

HOUSE BILL 1340

R2, L6

1lr0046

By: **Chair, Appropriations Committee (By Request – Departmental –
Transportation)**

Introduced and read first time: February 11, 2021

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Metropolitan Area Transit Authority – Governance, Funding, and**
3 **Reporting**

4 FOR the purpose of repealing the authority of the Secretary of Transportation’s designee
5 to the Washington Metropolitan Area Transit Authority Board of Directors to attend
6 certain meetings on behalf of the Secretary if certain conflicts arise; excluding
7 certain increases to transit services from a certain calculation of the increase in total
8 operating assistance in the Washington Metropolitan Area Transit Authority’s
9 budget; altering certain information that the Authority is required to submit to the
10 Department of Transportation before the Governor is required to include a certain
11 appropriation in the annual budget; and generally relating to the Washington
12 Metropolitan Area Transit Authority.

13 BY repealing and reenacting, with amendments,
14 The Public Local Laws of Montgomery County
15 Section 87–5(a)(14)
16 Article 16 – Public Local Laws of Maryland
17 (2004 Edition and February–March 2020 Supplement, as amended)
18 (As enacted by Chapters 353 and 354 of the Acts of the General Assembly of 2018)

19 BY repealing and reenacting, with amendments,
20 The Public Local Laws of Prince George’s County
21 Part III, Section 5(a)(14)
22 Article 17 – Public Local Laws of Maryland
23 (2015 Edition and 2017 Supplement, as amended)
24 (As enacted by Chapters 353 and 354 of the Acts of the General Assembly of 2018)

25 BY repealing and reenacting, with amendments,
26 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 10–205
 2 Annotated Code of Maryland
 3 (2020 Replacement Volume)

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

6 **Article 16 – Montgomery County**

7 87–5.

8 (a) (14) (i) The following commissioners shall serve as the Commission’s
 9 appointees to be principal members of the Washington Metropolitan Area Transit
 10 Authority Board of Directors:

11 1. Subject to subparagraph (ii) of this paragraph, the
 12 Secretary of Transportation, or the Secretary’s designee, as an ex officio principal member;
 13 and

14 2. Subject to subparagraph (iii) of this paragraph, one of the
 15 commissioners appointed by the governor under paragraph (4) of this subsection.

16 (ii) The Secretary of Transportation’s designee under subparagraph
 17 (i)1 of this paragraph **SHALL**:

18 1. **[Shall be] BE** an employee of the Department of
 19 Transportation; **AND**

20 2. **[Shall have] HAVE** experience with and possess
 21 qualifications related to transit[; and

22 3. May attend meetings of the Washington Metropolitan
 23 Area Transit Authority Board of Directors on behalf of the Secretary only if a scheduling
 24 conflict arises].

25 (iii) The Commission’s appointee under subparagraph (i)2 of this
 26 paragraph may not be succeeded in office by a commissioner who is a resident of the same
 27 county.

28 **Article 17 – Prince George’s County**

29 Part III.

30 5.

1 (a) (14) (A) The following commissioners shall serve as the Commission's
2 appointees to be principal members of the Washington Metropolitan Area Transit
3 Authority Board of Directors:

4 (i) Subject to subparagraph (B) of this paragraph, the
5 Secretary of Transportation, or the Secretary's designee, as an ex officio principal member;
6 and

7 (ii) Subject to subparagraph (C) of this paragraph, one of the
8 commissioners appointed by the Governor under paragraph (4) of this subsection.

9 (B) The Secretary of Transportation's designee under subparagraph
10 (A)(i) of this paragraph **SHALL**:

11 (i) **[Shall be] BE** an employee of the Department of
12 Transportation; **AND**

13 (ii) **[Shall have] HAVE** experience with and possess
14 qualifications related to transit[; and

15 (iii) May attend meetings of the Washington Metropolitan
16 Area Transit Authority Board of Directors on behalf of the Secretary only if a scheduling
17 conflict arises].

18 (C) The Commission's appointee under subparagraph (A)(ii) of this
19 paragraph may not be succeeded in office by a commissioner who is a resident of the same
20 county.

