

HOUSE BILL 86

R2
HB 1412/19 – APP

0lr1362
CF SB 136

By: **Delegate Korman**

Introduced and read first time: January 13, 2020

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 26, 2020

CHAPTER _____

1 AN ACT concerning

2 **Transportation – Maryland Metro/Transit Funding Act – Alterations**

3 FOR the purpose of ~~specifying that the Maryland Transit Administration must regularly~~
4 ~~consult with certain entities regarding the compilation and submission of the Central~~
5 ~~Maryland Regional Transit Plan; requiring the Maryland Transit Administration to~~
6 ~~submit a draft Central Maryland Regional Transit Plan to certain entities at least a~~
7 ~~certain period of time before the finalization of the Plan; altering the contents and~~
8 ~~elements of the Plan; altering the time frame within which the Plan must be~~
9 ~~reviewed, revised, and updated; altering the time frame that the Plan must address;~~
10 ~~altering the requirements of a certain assessment undertaken by the Maryland~~
11 ~~Transit Administration; repealing a requirement that the Secretary of~~
12 ~~Transportation, for any fiscal year in which the total Maryland operating assistance~~
13 ~~provided in the approved Washington Metropolitan Area Transit Authority budget~~
14 ~~increases by a certain percentage over the total operating assistance provided in the~~
15 ~~prior fiscal year's budget, withhold a certain percentage of funds provided for certain~~
16 ~~annual grants to the Washington Suburban Transit District altering certain~~
17 provisions of law related to the calculation of a certain budget increase for the
18 Washington Metropolitan Area Transit Authority; altering the information that the
19 Authority must submit to the Department of Transportation as part of its yearly
20 performance and condition assessments and reports; repealing a provision of law
21 that provides how a certain provision of law is to be construed; making certain
22 clarifications regarding certain mandated appropriations; and generally relating to
23 funding for the Washington Metropolitan Area Transit Authority.

24 ~~BY repealing and reenacting, without amendments,~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Article – Transportation
Section 3–216(b)
Annotated Code of Maryland
(2015 Replacement Volume and 2019 Supplement)~~

BY repealing and reenacting, with amendments,
Article – Transportation
Section ~~7–301.1, 7–309, and~~ 10–205
Annotated Code of Maryland
(2015 Replacement Volume and 2019 Supplement)

~~BY repealing and reenacting, with amendments,
Chapter 351 of the Acts of the General Assembly of 2018
Section 6~~

~~BY repealing and reenacting, with amendments,
Chapter 352 of the Acts of the General Assembly of 2018
Section 6~~

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

Article – Transportation

~~§ 216.~~

~~(b) (1) Except as otherwise expressly provided by statute and paragraph (2) of this subsection, there shall be credited to the Transportation Trust Fund for the account of the Department all taxes, fees, charges, and revenues collected or received by or paid, appropriated, or credited to the account of the Department or any of its units in the exercise of their rights, powers, duties, or obligations, including the cash proceeds of the sale of consolidated transportation bonds, notes, or other evidences of obligation issued by the Department, any General Fund appropriations, and the proceeds of any State loan or federal grant made for transportation purposes.~~

~~(2) Any revenues from an information technology agreement involving resource sharing that are collected or received by or paid, appropriated, or credited to the account of the Department or any of its units shall be distributed to the Major Information Technology Development Project Fund established under § 3A–309 of the State Finance and Procurement Article.~~

~~7–301.1.~~

~~(a) In this section, “core service area” means:~~

~~(1) An area in Anne Arundel County, Baltimore City, Baltimore County, Harford County, and Howard County that is served by light rail, metro, or fixed bus route service; and~~

~~(2) As determined by the Department, any other area in which the population commutes to an area described in item (1) of this subsection in order to use light rail, metro, or fixed bus route service.~~

~~(b) In addition to the requirements of §§ 7-301 and 7-302 of this subtitle, on or before October 1, 2020, the Administration shall [in];~~

~~(1) IN REGULAR consultation with the Central Maryland Regional Transit Plan Commission and the Baltimore Metropolitan Council, prepare a Central Maryland Regional Transit Plan to meet the transit needs of the core service area; AND~~

