

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 513 (Delegate Metzgar, *et al.*)
 Environment and Transportation

Transportation - Toll Discount Plans - Francis Scott Key Bridge

This bill establishes the following toll discount plan options for the Francis Scott Key Bridge: (1) for a passenger car, \$250 for a period of 90 days; (2) for a truck with two axles, \$350 for a period of 90 days; (3) for a truck with three axles, \$500 for a period of 90 days; and (4) a \$20 annual fee for a commuter residing in specified zip codes near the bridge in Anne Arundel and Baltimore counties and Baltimore City.

Fiscal Summary

State Effect: Nonbudgeted revenues for the Maryland Transportation Authority (MDTA) decrease, potentially significantly, to the extent that drivers purchase and utilize the various toll discount plans established by the bill. The total revenue decrease is likely to total millions of dollars annually. MDTA nonbudgeted expenditures increase by *at least* \$100,000 in FY 2021 only for one-time programming costs.

| (in dollars) | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------|-----------|---------|---------|---------|---------|
| NonBud Rev. | (-) | (-) | (-) | (-) | (-) |
| NonBud Exp. | \$100,000 | \$0 | \$0 | \$0 | \$0 |
| Net Effect | (-) | (-) | (-) | (-) | (-) |

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 the 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 for the commuter plan (which is \$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 various discount plans; and (2) some users of the Baltimore Harbor and Fort McHenry tunnels begin to use the Francis Scott Key Bridge with the discount plans instead of the tunnels. The actual loss in toll revenues depends on the total number of drivers who choose to purchase the various discount plans, which cannot be reliably estimated.

Due to the potential cost savings to drivers, particularly the \$20 annual fee for drivers who reside in specified zip codes, the total revenue loss is likely to total millions of dollars annually; a preliminary estimate prepared by MDTA estimates a loss of more than \$10 million annually.

State Expenditures: In order to implement the bill's toll discount plan options, MDTA likely needs to have the contractor currently developing and implementing MDTA's third-generation electronic tolling system make programming changes. Since multiple discount plans have to be developed, coded, and tested under the bill, the total cost to implement the discount plans is likely to exceed the \$100,000. Therefore, nonbudgeted expenditures for MDTA increase by *at least* \$100,000 in fiscal 2021 only for reprogramming costs.

Small Business Effect: Small businesses benefit to the extent that they regularly use the Francis Scott Key Bridge and choose to purchase one of discount plans 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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