

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1327 (Delegates Barve and Exum)
Appropriations

Washington Suburban Transit District - Debt Service Grants

This bill requires the Maryland Department of Transportation (MDOT) to provide annual grants to the Washington Suburban Transit District, for Montgomery and Prince George’s counties equal to 100% of the net debt service requirements on bonds issued by the Washington Metropolitan Area Transit Authority (WMATA). The bill is effective July 1, 1997.

Fiscal Summary

State Effect: Special fund expenditures would increase by \$2.4 million in FY 1998 and in the out-years as discussed below. Revenues would not be affected.

(in millions)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	2.4	2.4	2.4	2.4	2.4
Net Effect	(\$2.4)	(\$2.4)	(\$2.4)	(\$2.4)	(\$2.4)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Montgomery and Prince George’s counties’ expenditures would each decrease by an estimated \$1.2 million annually.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

State Expenditures: Under current law MDOT is required to make annual grants equal to 75% of the debt service allocated to Montgomery and Prince George’s counties to retire revenue bonds issued to finance construction of the Metrorail system. The proposed fiscal 1998 budget includes an allowance of \$7.3 million for such debt service payments. Thus,

increasing the State's share of the debt service to 100% would increase Transportation Trust Fund expenditures by \$2.4 million in fiscal 1998. Assuming that debt levels are not increased, such payments are assumed to remain constant in the out-years through fiscal 2015.

Local Expenditures: Montgomery and Prince George's counties' expenditures for WMATA debt service would be reduced by \$1.2 million each as the State would pay the full amount of debt service.

Information Source(s): Department of Transportation (Washington Metropolitan Area Transit Authority), Department of Fiscal Services

Fiscal Note History: First Reader - February 26, 1997
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