~~(2) SUBMIT A DRAFT PLAN TO THE CENTRAL MARYLAND REGIONAL TRANSIT PLAN COMMISSION AND THE BALTIMORE METROPOLITAN COUNCIL FOR REVIEW AND COMMENT AT LEAST 45 DAYS BEFORE THE DRAFT PLAN IS FINALIZED.~~

~~(e) The Central Maryland Regional Transit Plan shall INCLUDE AT LEAST THE FOLLOWING ELEMENTS:~~

~~(1) [Define goals] GOALS for outcomes to be achieved through the provision of public transportation, INCLUDING PROVIDING RELIABLE AND SAFE PUBLIC TRANSPORTATION SERVICE TO ENABLE RESIDENTS OF THE CORE SERVICE AREA TO ACCESS JOB OPPORTUNITIES THROUGHOUT THE AREA;~~

~~[(2) In order to best achieve the goals defined in item (1) of this subsection, identify options for:~~

~~(i) Improvements to existing transportation assets;~~

~~(ii) Improvements to leverage non-Administration transportation options available to public transportation; and~~

~~(iii) Corridors for new public transportation assets;~~

~~(3) Prioritize corridors for planning of new public transportation assets;~~

~~(4) Evaluate the Plan's consistency with local land use and transportation plans and the Maryland Transportation Plan and identify opportunities for achieving greater consistency;~~

~~(5) Be reviewed, revised, and updated at least every 5 years; and~~

~~(6) Address a 25-year time frame.]~~

~~(2) SPECIFIC IMPROVEMENTS TO PUBLIC TRANSPORTATION SERVICES AND ASSETS;~~

~~(3) AN ANALYSIS OF OPPORTUNITIES TO LEVERAGE NON-ADMINISTRATION TRANSPORTATION OPTIONS AVAILABLE FOR PUBLIC TRANSPORTATION; AND~~

~~(4) CORRIDORS FOR ESTABLISHING NEW PUBLIC TRANSPORTATION SERVICES AND ASSETS.~~

~~(D) IN ORDER TO BEST ADDRESS THE ELEMENTS SPECIFIED IN SUBSECTION (C) OF THIS SECTION, THE PLAN SHALL INCLUDE:~~

~~(1) CORRIDORS THROUGHOUT THE CORE SERVICE AREA WITH SPECIFIC GEOGRAPHIC BOUNDARIES, PRIORITIZED ACCORDING TO EACH CORRIDOR'S POTENTIAL TO ACHIEVE THE GOALS;~~

~~(2) THROUGHOUT THE CORE SERVICE AREA, SPECIFIC IMPROVEMENTS TO PUBLIC TRANSPORTATION SERVICES AND ASSETS;~~

~~(3) A LISTING OF THE SPECIFIC IMPROVEMENTS IDENTIFIED UNDER ITEM (2) OF THIS SUBSECTION IN THE ORDER OF THE PLANNED IMPLEMENTATION OF THE IMPROVEMENTS AND A METHODOLOGY FOR DETERMINING THE ORDER;~~

~~(4) AN ANALYSIS OF THE FUNDING AVAILABLE FOR THE IMPLEMENTATION OF THE SPECIFIC IMPROVEMENTS IDENTIFIED UNDER ITEM (2) OF THIS SUBSECTION AND POTENTIAL SOURCES OF ADDITIONAL FUNDING;~~

~~(5) ONE OR MORE MAPS THAT INCLUDE EXISTING SERVICES AND PROPOSED CORRIDORS AND IMPROVEMENTS; AND~~

~~(6) AN ANALYSIS OF THE PLAN'S CONSISTENCY WITH COUNTY AND MUNICIPAL LAND USE AND TRANSPORTATION PLANS AND THE MARYLAND TRANSPORTATION PLAN AND THE IDENTIFICATION OF OPPORTUNITIES FOR ACHIEVING GREATER CONSISTENCY.~~

~~(E) THE CENTRAL MARYLAND REGIONAL TRANSIT PLAN SHALL:~~

~~(1) BE REVIEWED, REVISED, AND UPDATED AT LEAST EVERY 6 YEARS;~~
~~AND~~

~~(2) ADDRESS A 30-YEAR PERIOD FROM THE YEAR THE REVIEW IS UNDERTAKEN.~~

~~[(d)] (F) (1) There is a Central Maryland Regional Transit Plan Commission.~~

~~(2) The Commission consists of the following members:~~

~~(i) The County Executive of Anne Arundel County, or the County Executive's designee;~~

