

Department of Legislative Services
 Maryland General Assembly

FISCAL NOTE
 Revised

Senate Bill 207 (Senator Ruben. *et al.*)

Budget and Taxation

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 Maryland’s share of the net debt service requirements on bonds issued by the Washington Metropolitan Area Transit Authority (WMATA). The bill is effective July 1, 1999 and sunsets June 30, 2014.

Fiscal Summary

State Effect: Special fund expenditures would increase by \$2.4 million annually beginning in FY 2000. Revenues would not be affected.

(in millions)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditures	0	2.4	2.4	2.4	2.4
Net Effect	\$0	(\$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 beginning in FY 2000.

Small Business Effect: None.

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 1999 budget includes an allowance of \$7.3 million for such debt service payments. Assuming that debt levels are not increased, increasing the State's share of the debt service to 100% would increase Transportation Trust Fund expenditures by \$2.4 million in fiscal 2000. Such payments are assumed to remain constant in the out-years through 2014.

Local Expenditures: Montgomery and Prince George's counties' annual expenditures for WMATA debt service would be reduced by \$1.2 million each as the State would pay the full amount of debt service beginning in fiscal 2000.

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

Fiscal Note History: First Reader - March 9, 1998
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