

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
Preliminary

MC 8-19

(Montgomery County Delegation)

Montgomery County - State Highways - Toll Facilities MC 8-19

This proposed bill prohibits a State agency, including the Maryland Transportation Authority (MDTA), from acquiring or constructing any toll road, toll highway, or toll bridge in Montgomery County unless the county authorizes the acquisition or construction by local law. **The bill takes effect June 1, 2019.**

Fiscal Summary

State Effect: State operations and finances may be affected, as discussed below.

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

Small Business Effect: Minimal direct effect.

Analysis

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.

A State agency, including MDTA, must have 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. The bill establishes a similar requirement *solely* for Montgomery County.

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 partnership (P3s). The combined cost of all three projects, which are part of the State's Traffic Relief Plan, 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 lanes on both roads, which are going to be toll lanes. 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 draft *Consolidated Transportation Program* for fiscal 2019 through 2024 includes \$129,460 to begin 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's prohibition against the acquisition or construction of any toll facility in Montgomery County without county authorization may directly affect the Governor's Traffic Relief Plan for I-270 and I-495 and could affect future toll facility projects proposed in the county 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 are ultimately established in the county under current law (which has not yet been determined under the Traffic Relief Plan) and (2) whether Montgomery County authorizes any such toll facility.

For example, if, under the bill, Montgomery County authorizes a toll facility that is proposed by the State, 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. Conversely, if Montgomery County does not explicitly authorize a toll facility to be established in the county, the State's plan, as currently proposed, may need to be modified or abandoned, which could have significant fiscal effects.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Montgomery County,
Department of Legislative Services

Fiscal Note History:

mag/lgc

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