~~(ii) The Mayor of Baltimore City, or the Mayor's designee;~~

~~(iii) The County Executive of Baltimore County, or the County Executive's designee;~~

~~(iv) The County Executive of Harford County, or the County Executive's designee;~~

~~(v) The County Executive of Howard County, or the County Executive's designee;~~

~~(vi) One representative from a Central Maryland business or transportation organization, appointed by the President of the Senate;~~

~~(vii) One representative from a Central Maryland business or transportation organization, appointed by the Speaker of the House; and~~

~~(viii) The following individuals appointed by the Governor:~~

~~1. One representative from a Central Maryland business organization;~~

~~2. One representative from the Citizen Advisory Council;~~

~~3. One representative from a disabled riders group; and~~

~~4. One representative from the MARC Riders Advisory Council.~~

~~(3) The Commission shall participate in the development of:~~

~~(i) A strategy for meaningful public involvement in the Central Maryland Regional Transit Plan; and~~

~~(ii) The goals for outcomes of the Central Maryland Regional Transit Plan.~~

~~7-300.~~

~~(a) The Administration shall, at least every 3 years, assess the ongoing, unconstrained capital needs of the Administration.~~

~~(b) In undertaking the assessment required under subsection (a) of this section, the Administration shall:~~

~~(1) Compile and prioritize capital needs without regard to cost;~~

~~(2) Identify the backlog of repairs and replacements needed to achieve a state of good repair for all Administration assets, including a separate analysis of these needs over the following 10 years; [and]~~

~~(3) Identify the needs to be met in order to enhance service and achieve system performance goals;~~

~~(4) CREATE A TIMELINE AND PLAN FOR ACHIEVING A STATE OF GOOD REPAIR FOR THE ADMINISTRATION'S CAPITAL ASSETS; AND~~

~~(5) PUBLISH THE REPORT ON THE DEPARTMENT'S WEBSITE.~~

~~(c) On or before July 1, 2019, and on or before July 1 every 3 years thereafter, the Administration shall, in accordance with § 2-1257 of the State Government Article, submit the assessment required under subsection (a) of this section to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Environment and Transportation Committee.~~

10-205.

(a) In accordance with and subject to the principle that, if there is substantial State financial support for the planned rapid rail mass transit system in one metropolitan area of this State, there should be substantial State financial support for the planned rapid rail mass transit system in the other metropolitan area of this State, and subject to the appropriation requirements and budgetary provisions of § 3-216(d) of this article, the Department shall provide for grants to the Washington Suburban Transit District in an amount equal to the current expenditures required of the Washington Suburban Transit District in accordance with capital contributions agreements between the Washington Metropolitan Area Transit Authority, the Washington Suburban Transit District, and other participating jurisdictions. The Washington Suburban Transit District shall consult with the Secretary of Transportation prior to the execution of any capital contributions agreement.

(b) (1) Subject to the appropriation requirements and budgetary provisions of § 3-216(d) of this article and upon receipt of an approval of a grant application in such form and detail as the Secretary shall reasonably require, the Department shall provide for annual grants to the Washington Suburban Transit District for a share of the operating deficits of the regional transit system for which the District is responsible. "Operating deficit" means operating costs less:

(i) The greater of operating revenues or 50 percent of the operating costs; and

(ii) All federal operating assistance.

(2) The Department's share shall equal 100 percent of the operating deficit.

~~¶~~(3) (i) For any fiscal year in which the total Maryland operating assistance provided in the approved Washington Metropolitan Area Transit Authority budget increases by more than 3% over the total operating assistance provided in the prior fiscal year's approved Washington Metropolitan Area Transit Authority budget, the Secretary shall withhold an amount equal to 35% of the funds available under paragraphs (1) and (2) of this subsection.

