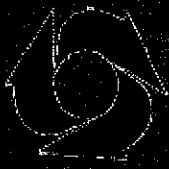


# Maryland Department of



# Transportation

Ways & Means Committee Briefing

January 20, 2015

11:00 a.m.

Secretary James T. Smith, Jr.



# Transportation Infrastructure and

## Investment Act of 2013 (TIIA)

- Overview of additional revenue generated by TIIA


- \$4.4 billion / over six-year period

- \$2.1 B – highways

- \$2.2 B – transit

- See Exhibit 1 – Revenue Generated by TIIA

- See Exhibit 2 – TIIA Projects To Date & Moving Forward



# Use of Additional Revenue to Date and Planned Future Use

- Impact of recent decline in gas prices
  - See Exhibit 3 – *Decline in TIIA Revenue*
- Changes from the Draft CTP to the Final CTP
  - Titling tax down
  - Federal funds
  - See Exhibit 4 – *How we addressed the Decline in TIIA Revenue*



## Scheduled Future Increases in the Gas Tax: Consumer Price Index (CPI) and Sales Tax

- Financial Impacts of Halting Future Increases:
  - Revenue plus Impact to MDOT Bonding Authority
    - Financial Impact without Future Annual CPI Increases
    - Financial Impact without Future Sales Tax Increases to 3%, 4% and 5%
  - Financial Impact without Both CPI and Sales Tax Increases: ~\$3 Billion over 6 years
- See Exhibit 5– *Financial Impacts of Halting Future Increases in the Gas Tax*



# Potential Impacts to Projects

- Impact to Projects without annual CPI Increases
- Impact to Projects without further Sales Tax Increases
- Impact to Projects and MDOT Capital Program without *both* the CPI and Sales Tax Increases
- See Exhibit 6– for illustrative purposes only –  
*Potential Impacts to Projects without Future Scheduled Increases in the Gas Tax*

# Transportation Infrastructure Investment Act of 2013

## Fiscal Impact Analysis

(millions of dollars)

### DLS Fiscal and Policy Note

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Motor Fuel Sales Tax Equivalent	101	157	329	340	350	360	1,637
Motor Fuel Indexing to CPI	15	31	49	68	87	103	353
Sales Tax - Online Sales (or Fuel Sales Tax 4% & 5%)	-	-	96	201	210	218	725
Index MTA Fares	-	14	14	20	20	25	93
General Funds for Watershed Implementation Plan	-	45	65	85	100	100	395
Additional MDOT Bonding Proceeds	275	350	230	125	100	100	1,180
<b>Total</b>	<b>391</b>	<b>597</b>	<b>783</b>	<b>839</b>	<b>867</b>	<b>906</b>	<b>4,383</b>

## SHA 2013 Revenue Increase Projects

Revenue  
Increase Totals

(all figures in thousands of dollars)

**Safety Projects**

BA - I-695 at Leeds Avenue (CO)	51,000
CO/TA - replace MD 331 Dover Bridge (CO)	55,500
HO - I-95 Lawyers Hill Sound Barrier (CO)	8,500
MO - MD 97 Relocated (Brookville) (CO)	34,500
PG - US 1 College Park Phase I (R/W)	14,000
QA - US 301/MD 304 (R/W, CO)	36,500
SM - MD 5 at MD 246 and MD 471 intersection improvements (PE)	5,000
SO - UMES Roundabout (MD 675 from MD 363 to MD 822) (CO)	3,500

**Economic Development Projects**

AA - MD 175 at MD 295 (BRAC Ft. Meade) (R/W)	30,500
HA - BRAC intersection improvements at APG (R/W, CO)	44,000
FR - US 15/Monocacy Blvd. (R/W, CO)	54,000
MO - I-270/Watkins Mill (entire project) (CO)	155,500
PG - MD 210/Kerby Hill Road Intg. (R/W, CO)	102,500
PG - I-495/MD 5 Branch Avenue Phase II (R/W, CO)	46,500
PG - Greenbelt Metro Access (PE)	7,000

**Community Safety and Enhancement Projects**

CA - MD 231 @ MD 765 (R/W, CO)	8,000
CL - MD 30 from CSX Railroad to North Woods Trail (CO)	20,000
FR - MD 144 from New Market Elementary to Bye Alley (CO)	8,000
HA - MD 755 from Willoughby Beach Road to MARC Station (CO)	5,500
PG - MD 5/MD 637 Branch Ave and Naylor Rd Metro Stations (R/W, CO)	10,000
PG - MD 201 from Kenilworth Towers to MD 410 (R/W, CO)	9,500
PG - MD 500 from MD 410 to MD 208 (CO)	9,000

