial Bridge for \$20 per year.

State Revenues: The bill decreases toll revenues for MDTA in two ways: (1) existing Francis Scott Key Bridge commuters and other Key Bridge users purchase the bill's shoppers discount plan; and (2) some users of the Baltimore Harbor and Fort McHenry tunnels begin to use the Francis Scott Key Bridge with the annual unlimited use plan instead of the tunnels. The actual loss in toll revenues depends on the total number of drivers who choose to purchase the annual unlimited use plan, which cannot be reliably estimated.

Due to the potential cost savings to drivers, it is expected that many existing bridge and tunnel commuters will choose to purchase the shoppers discount plan; the discount plan allows drivers to cross the bridge at a cost of \$1.00 per crossing. *Under one set of assumptions*, nonbudgeted revenues for MDTA decrease by approximately \$4.9 million in fiscal 2021 (due to the bill's October 1, 2020 effective date) and by approximately \$6.3 million annually thereafter. This estimate assumes that:

- only two-axle vehicles are eligible to purchase the discount plan;
- that no cash and video toll customers choose to purchase the discount plan;
- 21% of Key Bridge E-ZPass customers, 10% of Key Bridge commuter plan customers, and 60% of eligible Harbor Tunnel and Fort McHenry Tunnel users purchase and use the shoppers toll discount plan; and
- this assumes that an annual average of approximately 2.9 million base rate transactions (at a cost of \$3.00) and approximately 1.5 million commuter rate transactions (at a cost of \$1.40) become shoppers toll discount transactions (at a cost of \$1.00) instead.

State Expenditures: In order to implement the bill's discount plan, changes need to be made to MDTA's third-generation electronic tolling system, which is currently under development. Accordingly, nonbudgeted expenditures increase by \$100,000 in fiscal 2021 only for re-programming expenses.

Small Business Effect: Small businesses benefit to the extent that they regularly use the Francis Scott Key Bridge and choose to purchase the shoppers discount plan established by the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

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