

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL NO. 1352

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 3 in its entirety and substitute “Debt, Authority, and Financing”; strike beginning with “altering” in line 4 down through “obligations;” in line 7 and substitute “expanding a certain definition of tax-supported debt to require the Capital Debt Affordability Committee to review and make recommendations regarding certain debt issued by the Department of Transportation and the Maryland Transportation Authority; repealing a certain requirement that the Capital Debt Affordability Committee review and make recommendations about certain debt issued by the Department of Transportation; repealing a certain requirement that the Governor include a certain appropriation to the Transportation Trust Fund under certain circumstances;”; in line 12, after “date;” insert “providing a certain limit on the issuance of certain debt by the Authority; altering the maximum amount of debt that the Department or Authority may issue that is supported by a pledge of future federal aid; altering the maximum term of certain debt issued by the Department or the Authority that is secured by a pledge of future federal aid; pledging certain taxes to the payment of bonds supported by a pledge of future federal aid under certain circumstances; providing that the State and the Authority shall finance a certain project in a certain manner; requiring the Authority to issue certain bonds; requiring the Governor to transfer certain amounts from the Transportation Trust Fund for certain purposes; requiring the Governor to include certain appropriations in the State budget for certain fiscal years; defining certain terms; stating the intent of the General Assembly regarding project cost savings realized from a certain project; providing for the effective date of this Act;”; strike beginning with “limits” in line 12 down through “by” in line 13 and substitute “debt, authority, and financing of”;

after line 14, insert:

“BY repealing and reenacting, with amendments,
Article - State Finance and Procurement
Section 7-311(j), 8-104, and 8-112”

(Over)

Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)

BY repealing

Article - Transportation
Section 3-216(g)
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)”;

in line 17, after “3-601(d),” insert “4-101,”; in the same line, strike “4-205(c), 4-302(a),” and substitute “4-205,”; and after line 19, insert:

“BY adding to

Article - Transportation
Section 4-321
Annotated Code of Maryland
(2001 Replacement Volume and 2004 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 21, insert:

“Article - State Finance and Procurement

7-311.

(j) (1) Except as provided in paragraph (2) of this subsection [and § 3-216(g) of the Transportation Article], for fiscal year 2006 and for each subsequent fiscal year, the Governor shall include in the budget bill an appropriation to the Account equal to the amount by which the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds \$10,000,000.

(2) The appropriation required under this subsection for any fiscal year may be reduced by the amount of any appropriation to the Account required to be included for that fiscal year under subsection (e) of this section.

8-104.

(a) In this Part II of this subtitle the following words have the meanings indicated.

(b) “Committee” means the Capital Debt Affordability Committee.

(c) (1) “Tax supported debt” means:

[(1)] (I) State debt; and

[(2)] (II) other forms of debt, including State agency capital leases supported in whole or part by State tax revenues[,] and debt of the Department of Transportation, the Maryland Stadium Authority, and other units of State government which, in the opinion of the Committee, are supported directly or indirectly by State tax revenues.

(2) “TAX SUPPORTED DEBT” INCLUDES DEBT ISSUED BY THE DEPARTMENT OF TRANSPORTATION UNDER TITLE 3, SUBTITLE 6 OF THE TRANSPORTATION ARTICLE OR BY THE MARYLAND TRANSPORTATION AUTHORITY UNDER TITLE 4, SUBTITLE 3 OF THE TRANSPORTATION ARTICLE THAT IS SECURED BY A PLEDGE OF FUTURE FEDERAL AID FROM ANY SOURCE.

8-112.

(a) The Committee shall review on a continuing basis the size and condition of the State tax supported debt as well as [:

(1) debt issued by the Department of Transportation under Title 3, Subtitle 6 of the Transportation Article; and

(2) other debt of State units, including the University System of Maryland, Morgan State University, St. Mary’s College of Maryland, and the Baltimore City Community College.

(b) On or before September 10 of each year, the Committee shall submit to the Governor and the General Assembly the Committee’s estimate of the total amount of new State debt that prudently may be authorized for the next fiscal year.

(Over)

- (c) In making the estimate, the Committee shall consider:
- (1) the amount of State bonds that, during the next fiscal year:
 - (i) will be outstanding; and
 - (ii) will be authorized but unissued;
 - (2) the capital program prepared by the Department of Budget and Management;
 - (3) capital improvement and school construction needs during the next 5 fiscal years, as projected by the Interagency Committee on School Construction;
 - (4) projections of debt service requirements during the next 10 fiscal years;
 - (5) the criteria that recognized bond rating agencies use to judge the quality of issues of State bonds;
 - (6) any other factor that is relevant to:
 - (i) the ability of the State to meet its projected debt service requirements for the next 5 fiscal years; or
 - (ii) the marketability of State bonds;
 - (7) the effect of authorizations of new State debt on each of the factors set out in this subsection; and
 - (8) the amount of issuances, debt outstanding, and debt service requirement of other classes of State tax supported debt as well as[:
 - (i) debt issued by the Department of Transportation under Title 3, Subtitle 6 of the Transportation Article; and

(ii)] other debt of State units, including the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and the Baltimore City Community College.

