
By: **Delegates Madaleno, Barve, Bronrott, Cryor, Dumais, Feldman,
Goldwater, Hurson, Jones, King, Lee, Petzold, Proctor, Simmons, Stern,
and Taylor**

Introduced and read first time: February 11, 2005

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Transportation and Maryland Transportation Authority -**
3 **Bond Authority and Debt Limits**

4 FOR the purpose of altering the maximum percentage of certain federal highway aid
5 that the Department of Transportation or the Maryland Transportation
6 Authority may pledge or use for the payment of principal of and interest on the
7 Department's or the Authority's bonds or debt obligations; providing for
8 additional notice and comment before the Authority enters into any contract or
9 agreement to acquire or construct a revenue-producing transportation facility
10 project; repealing a requirement that the Authority receive General Assembly
11 approval through legislation prior to issuing bonds for certain purposes after a
12 certain date; and generally relating to limits on bond authority and debt
13 incurred by the Department of Transportation and the Maryland Transportation
14 Authority.

15 BY repealing and reenacting, with amendments,
16 Article - Transportation
17 Section 3-601(d), 4-205(c), 4-302(a), 4-306, 4-307(a), and 4-320
18 Annotated Code of Maryland
19 (2001 Replacement Volume and 2004 Supplement)

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

22 **Article - Transportation**

23 3-601.

24 (d) If the Department intends to pledge any future federal aid from any source
25 to support repayment of bonds issued under this subtitle:

26 (1) The annual payments for principal of and interest on the bonds may
27 not exceed [13] 20 percent of the State's average annual authorization level in the

1 current federal authorization act for federal highway aid provided under Title 23 of
2 the United States Code; and

3 (2) The date of maturity may not be later than 15 years after the date of
4 issue.

5 4-205.

6 (c) (1) Subject to the limitations described in paragraph (2) of this
7 subsection, the Authority may make any contracts and agreements necessary or
8 incidental to the exercise of its powers and performance of its duties.

9 (2) Not less than 45 days before entering into any contract or agreement
10 to acquire or construct a revenue-producing transportation facilities project, subject
11 to § 2-1246 of the State Government Article, the Authority shall provide TO [a
12 description of the proposed project and a summary of the contract or agreement to:

13 (i) The] THE Senate Budget and Taxation Committee, [and] the
14 House Committee on Ways and Means [and], THE House Appropriations Committee,
15 [for review and comment;] and

16 [(ii) The] THE Department of Legislative Services, FOR REVIEW AND
17 COMMENT, THE FOLLOWING:

18 (I) A DESCRIPTION OF THE PROPOSED PROJECT;

19 (II) A SUMMARY OF THE CONTRACT OR AGREEMENT;

20 (III) THE TOTAL ESTIMATED COST OF THE PROJECT; AND

21 (IV) A PRELIMINARY FINANCING PLAN FOR THE PROJECT.

22 4-302.

23 (a) [Except as provided in § 4-306(b) of this subtitle, without] WITHOUT
24 limiting the power of the Authority to issue additional revenue bonds under the
25 provisions of law that authorize the issuance of revenue bonds of prior issues, the
26 Authority from time to time may issue its revenue bonds to finance the cost of any one
27 or more or combination of transportation facilities projects.

28 4-306.

29 [(a) Except as provided in subsection (b) of this section, revenue] REVENUE
30 bonds may be issued by the Authority:

31 (1) Without obtaining the consent of any instrumentality, agency, or unit
32 of this State; and

33 (2) Without any proceedings or the happening of any conditions or things
34 other than those specifically required by this subtitle.

1 [(b) (1) On or after July 1, 2005, the Authority may not issue bonds to
2 finance all or any part of the cost of a transportation facility project until the General
3 Assembly has approved, through legislation, the specific project and the maximum
4 principal amount of bonds that the Authority may issue in connection with the
5 project.

6 (2) Without the approval of the General Assembly, the Authority may
7 issue bonds to refinance all or any part of the cost of a transportation facility project
8 for which the Authority previously issued bonds authorized under this subtitle.]

9 4-307.

10 (a) [Subject to the provisions of § 4-306(b) of this subtitle, if] IF by reason of
11 increased construction costs, error in estimates, or otherwise, the proceeds of the
12 revenue bonds of any issue are less than the amount required for the purpose for
13 which the bonds are authorized, additional revenue bonds may be issued in a similar
14 manner to provide the amount of the deficiency.

15 4-320.

16 If the Authority intends to pledge any future federal aid from any source to
17 support repayment of any debt instrument issued under this subtitle:

18 (1) The annual payments for principal of and interest on the bonds may
19 not exceed [13] 20 percent of the State's average annual authorization level in the
20 current federal authorization act for federal highway aid provided under Title 23 of
21 the United States Code; and

22 (2) The date of maturity may not be later than 15 years after the date of
23 issue.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2005.