

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 414

(Delegate D.M. Davis)

Appropriations and Environment and
Transportation

Budget and Taxation

Southern Maryland Rapid Transit Project - Funding

This bill requires the Governor, in each of fiscal 2023 through 2027, to include in the annual State budget an appropriation from the Transportation Trust Fund (TTF) of at least \$5.0 million, contingent on the receipt of federal funds to be used to provide matching funds needed to conduct an environmental impact study under the National Environmental Policy Act (NEPA) for the Southern Maryland Rapid Transit Project. Subject to that provision, the Maryland Department of Transportation (MDOT) must promptly undertake all steps necessary to complete the design, engineering, and NEPA process and secure a record of decision for the project. An appropriation required under the bill may be reduced by the amount of the total authorized in the prior fiscal year to conduct the NEPA study. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: Because MDOT's capital program is fully subscribed, overall TTF expenditures are not affected. However, contingent on the receipt of federal funds, the bill requires MDOT to redirect at least \$5.0 million in funding from other projects in each of FY 2023 through 2027, subject to the bill's provision that authorizes an appropriation to be reduced, as discussed below. Revenues are not affected. **The bill establishes a mandated appropriation for FY 2023 through 2027, subject to specified provisions.**

Local Effect: The bill does not directly affect local operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Southern Maryland Rapid Transit Project” means a high-capacity, fixed-route rapid transit service, with light rail transit as the preferred option, operating in a dedicated, grade-separated 18.7-mile transitway in the Maryland Route 5/U.S. Route 301 corridor from the Branch Avenue Metrorail Station in Prince George’s County to Waldorf and White Plains in Charles County.

Current Law: With the exception of the District of Columbia Metrorail system, MDOT and the Maryland Transit Administration are generally the agencies responsible for the construction and operation of transit lines in the State.

For major transportation projects, such as the project addressed in the bill, NEPA requires a range of alternatives to be considered and the environmental impacts of each alternative to be analyzed. This Environmental Impact Statement is required prior to the commitment of federal funds to any major project or prior to any action taken by a federal agency that might cause a significant impact on the environment. Some of the basic steps in this process include a public scoping process, data collection, analysis of policy alternatives, and preparation of draft and final documents. The process involves numerous federal, state, and local partners.

State Expenditures: The bill’s mandated appropriations do not increase total TTF expenditures; MDOT’s capital program is fully subscribed through fiscal 2026 and the [*Consolidated Transportation Program for Fiscal 2021 through 2026*](#) does not include any funding for the Southern Maryland Rapid Transit Project. Therefore, the mandated appropriations require funding to be redirected from other existing projects.

Specifically, the bill establishes a mandated appropriation of at least \$5.0 million in each of fiscal 2023 through 2027, contingent on the receipt of federal funds to be used to provide matching funds needed to conduct the NEPA study; however, *an appropriation may be reduced by the amount of the total authorized in the prior fiscal year* to conduct the NEPA study. The timing of the mandated appropriations and the total amount that must be redirected from fiscal 2023 through 2027 cannot be reliably estimated, as it depends on whether (and when) federal funds are made available for the study. Examples of the bill’s potential impact on TTF are as follows:

- If no federal funds are made available, the bill’s contingency is not met, and MDOT is not required to redirect any funding.
- If federal funds are made available for one fiscal year only, MDOT is required to redirect at least \$5.0 million in that fiscal year but is not required to redirect any funding in the following fiscal years.

- To the extent that federal funds are made available in more than one fiscal year, MDOT may be required to redirect at least \$5.0 million in multiple fiscal years.

The total estimated cost of the NEPA study is \$27.0 million.

Additional Information

Prior Introductions: HB 205 of 2020, a similar bill, received a hearing in the House Appropriations Committee, but no further action was taken. Its cross file, SB 105, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. SB 845 of 2019, a similar bill, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

Designated Cross File: SB 81 (Senator Ellis) - Budget and Taxation.

Information Source(s): Maryland Department of Transportation; Department of Budget and Management; Maryland Department of the Environment; Department of Legislative Services

Fiscal Note History: First Reader - January 15, 2021
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