**Capacity/Congestion Relief**

AA - US 50 Severn River Bridge (PP)	2,000
AL - US 220 Tier 2 Planning Study (PP)	5,000
BA - MD 140 at Painter's Mill (RW)	3,600
BA - widen outer loop I-695 US 40 to MD 144 (CO)	105,000
BA - I-695 from MD 41 to MD 147 & Harford Road Interchange(CO)	27,500
CA - MD 2/4 Phase 2 (R/W)	14,000
CH - US 301 Waldorf Study - finish NEPA (PP)	5,000
CO/TA - MD 404 Phase 1B (CO)	23,000
HO - widen northbound US 29 (Phase 1B) (CO)	35,000
HO - US 29 Middle Patuxent River to Broken Land Pkwy Phase II (PE)	3,000
MO - MD 124 widening Phase 2 (PE)	2,000
MO - US 29 at Musgrove/Fairland (PE)	7,000
MO - MD 28, improvements between MD 97 and MD 182 (PP)	3,000
PG - MD 4 @ Suitland Parkway, interchange construction (R/W, CO)	146,500
PG - MD 197 from Kenhill Drive to MD 450 relocated (PE)	11,000
PG - MD 5/MD 373 interchange (R/W)	13,500
SM/CA - Engineer TJ bridge replacement (PE)	15,000
SM - MD 4 at MD 235 right turn lane extension (CO)	2,500
WA - widen I-81 bridge over Potomac (CO)	46,000
WO - US 113 Phase 3 (R/W)	13,500

**SHA System Preservation**

**\$ 543,000**

**SHA WIP Projects**

**\$ 427,100**

**SHA TOTALS**

**\$ 2,171,700**



# MTA 2013 Revenue Increase Projects

(all figures in thousands of dollars)

**Project Totals**

## MTA Capital Projects

Metro Railcar Replacement/Metro Signal System Replacement	240,000
MARC - Purchase New Locomotives	44,000
Agency-wide Parking Improvements	10,500
Kirk Bus Division - Phase II	75,000
Charles Center TOD - Entrance Relocation Study - Planning	1,000
LOTS Calvert County Transit Center - Design	2,000
Southern Maryland Transit Corridor - US301/MD-5	5,000
Howard County, Bus Rapid Transit System - Planning	2,000
Montgomery County, Bus Rapid Transit System - Engineering	10,000
Light Rail - Safety Enhancements	5,400
Red Line	690,000
Purple Line	710,000
CCT	225,000
MARC System Preservation	11,300
MTA System Preservation & Enhancement	3,700
<b>Capital Total</b>	<b>2,034,900</b>

## MTA Operating Service Additions

Weekend Penn Line MARC service	46,000
MARC Camden Line additional service	12,000
Montgomery County Ride On	85,000
Prince George's County The Bus	35,000
Baltimore City Charm City Circulator	12,000
MTA Commuter Bus	12,000
MTA LOTs increase	10,000

<b>Operating Total</b>	<b>212,000</b>
<b>MTA TOTALS</b>	<b>\$2,246,900</b>
<b>TRANSPORTATION ACT TOTALS</b>	<b>\$4,418,600</b>

# Transportation Infrastructure Investment Act of 2013

## Fiscal Impact Analysis

(millions of dollars)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
<b>DLS Fiscal and Policy Note</b>							
Motor Fuel Sales Tax Equivalent	101	157	329	340	350	360	1,637
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Sales Tax - Online Sales (or Fuel Sales Tax 4% & 5%)	-	-	96	201	210	218	725
Index MTA Fares	-	14	14	20	20	25	93
General Funds for Watershed Implementation Plan	-	45	65	85	100	100	395
Additional MDOT Bonding Proceeds	275	350	230	125	100	100	1,180
<b>Total</b>	<b>391</b>	<b>597</b>	<b>783</b>	<b>839</b>	<b>867</b>	<b>906</b>	<b>4,383</b>
<b>Current Estimates</b>							
Motor Fuel Sales Tax Equivalent	100	138	266	282	299	316	1,401
Motor Fuel Indexing to CPI	13	24	40	58	77	100	312
Sales Tax - Online Sales (or Fuel Sales Tax 4% & 5%)	-	-	43	186	196	208	633
Index MTA Fares	-	14	14	20	20	25	93
General Funds for Watershed Implementation Plan	-	45	65	85	100	100	395
Additional MDOT Bonding Proceeds	275	350	230	125	100	100	1,180
<b>Total</b>	<b>388</b>	<b>571</b>	<b>658</b>	<b>756</b>	<b>792</b>	<b>849</b>	<b>4,014</b>
<b>Difference</b>							
Motor Fuel Sales Tax Equivalent	(1)	(19)	(63)	(58)	(51)	(44)	(236)
Motor Fuel Indexing to CPI	(2)	(7)	(9)	(10)	(10)	(3)	(41)
Sales Tax - Online Sales (or Fuel Sales Tax 4% & 5%)	-	-	(53)	(15)	(14)	(10)	(92)
Index MTA Fares	-	-	-	-	-	-	-
General Funds for Watershed Implementation Plan	-	-	-	-	-	-	-
Additional MDOT Bonding Proceeds	-	-	-	-	-	-	-
<b>Total</b>	<b>(3)</b>	<b>(26)</b>	<b>(125)</b>	<b>(83)</b>	<b>(75)</b>	<b>(57)</b>	<b>(369)</b>

