

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 442 (Senator Smith, *et al.*)
Budget and Taxation

**Toll Roads, Highways, and Bridges - County Government Consent Requirement
- Expansion**

This bill expands the requirement that a State agency receive express consent of a majority of the affected Eastern Shore county governments before it constructs a toll road, toll highway, or toll bridge in those counties. Under the bill, this requirement is expanded to apply to *all counties* in the State (including Baltimore City) if they are affected by any such toll road, toll highway, or toll bridge.

Fiscal Summary

State Effect: To the extent the bill results in a delay or cancellation of transportation projects that otherwise would occur, State operations and finances may be significantly affected.

Local Effect: County governments can approve any toll facility in the manner required by the bill using existing resources. Revenues are not directly affected.

Small Business Effect: Minimal or no direct effect. However, to the extent the bill results in a delay or cancellation of transportation projects that otherwise would occur, small business contractors may be significantly affected.

Analysis

Bill Summary: A State agency, including the Maryland Transportation Authority (MDTA), may not construct any toll road, toll highway, or toll bridge without the express consent of a majority of the governments of the affected counties (including Baltimore City).

Current Law/Background:

Toll Highways in the State

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 has the authority to set tolls on transportation facilities projects under its supervision. MDTA's transportation facilities projects primarily include bridges, tunnels, and toll highways, such as the Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, and the John F. Kennedy Memorial Highway. There are currently two transportation projects in the planning stage that involve tolls: the third span across the Chesapeake Bay Bridge and the Governor's Traffic Relief Plan.

A State agency, including MDTA, must get the approval of the majority of affected governments to construct a toll road, toll highway, or toll bridge in Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties.

Third Span Across the Chesapeake Bay Bridge

The Chesapeake Bay Bridge is the only toll bridge in Maryland that currently crosses the Chesapeake Bay. The bridge connects Maryland's Eastern Shore recreational regions with the metropolitan areas of Baltimore, Annapolis, and the District of Columbia. The original two-lane bridge was constructed in 1952, and the second three-lane bridge was constructed in 1973. MDTA, which maintains and operates the bridge, estimates that about 25.6 million vehicles crossed the bridge in fiscal 2014. Traffic congestion on the bridge can be severe.

The 2015 [Bay Bridge Life Cycle Cost Analysis](#) estimates that, by 2040, average traffic on the bridge will increase by at least 31.3% (to 92,800 vehicles per day). Furthermore, on summer Fridays (one of the heaviest traffic days for the bridge), traffic volume is estimated to increase by at least 36.6% by 2040 (to 94,300 vehicles).

The analysis also researched and developed alternatives designed to improve the Bay Bridge and its approaching roadways. The analysis includes a cost estimate of \$3.25 billion to simply repair and maintain the bridge in its existing form through 2065, as well as a range of alternatives that involve building a third bridge across the bay, demolishing one or both existing bridges to rebuild with additional travel lanes, and widening the U.S. 50/301 main line by one lane. Costs for the alternatives are estimated through 2060 and range from \$7.80 billion (which simply widens and rehabilitates the existing eastbound bridge to three lanes) to \$25.34 billion (which demolishes both existing structures to rebuild a new, single, eight-lane bridge).

Third Crossing of the Chesapeake Bay – National Environmental Policy Act Process

MDTA is currently undertaking a Tier 1 National Environmental Policy Act (NEPA) study for a third crossing of the Chesapeake Bay. One of the issues being explored is the best location for such a bridge.

For major transportation projects, NEPA requires a range of alternatives to be considered and the environmental impacts of each alternative to be analyzed. This type of study is required prior to the commitment of federal funds by the Federal Highway Administration to any major project or prior to any action taken by a federal agency that might cause a significant impact on the environment. Some of the basic steps in this process include a public scoping process, data collection, analysis of policy alternatives, and preparation of draft and final documents. The process involves numerous federal, state, and local partners; can take several years; and costs millions of dollars.

Traffic Relief Plan

In September 2017, the Governor announced plans to add four new lanes to I-270 in Montgomery County, the Capital Beltway (I-495), and the Baltimore-Washington Parkway (MD 295), with the first two projects expected to be completed using public-private partnerships (P3s). The combined cost of all three projects is estimated to be \$9 billion, with the I-270 and I-495 projects seeking private developers to design, build, finance, operate, and maintain the new (toll) lanes on both roads. The MD 295 project is not expected to involve a P3 but instead would be carried out by MDTA following the transfer of ownership of the parkway from the U.S. Department of the Interior to the State.

The *Consolidated Transportation Program* for fiscal 2019 through 2024 includes \$129.5 million to continue planning for the new lanes on I-270 and I-495. The Maryland Department of Transportation (MDOT) advises that one of the goals of the I-270 and I-495 project is that there will be no net cost to the State. To that end, MDOT advises that, in time, it will be repaid for these and other project development costs by the P3 partners.

State Fiscal Effect: The bill has the potential to affect both the State's current plan to create a third span across the Chesapeake Bay and the Governor's Traffic Relief Plan; both projects are likely to affect counties that, under the bill, must approve of any toll road, toll highway, or toll bridge. In addition to projects already under consideration, the bill could also affect toll facility projects proposed in the State in future years.

Any potential impact on the State cannot be reliably estimated at this time because it depends on numerous unknown factors, including (1) how and where toll roads/highways/bridges would be established in the absence of the bill and (2) whether the affected counties authorize any such toll facility under the bill's provisions.

For example, if, under the bill, the affected counties authorize a proposed toll facility, the bill has no direct effect on State finances; however, to the extent that the additional authorization needed causes a delay in project development, total project costs could increase. On the other hand, if any affected counties do not authorize a proposed toll facility, the State's plans may need to be modified or abandoned, which could have significant fiscal effects.

In addition, MDOT advises that the bill's changes could add risk to private partners participating in P3s in Maryland.

Small Business Effect: Although the bill's requirements have minimal or no direct effect on small businesses, to the extent any proposed transportation projects are delayed or cancelled as a result of the bill, any small business contractors involved in the construction of such projects may be meaningfully affected.

Additional Information

Prior Introductions: None.

Cross File: HB 102 (Delegate Lierman, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Charles and Frederick counties; Maryland Association of Counties; Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2019
md/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510