

SENATE BILL 1093

R2

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CF HB 1070

By: **Senator Guzzone**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transportation Authority – Tolls – Collection and Use**
3 **(Maryland Toll Rate Reform Act of 2024)**

4 FOR the purpose of establishing the Transportation Facilities Overage Account in the
5 Transportation Trust Fund; requiring the Maryland Transportation Authority to fix,
6 revise, charge, and collect fees, tolls, and other charges for the use of transportation
7 facilities under its jurisdiction to maximize revenues above certain amounts and to
8 distribute the additional revenues to the Transportation Facilities Overage Account
9 for certain purposes; establishing certain standards under which the Authority is
10 required to set certain toll rates; and generally relating to the collection and use of
11 revenue by the Maryland Transportation Authority.

12 BY repealing and reenacting, without amendments,
13 Article – Transportation
14 Section 3–215(a), 3–216(a), and 4–312(a)(2) and (b)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Transportation
19 Section 3–215(b), 3–216(c)(2)(i), and 4–312(c)
20 Annotated Code of Maryland
21 (2020 Replacement Volume and 2023 Supplement)

22 BY adding to
23 Article – Transportation
24 Section 3–216(d)(5) and 4–312(b–1)
25 Annotated Code of Maryland
26 (2020 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Transportation

3–215.

(a) (1) For the purpose of paying the principal of and interest on consolidated transportation bonds as they become due and payable, there is hereby levied and imposed an annual tax that consists of the taxes specified in this section and, to the extent necessary and except as otherwise provided in this subsection, that shall be used and applied exclusively for that purpose.

(2) The required use and application of the tax under paragraph (1) of this subsection is subject only to the prior use and application of one or all or any combination of the taxes specified in this section to meet the debt service on all of the following bonds while they are outstanding and unpaid and to the payment of which any part of those taxes has been pledged:

(i) Bonds of prior issues; and

(ii) Bonds of any series of county transportation bonds issued under Subtitle 3 of this title.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(1) The motor fuel tax revenue distributed under §§ 2–1103(2), 2–1103(3), and 2–1104(a)(3) of the Tax – General Article;

(2) The motor fuel tax revenue attributable to the sales and use tax equivalent rate imposed under § 9–306 of the Tax – General Article and distributed under § 2–1103(4) of the Tax – General Article;

(3) The income tax revenue distributed under § 2–614 of the Tax – General Article;

(4) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of this article; [and]

(5) The sales and use tax revenues distributed under § 2–1302.1 of the Tax – General Article; AND

(6) THE TRANSPORTATION FACILITIES OVERAGE ACCOUNT REVENUES ALLOCATED UNDER § 3–216(D)(5) OF THIS SUBTITLE.

1 3-216.

2 (a) There is a Transportation Trust Fund for the Department.

3 (c) (2) (i) The Gasoline and Motor Vehicle Revenue Account, the Driver
4 Education Account, [and] the Motorcycle Safety Program Account, **AND THE**
5 **TRANSPORTATION FACILITIES OVERAGE ACCOUNT** shall be maintained in the
6 Transportation Trust Fund.

7 (d) **(5) THE DEPARTMENT SHALL ALLOCATE THE FUNDS IN THE**
8 **TRANSPORTATION FACILITIES OVERAGE ACCOUNT FOR THE FOLLOWING**
9 **PURPOSES, IN THE MANNER THE DEPARTMENT DETERMINES APPROPRIATE:**

10 (I) **THE CONSTRUCTION AND MAINTENANCE OF STATE**
11 **HIGHWAYS THAT FEED VEHICULAR TRAFFIC TO A MARYLAND TRANSPORTATION**
12 **AUTHORITY TRANSPORTATION FACILITY; AND**

13 (II) **STATE HIGHWAY OR TRANSIT CONSTRUCTION OR**
14 **MAINTENANCE PROJECTS THAT:**

15 1. **RELIEVE TRAFFIC CONGESTION AT A MARYLAND**
16 **TRANSPORTATION AUTHORITY TRANSPORTATION FACILITY BY PROVIDING**
17 **ALTERNATIVE TRANSPORTATION OPTIONS FOR COMMUTERS AND CARGO; AND**

18 2. **ARE LOCATED IN THE GENERAL VICINITY OF A**
19 **MARYLAND TRANSPORTATION AUTHORITY TRANSPORTATION FACILITY.**

20 4-312.

21 (a) (2) As to all or any part of any transportation facilities project, the
22 Authority may:

23 (i) Fix, revise, charge, and collect rentals, rates, fees, tolls, and other
24 charges and revenues for its use or for its services; and

25 (ii) Contract with any person who desires its use for any purpose and
26 fix the terms, conditions, rentals, rates, fees, tolls, or other charges or revenues for this use.