21 Article – Transportation

22 10–205.

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

1 (b) (1) Subject to the appropriation requirements and budgetary provisions of
2 § 3–216(d) of this article and upon receipt of an approval of a grant application in such form
3 and detail as the Secretary shall reasonably require, the Department shall provide for
4 annual grants to the Washington Suburban Transit District for a share of the operating
5 deficits of the regional transit system for which the District is responsible. “Operating
6 deficit” means operating costs less:

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

9 (ii) All federal operating assistance.

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

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

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

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

21 2. A capital project approved by the board of directors of the
22 Washington Metropolitan Area Transit Authority; [and]

23 3. Any payments or obligations arising from or related to
24 legal disputes or proceedings between or among the Washington Metropolitan Area Transit
25 Authority and any other person; **AND**

26 4. **ANY INCREASES TO TRANSIT SERVICES APPROVED BY**
27 **THE BOARD OF DIRECTORS OF THE WASHINGTON METROPOLITAN AREA TRANSIT**
28 **AUTHORITY.**

29 (c) Subject to the appropriation requirements and budgetary provision of §
30 3–216(d) of this article, the Department shall provide for grants to the Washington
31 Suburban Transit District in an amount equal to 75 percent of the net debt service assigned
32 to the Washington Suburban Transit District on bonds issued by the Washington
33 Metropolitan Area Transit Authority. In no event shall the amount of net debt service,
34 including the refinancing of any debt, required of the Washington Suburban Transit
35 District exceed the amount presently assigned on a year by year basis to the Washington
36 Suburban Transit District, and payable through the year 2014. Nothing in this article shall

1 preclude the use of bond proceeds for capital improvements and replacements of the
2 “Adopted Regional System – 1968” revised as of January 1, 1992.

3 (d) (1) In accordance with and subject to the principle that, if there is
4 substantial State financial support for rapid rail and bus transit capital replacement costs
5 in one metropolitan area of this State, there should be substantial State financial support
6 for the costs of similar needs in the other metropolitan area of this State, and in recognition
7 of the fact that timely replacement of capital facilities and equipment is essential to safe
8 and reliable transit service, the Department shall provide grants to fully fund the
9 Washington Suburban Transit District’s share of the Washington Metropolitan Area
10 Transit Authority’s capital equipment replacement programs.

11 (2) The grants under this subsection:

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

14 (ii) Shall be included in the State budget beginning in fiscal year
15 2000;

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

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

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

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

24 (e) Subject to the appropriation requirements and budgetary provisions of §
25 3–216(d) of this article, the Department shall provide grants from amounts derived from
26 the Transportation Trust Fund to the Washington Suburban Transit District for the
27 purpose of funding Maryland’s required share of local funds for the Washington
28 Metropolitan Area Transit Authority to match any federal funds appropriated in any given
29 year authorized under Title VI, § 601, P.L. 110–432.

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

35 (2) (i) The Governor is not required to make the appropriation under
36 paragraph (1) of this subsection in a fiscal year unless the Department certifies to the

1 Governor in writing before the beginning of the immediately preceding fiscal year that the
 2 Washington Metropolitan Area Transit Authority has submitted to the Department:

3 1. Performance and condition assessments and reports
 4 regarding:

5 A. The safety and reliability of rapid heavy rail and bus
 6 systems;

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

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

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

14 E. The comparison of annual capital investments and
 15 approved budgets; and

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

17 A. Annual budget;

18 B. Annual independent financial audit;

19 C. Annual National Transit Database profile; and

20 D. **[Individual audit reports] SINGLE AUDIT REPORTS**
 21 **ISSUED IN ACCORDANCE WITH THE UNIFORM ADMINISTRATIVE REQUIREMENTS,**
 22 **COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS UNDER 2**
 23 **C.F.R. PART 200.**

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

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

30 A. The Washington Metropolitan Area Transit Authority has
 31 received a modified audit opinion as a result of an annual independent audit conducted in
 32 accordance with Article XVI, Section 70 of the Washington Metropolitan Area Transit
 33 Authority Compact under § 10–204 of this subtitle; and

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

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

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

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

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

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

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2021.