(ii) For purposes of calculating a budget increase under subparagraph (i) of this paragraph, the following items may not be included:

1. The cost of any service, equipment, or facility that is required by law;

2. A capital project approved by the board of directors of the Washington Metropolitan Area Transit Authority; ~~and~~

3. Any payments or obligations arising from or related to legal disputes or proceedings OR ARBITRATION PROCEEDINGS between or among the Washington Metropolitan Area Transit Authority and any other person; AND

4. ANY SERVICE INCREASES APPROVED BY THE BOARD OF DIRECTORS OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY.

(c) Subject to the appropriation requirements and budgetary provision of § 3–216(d) of this article, the Department shall provide for grants to the Washington Suburban Transit District in an amount equal to 75 percent of the net debt service assigned to the Washington Suburban Transit District on bonds issued by the Washington Metropolitan Area Transit Authority. In no event shall the amount of net debt service, including the refinancing of any debt, required of the Washington Suburban Transit District exceed the amount presently assigned on a year by year basis to the Washington Suburban Transit District, and payable through the year 2014. Nothing in this article shall preclude the use of bond proceeds for capital improvements and replacements of the “Adopted Regional System – 1968” revised as of January 1, 1992.

(d) (1) In accordance with and subject to the principle that, if there is substantial State financial support for rapid rail and bus transit capital replacement costs in one metropolitan area of this State, there should be substantial State financial support for the costs of similar needs in the other metropolitan area of this State, and in recognition of the fact that timely replacement of capital facilities and equipment is essential to safe

1 and reliable transit service, the Department shall provide grants to fully fund the
2 Washington Suburban Transit District's share of the Washington Metropolitan Area
3 Transit Authority's capital equipment replacement programs.

4 (2) The grants under this subsection:

5 (i) Shall be made subject to the appropriation and budgetary
6 provisions of § 3–216(d) of this article;

7 (ii) Shall be included in the State budget beginning in fiscal year
8 2000;

9 (iii) Notwithstanding any other provision of law, may be funded with
10 revenues derived from:

11 1. Any State–enacted transportation fees or taxes; or

12 2. Federal transportation grants available to the State to
13 fund transit capital equipment replacement; and

14 (iv) Shall be contingent on the receipt of a request by the District to
15 the Department, based on annual capital improvements programs adopted by the
16 Washington Metropolitan Area Transit Authority.

17 (e) Subject to the appropriation requirements and budgetary provisions of §
18 3–216(d) of this article, the Department shall provide grants from amounts derived from
19 the Transportation Trust Fund to the Washington Suburban Transit District for the
20 purpose of funding Maryland's required share of local funds for the Washington
21 Metropolitan Area Transit Authority to match any federal funds appropriated in any given
22 year authorized under Title VI, § 601, P.L. 110–432.

23 (f) (1) Except as provided in paragraph (2) of this subsection, the Governor
24 shall include an appropriation in the annual budget of at least the amount specified in
25 paragraph (4) of this subsection for the sole purpose of providing grants to the Washington
26 Suburban Transit District to pay the capital costs of the Washington Metropolitan Area
27 Transit Authority.

28 (2) (i) The Governor is not required to make the appropriation under
29 paragraph (1) of this subsection in a fiscal year unless the Department certifies to the
30 Governor in writing before the beginning of the immediately preceding fiscal year that the
31 Washington Metropolitan Area Transit Authority has submitted to the Department:

32 1. Performance and condition assessments and reports
33 regarding:

34 A. The safety and reliability of rapid heavy rail and bus
35 systems;

1 B. The financial performance of the Washington
2 Metropolitan Area Transit Authority as it relates to rail and bus operations, including fare
3 box recovery, service per rider, and cost per service hour;

4 C. The monthly ridership of rail and bus systems broken
5 down by Metrorail station, Metrorail line, bus [stop] ROUTE, and bus line;

6 D. Strategies to reduce costs and improve the Washington
7 Metropolitan Area Transit Authority's operational efficiency; and

8 E. The comparison of annual capital investments and
9 approved budgets; and

10 2. The Washington Metropolitan Area Transit Authority's:

11 A. Annual budget;

12 B. Annual independent financial audit;

13 C. Annual National Transit Database profile; and

14 D. ~~Individual audit reports~~ **SINGLE AUDIT REPORTS**
15 **ISSUED IN ACCORDANCE WITH THE UNIFORM ADMINISTRATIVE REQUIREMENTS,**
16 **COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS UNDER 2**
17 **C.F.R. PART 200.**

18 (ii) If the Commonwealth of Virginia or the District of Columbia
19 reduce the amount of dedicated capital funding for the Washington Metropolitan Area
20 Transit Authority, the Governor may reduce the appropriation under paragraph (1) of this
21 subsection by a proportional amount.