27 (b) The rentals, rates, fees, tolls, and other charges and revenues designated as
28 security for any bonds issued under this subtitle shall be fixed and adjusted from time to
29 time, either with respect to a particular transportation facilities project or in respect of the
30 aggregate of the charges and revenues from other transportation facilities projects under
31 the control of the Authority, as may be specified by law or in any applicable resolution or
32 trust agreement, so as to provide funds that, together with any other available revenues,
33 are sufficient as long as the bonds are outstanding and unpaid to:

(1) Pay the costs of maintaining, repairing, and operating the transportation facilities project or projects financed in whole or in part by one or more series of outstanding and unpaid bonds, to the extent that payment is not otherwise provided;

(2) Pay the principal of and the interest on these bonds as they become due and payable;

(3) Create reasonable reserves that are anticipated will be needed for these purposes; and

(4) Provide funds for paying the cost of replacements, renewals, and improvements.

(B-1) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "NEAR OPTIMAL TOLL RATE" MEANS A TOLL RATE THAT PROVIDES AT LEAST 95% OF THE MAXIMUM REVENUE POSSIBLE BASED ON A TRANSPORTATION FACILITIES PROJECT'S OPTIMAL TOLL RATE.

(III) "OPTIMAL TOLL RATE" MEANS A TOLL RATE FOR A TRANSPORTATION FACILITIES PROJECT THAT MAXIMIZES REVENUE, AS DETERMINED BY THE AUTHORITY.

(2) THERE IS A TRANSPORTATION FACILITIES OVERAGE ACCOUNT IN THE TRANSPORTATION TRUST FUND.

(3) THE AUTHORITY SHALL:

(I) FIX, REVISE, CHARGE, AND COLLECT FEES, TOLLS, AND OTHER CHARGES AT THE NEAR OPTIMAL TOLL RATE; AND

(II) DISTRIBUTE REVENUE COLLECTED ABOVE THE AMOUNTS REQUIRED UNDER SUBSECTION (B) OF THIS SECTION TO THE TRANSPORTATION FACILITIES OVERAGE ACCOUNT IN THE TRANSPORTATION TRUST FUND.

(4) (I) TO DETERMINE THE OPTIMAL TOLL RATE, THE AUTHORITY SHALL CONSIDER:

1. MARKET FORCES, INCLUDING THE TYPES OF TRAFFIC THAT USE A PARTICULAR TRANSPORTATION FACILITY, THE ELASTICITY OF DEMAND, AND THE AVAILABILITY OF ALTERNATE ROUTES; AND

1 **2. ASSESSING VARYING TOLL RATES BASED ON THE**
2 **TIME OF DAY, THE TIME OF YEAR, AND ANY ANTICIPATED WEEKEND AND HOLIDAY**
3 **TRAVEL.**

4 **(II) THE AUTHORITY SHALL CONSIDER:**

5 **1. OFFERING DISCOUNT RATES FOR SENIORS, DAILY**
6 **COMMUTERS, LOW-INCOME STATE RESIDENTS, MARYLAND E-ZPASS HOLDERS,**
7 **AND STATE RESIDENTS WHO LIVE IN THE VICINITY OF THE TRANSPORTATION**
8 **FACILITY; AND**

9 **2. THE DISCOUNT RATES OFFERED IN DETERMINING**
10 **THE NEAR OPTIMAL TOLL RATE.**

11 (c) (1) Except as otherwise provided in this subsection, the rentals, rates, fees,
12 tolls, and other charges and revenues are not subject to supervision or regulation by any
13 instrumentality, agency, or unit of this State or any of its political subdivisions.

14 (2) This subtitle does not permit the exercise of any power or the
15 undertaking of any activity that would conflict with the provisions and limitations of the
16 federal Urban Mass Transportation Act of 1964.

17 (3) Tolls for the use of the bridge carrying the John F. Kennedy Memorial
18 Highway over the Susquehanna River may not be less than the comparable tolls charged
19 for the use of the Susquehanna River Bridge.

20 (4) Prior to fixing or revising tolls on any part of any transportation
21 facilities project, the Authority shall provide, in accordance with § 2-1257 of the State
22 Government Article, to the Senate Budget and Taxation Committee, Senate Finance
23 Committee, House Appropriations Committee, and House Ways and Means Committee
24 information on the proposed toll charges, including:

25 (i) The annual revenues generated by the toll charges;

26 (ii) The proposed use of the revenues; and

27 (iii) The proposed commuter discount rates.

28 **(5) THE DEPARTMENT MAY USE ANY REVENUE DISTRIBUTED TO THE**
29 **TRANSPORTATION FACILITIES OVERAGE ACCOUNT IN THE TRANSPORTATION**
30 **TRUST FUND UNDER SUBSECTION (B-1) OF THIS SECTION AS AUTHORIZED UNDER §**
31 **3-216(D)(5) OF THIS ARTICLE.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2024.