## 2015 Final CTP - Summary of Changes from Draft CTP

(Amounts in Millions of Dollars)

	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Draft CTP</b>	\$ 10,129	\$ 4,476	\$ 1,321	\$ 15,926
<b>Final CTP</b>	9,533	4,964	1,346	15,843
<b>Difference</b>	<b>\$ (596)</b>	<b>\$ 488</b>	<b>\$ 25</b>	<b>\$ (83)</b>

**REPEAL OF MOTOR FUEL TAX INCREASES - ESTIMATE OF REVENUE LOST**

Indexing Held at 0.8 cpg / Sales & Use Tax Equivalent Held at 2%  
(millions of dollars)

	Fiscal Year					<u>Total</u>
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
<b><u>Indexing to CPI</u></b>						
Revenue - Current Law	40	56	75	94	113	377
Revenue - Proposed Freeze	24	25	25	25	25	123
Revenue Reduction	(15)	(31)	(50)	(69)	(88)	(253)
Bonding Impact	(90)	(74)	(56)	(36)	(17)	(273)
Total Reduction in Funding	(105)	(105)	(106)	(105)	(105)	(526)

**Sales & Use Tax Equivalent\***

Revenue - Current Law	308	469	495	524	538	2,334
Revenue - Proposed Freeze	177	187	200	211	218	993
Revenue Reduction	(131)	(281)	(294)	(313)	(320)	(1,340)
Bonding Impact	(339)	(189)	(179)	(161)	(152)	(1,020)
Total Reduction in Funding	(470)	(470)	(473)	(474)	(472)	(2,360)

**Stopping both components of the Increase will reduce funding by nearly \$3 Billion.**

\* Assumes the increase to 3% on 7/1/15, to 4% on 1/1/16 and to 5% on 7/1/16 do not occur.

# STATUS OF TRANSPORTATION REVENUE ACT PROJECT CATEGORIES

Exhibit 6

CATEGORIES	PROGRAM LEVEL	COMMITTED	TO BE AWARDED
SHA Safety Projects	\$208,500	\$147,500	\$61,000
			\$34,500
			\$26,500
SHA Economic Development Projects	\$440,000	\$215,000	\$225,000
			\$181,500
			\$33,500
SHA Community Safety & Enhancement Projects	\$70,000	\$50,000	\$20,000
SHA Capacity/Congestion Relief Projects	\$483,100	\$114,100	\$369,000
			\$291,000
SHA System Preservation Projects	\$543,000	-	-
			\$78,000
SHA WIP Projects	\$427,000	-	-
<b>SHA TOTAL</b>	<b>\$2,171,700</b>		<b>\$675,000</b>
MTA Capital Project	\$2,034,900	\$344,900	\$1,665,000
MTA Operating Project/Program	\$212,000	-	\$161,500
			\$161,500
<b>MTA TOTAL</b>	<b>\$2,246,900</b>		<b>\$1,826,500</b>
<b>TRANSPORTATION ACT TOTAL</b>	<b>\$4,418,600</b>		<b>\$2,489,000</b>
			- \$525,000
			- \$1,964,000
			-\$0-

**Color Key Code:**  
 Yellow = Estimate of pending awards in categories if "indexing" is repealed.  
 Blue = Estimate of pending awards in categories if the sales tax on gasoline is frozen at the current rate.  
 The information contained herein is for illustrative purposes only and should not be quoted or cited.  
 All \$ are approximate and are shown in thousands.