22 (iii) 1. The Governor shall withhold 35% of the appropriation
23 under paragraph (1) of this subsection if:

24 A. The Washington Metropolitan Area Transit Authority has
25 received a modified audit opinion as a result of an annual independent audit conducted in
26 accordance with Article XVI, Section 70 of the Washington Metropolitan Area Transit
27 Authority Compact under § 10-204 of this subtitle; and

28 B. The Department has not certified to the Governor in
29 writing before the beginning of the immediately preceding fiscal year that the Washington
30 Metropolitan Area Transit Authority has submitted in writing to the board of directors of
31 the Washington Metropolitan Area Transit Authority and the Maryland General Assembly
32 a satisfactory corrective plan that addresses the reasons for the modified audit opinion.

2. The Governor shall release the portion of the appropriation withheld under subsubparagraph 1 of this subparagraph if the Washington Metropolitan Area Transit Authority submits in writing to the board of directors of the Washington Metropolitan Area Transit Authority and, in accordance with § 2-1257 of the State Government Article, the Maryland General Assembly a satisfactory corrective action plan that addresses the reasons for the modified audit opinion.

(3) The Governor shall make the appropriation under paragraph (1) of this subsection from the Transportation Trust Fund.

(4) (i) For the first fiscal year in which the mandated appropriation under this subsection applies, the appropriation under paragraph (1) of this subsection shall equal at least the amount appropriated in the fiscal year 2019 State budget as enacted for the Washington Suburban Transit District to pay the capital costs of the Washington Metropolitan Area Transit Authority.

(ii) For each fiscal year after the first fiscal year in which the mandated appropriation under this subsection applies, the appropriation under paragraph (1) of this subsection shall be equal to the amount of the appropriation for the preceding fiscal year increased by 3%.

(g) (1) The Governor shall include in the State budget an appropriation for the purposes specified under paragraph (2) of this subsection of \$167,000,000 from the revenues available for the State capital program in the Transportation Trust Fund.

(2) The Department shall provide an annual grant of at least \$167,000,000 to the Washington Suburban Transit District to be used only to pay the capital costs of the Washington Metropolitan Area Transit Authority.

(3) The grant required under paragraph (2) of this subsection is in addition to the appropriation required under subsection (f)(1) of this section.

~~Chapter 351 of the Acts of 2018~~

~~SECTION 6. AND BE IT FURTHER ENACTED, That [this Act may not be construed to limit the authority of the Governor to appropriate general funds for transfer to the Transportation Trust Fund];~~

~~(A) THIS ACT MAY NOT BE CONSTRUED TO PROHIBIT THE GOVERNOR FROM PROVIDING A GENERAL FUND APPROPRIATION FROM THE DEDICATED PURPOSE ACCOUNT TO PROVIDE REVENUE TO THE TRANSPORTATION TRUST FUND AS AUTHORIZED UNDER § 3-216(B) OF THE TRANSPORTATION ARTICLE.~~

~~(B) THE GOVERNOR MAY NOT SATISFY A MANDATED APPROPRIATION ESTABLISHED UNDER THIS ACT THROUGH THE DIRECT APPROPRIATION OF GENERAL FUNDS.~~

~~Chapter 352 of the Acts of 2018~~

~~SECTION 6. AND BE IT FURTHER ENACTED, That [this Act may not be construed to limit the authority of the Governor to appropriate general funds for transfer to the Transportation Trust Fund];~~

~~(A) THIS ACT MAY NOT BE CONSTRUED TO PROHIBIT THE GOVERNOR FROM PROVIDING A GENERAL FUND APPROPRIATION FROM THE DEDICATED PURPOSE ACCOUNT TO PROVIDE REVENUE TO THE TRANSPORTATION TRUST FUND AS AUTHORIZED UNDER § 3-216(B) OF THE TRANSPORTATION ARTICLE.~~

~~(B) THE GOVERNOR MAY NOT SATISFY A MANDATED APPROPRIATION ESTABLISHED UNDER THIS ACT THROUGH THE DIRECT APPROPRIATION OF GENERAL FUNDS.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.