(d) The estimate of the Committee:

(1) is advisory; and

(2) does not bind the General Assembly, the Board, or the Governor.

(e) (1) In addition to its other duties under this section, the Committee shall review on a continuing basis the size and condition of any debt of the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and the Baltimore City Community College.

(2) In preparing an estimate with respect to the authorization of any new State debt, the Committee shall take into account as part of the affordability analysis any debt for academic facilities to be issued by a System.

(3) At the same time that the Committee makes its report as required under paragraph (b) of this section, the Committee shall submit to the Governor and the General Assembly the Committee's estimate of the amount of new bonds for academic facilities that prudently may be authorized in the aggregate for the next fiscal year by the University System of Maryland, Morgan State University, and St. Mary's College of Maryland.

(4) For purposes of this subtitle, the terms "System" and "academic facilities" have the meanings stated in § 19-101 of the Education Article.

(5) The Committee may request any needed information from a System and shall consider the information in making its estimates, including any information submitted by a System at its own initiative.

(6) This estimate:

(Over)

- (i) is advisory; and
- (ii) does not bind the General Assembly, the Board, or the Governor.

[(f) (1) In addition to the other duties under this section, the Committee shall review on a continuing basis the size and condition of any debt issued by the Department of Transportation under Title 3, Subtitle 6 of the Transportation Article.

(2) In preparing an estimate with respect to the authorization of any new State debt, the Committee shall take into account as part of the affordability analysis any debt issued by the Department of Transportation under Title 3, Subtitle 6 of the Transportation Article.

(3) At the same time that the Committee makes its report as required under subsection (b) of this section, the Committee shall submit to the Governor and the General Assembly the Committee's estimate of the amount of new bonds that may prudently be issued by the Department of Transportation under Title 3, Subtitle 6 of the Transportation Article.

(4) The Committee may request any needed information from the Department of Transportation and shall consider the information in making its estimates, including any information submitted by the Department of Transportation on its own initiative.

(5) This estimate:

- (i) is advisory; and
- (ii) does not bind the General Assembly, the Board, or the Governor.]”.

AMENDMENT NO. 3

On page 1, after line 22, insert:

“3-216.

[(g) (1) Notwithstanding § 7-311(j) of the State Finance and Procurement Article, for fiscal year 2006 and for each subsequent fiscal year, if the unappropriated General Fund surplus as of

June 30 of the second preceding fiscal year exceeds \$10,000,000, except as provided in paragraph (3) of this subsection, the Governor shall include in the budget bill an appropriation to the Transportation Trust Fund in an amount equal to the lesser of \$50,000,000 or the excess surplus over \$10,000,000.

(2) For any fiscal year to which this subsection applies:

(i) Unless the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds the sum of \$10,000,000 and the amount required to be appropriated to the Transportation Trust Fund under paragraph (1) of this subsection, the appropriation to the Revenue Stabilization Account under § 7-311(j) of the State Finance and Procurement Article is not required; and

(ii) If the unappropriated General Fund surplus as of June 30 of the second preceding fiscal year exceeds the sum of \$10,000,000 and the amount required to be appropriated to the Transportation Trust Fund under paragraph (1) of this subsection, the appropriation required to the Revenue Stabilization Account under § 7-311(j) of the State Finance and Procurement Article shall equal the amount by which that surplus exceeds the sum of \$10,000,000 and the amount appropriated to the Transportation Trust Fund under paragraph (1) of this subsection.

(3) (i) The cumulative amount appropriated to the Transportation Trust Fund under paragraph (1) of this subsection for all fiscal years may not exceed \$314,913,000.

(ii) This subsection does not apply to any fiscal year if a cumulative amount equal to at least \$314,913,000 has been appropriated to the Transportation Trust Fund for prior fiscal years under this subsection.]”.

On pages 1 and 2, strike beginning with “annual” in line 26 on page 1 down through “and” in line 2 on page 2 and substitute “COMBINED AND CUMULATIVE TOTAL OF DEBT ISSUED UNDER THIS SUBTITLE OR TITLE 4, SUBTITLE 3 OF THIS ARTICLE THAT IS SUPPORTED BY A PLEDGE OF FUTURE FEDERAL AID MAY NOT EXCEED \$750,000,000 IN PRINCIPAL AMOUNT;”.

(Over)

On page 2, in line 3, strike “15” and substitute “12”; and in line 4, after “issue” insert “; AND

(3) IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY PLEDGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT OF THE BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR APPLIED TO ANY OTHER PURPOSE UNTIL:

(I) THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND FULLY PAID; OR

(II) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE PRINCIPAL AND INTEREST HAS BEEN MADE.

4-101.

(a) In this title the following words have the meanings indicated.

(b) “Authority” means the Maryland Transportation Authority.

(c) “Cost”, as applied to any transportation facilities project, includes the cost of and all expenses incident to the construction, reconstruction, acquisition, improvement, extension, alteration, modernization, planning, maintenance, and repair of the project, including the cost and expenses of:

(1) All property acquired in connection with it;

(2) Financial, architectural, consulting, engineering, and legal services;

(3) Plans, specifications, surveys, estimates, feasibility reports, and direct and indirect labor, material, equipment, and administrative expenses; and

(4) Financing the project, including financing charges and interest before, during, and for 1 year after completion of construction.

(d) “Outstanding and unpaid” does not include:

(1) Bonds purchased and held in sinking funds by or for the Authority; or

(2) If the money for their payment or redemption has been provided:

(i) Matured bonds not presented for payment; or

(ii) Bonds called for redemption but not presented for redemption.

(e) “Refunding” means the retirement and cancellation of bonds, including revenue bonds of prior issues, after their acquisition by or for the Authority, whether before, at, or after maturity, either in exchange for other bonds or by payment, purchase, or redemption with the proceeds of the sale of other bonds.

(f) “Resolution”, as used with respect to the Authority, means a resolution adopted by the affirmative vote of a majority of the appointed members of the Authority and concurred in by the Chairman.

(g) “REVENUE BONDS” MEANS BONDS ISSUED FROM TIME TO TIME BY THE AUTHORITY THAT ARE PAYABLE FROM TOLL REVENUES OR OTHER AUTHORITY-SOURCED REVENUES AND ARE NOT ISSUED ON BEHALF OF ANY OTHER PUBLIC OR PRIVATE ENTITY.

(H) “Revenue bonds of prior issues” means:

(1) “State of Maryland Bridge and Tunnel Revenue Bonds” dated as of October 1, 1954;

(Over)

(2) “State of Maryland Northeastern Expressway Revenue Bonds” dated as of January 1, 1962;

(3) “State of Maryland Bridge and Tunnel Revenue Bonds”:

(i) “(Series 1968)” dated as of October 1, 1968; and

(ii) “(Series 1975)” dated as of July 1, 1975; and

(4) Any other revenue bonds issued under the same provisions of law that authorized the issuance of the bonds listed in this subsection.

[(h)] (I) “Transportation facility” has the meaning stated in § 3-101 of this article.

[(i)] (J) “Transportation facilities project” includes:

(1) The Susquehanna River Bridge, the Harry W. Nice Memorial Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with their appurtenant causeways, approaches, interchanges, entrance plazas, toll stations, and service facilities;

(2) A vehicle parking facility located in a priority funding area as defined in § 5-7B-02 of the State Finance and Procurement Article;

(3) Any other project for transportation facilities that the Authority authorizes to be acquired or constructed; and

(4) Any additions, improvements, or enlargements to any of these projects, whenever authorized.

[(j)] (K) “Vehicle parking facility” means a controlled entrance and exit building, structure, surface lot, and other facility for parking vehicles, for which fees or charges are established for the use of the facility”.

AMENDMENT NO. 4

On page 2, after line 5, insert:

“(a) [In] SUBJECT TO § 4-306 OF THIS TITLE AND IN addition to the powers otherwise specifically granted by law, the Authority has the powers described in this section.

(b) The Authority may acquire, hold, and dispose of property in the exercise of its powers and performance of its duties.”;

and strike beginning with “TO” in line 11 down through “PROJECT.” in line 21 and substitute “, TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND COMMENT, AND TO THE DEPARTMENT OF LEGISLATIVE SERVICES, A DESCRIPTION OF THE PROPOSED PROJECT, A SUMMARY OF THE CONTRACT OR AGREEMENT, AND A FINANCING PLAN THAT DETAILS:

(I) THE ESTIMATED ANNUAL REVENUE FROM THE ISSUANCE OF BONDS TO FINANCE THE PROJECT; AND

(II) THE ESTIMATED IMPACT OF THE ISSUANCE OF BONDS TO FINANCE THE PROJECT ON THE BONDING CAPACITY OF THE AUTHORITY.

(d) (1) Subject to paragraph (2) of this subsection, the Authority may employ and fix the compensation of attorneys, consulting engineers, accountants, construction and financial experts, superintendents, managers, and any other agents and employees that it considers necessary to exercise its powers and perform its duties. The compensation established by the Authority for executive management positions shall be consistent with the compensation of comparable positions in the Department of Transportation. The compensation established by the Authority shall be reported to the General Assembly each year as part of the Authority’s presentation of its budget.

(2) The expense of employing these persons may be paid only from revenues or from the proceeds of revenue bonds issued by the Authority.

(Over)

(e) The Authority may apply for and receive grants from any federal agency for the planning, construction, operation, or financing of any transportation facilities project and may receive aid or contributions of money, property, labor, or other things of value from any source, to be held, used, and applied for the purposes for which the grants, aid, and contributions are made.

(f) The Authority may adopt rules and regulations to carry out the provisions of this title.

(g) The Authority may do anything else necessary or convenient to carry out the powers granted in this title.”.

AMENDMENT NO. 5

On page 2, strike in their entirety lines 22 through 27, inclusive; in line 29, strike the brackets; and in the same line, strike “REVENUE”.

On page 3, strike in their entirety lines 1 through 5, inclusive, and substitute:

“(B) (1) THE REVENUE BONDS MAY BE ISSUED IN ANY AMOUNT AS LONG AS THE AGGREGATE OUTSTANDING AND UNPAID PRINCIPAL BALANCE OF THE REVENUE BONDS AND REVENUE BONDS OF PRIOR ISSUES DOES NOT EXCEED \$1,900,000,000 ON JUNE 30 OF ANY YEAR.”;

in line 6, strike “Without” and substitute “EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND § 4-205 OF THIS TITLE, WITHOUT”; in line 8, strike the bracket; in line 10, strike the brackets; in the same line, strike “§ 4-306(b)” and substitute “§§ 4-306(B), 4-320, AND 4-321”; strike beginning with “annual” in line 18 down through “and” in line 21 and substitute “COMBINED AND CUMULATIVE TOTAL OF DEBT ISSUED UNDER THIS SUBTITLE OR TITLE 3, SUBTITLE 6 OF THIS ARTICLE THAT IS SUPPORTED BY A PLEDGE OF FUTURE FEDERAL AID MAY NOT EXCEED \$750,000,000 IN PRINCIPAL AMOUNT;”; in line 22, strike “15” and substitute “12”; and in line 23, after “issue” insert “; AND

(3) IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY PLEDGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT

OF THE BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR APPLIED TO ANY OTHER PURPOSE UNTIL:

(I) THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND FULLY PAID; OR

(II) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE PRINCIPAL AND INTEREST HAS BEEN MADE.

4-321.

(A) IN THIS SECTION, "INTERCOUNTY CONNECTOR" MEANS THE EAST-WEST MULTIMODAL HIGHWAY IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES BETWEEN INTERSTATE 270 AND INTERSTATE 95/U.S. ROUTE 1, AS DESCRIBED IN THE 2005 - 2010 CONSOLIDATED TRANSPORTATION PLAN.

(B) THE STATE AND THE AUTHORITY SHALL FINANCE THE INTERCOUNTY CONNECTOR AS PROVIDED IN THIS SECTION.

(C) THE AUTHORITY SHALL:

(1) ISSUE NOT MORE THAN \$750,000,000 IN BONDS SECURED BY A PLEDGE OF FUTURE FEDERAL AID, WITH \$375,000,000 ISSUED IN FISCAL 2006, \$325,000,000 ISSUED IN FISCAL 2008, AND \$50,000,000 ISSUED IN FISCAL 2010; AND

(2) ISSUE REVENUE BONDS UNDER THIS SUBTITLE THAT ARE NOT SECURED BY A PLEDGE OF FUTURE FEDERAL AID.

(D) THE GOVERNOR SHALL TRANSFER FROM THE TRANSPORTATION TRUST FUND TO THE AUTHORITY FOR THE INTERCOUNTY CONNECTOR \$22,000,000 IN FISCAL 2005 AND \$38,000,000 IN FISCAL 2006.

(Over)

(E) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION TO THE AUTHORITY FOR THE INTERCOUNTY CONNECTOR:

(1) FROM THE TRANSPORTATION TRUST FUND, AT LEAST \$30,000,000 EACH YEAR FOR FISCAL YEARS 2007 THROUGH 2010;

(2) FROM THE GENERAL FUND, AT LEAST \$53,000,000 EACH YEAR FOR FISCAL YEARS 2007 THROUGH 2009 AND AT LEAST \$105,913,000 FOR FISCAL YEAR 2010; AND

(3) AT LEAST \$10,000,000 FEDERAL AID FROM ANY SOURCE IN AMOUNTS AS DEEMED PRUDENT”.

AMENDMENT NO. 6

On page 3, after line 23, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that any project cost savings realized from the Intercounty Connector project, below the projected cost of \$2,447,000,000, shall be applied as reductions in the amount of Maryland Transportation Authority toll-backed revenue bonds issued.”;

in line 24, strike “2.” and substitute “3.”; and in line 25, strike “July” and substitute “June”.