

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

Senate Bill 449 (Senator McFadden, *et al.*) (Baltimore City Administration)  
Budget and Taxation Ways and Means

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**Baltimore City - Payment of Student Transportation Costs - Sunset Extension**

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This bill extends the period during which highway user revenues distributed to Baltimore City may be used to pay students' costs of discounted Mass Transit Administration (MTA) fares for eligible public school students. Currently, the city may use the funds for this purpose through fiscal 2002. The bill extends the period through fiscal 2006.

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**Fiscal Summary**

**State Effect:** Special fund revenues from MTA fares would continue at approximately the current level from FY 2002-2006.

**Local Effect:** Baltimore City would continue to use approximately \$3.65 million per year of highway user revenues to subsidize student MTA transportation costs.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Chapter 628 of 1997 allows Baltimore City to use highway user revenues to subsidize student transportation costs through fiscal 2002.

**State Effect:** The MTA collected approximately \$5.7 million (of which \$3.65 million is highway user revenues) from Baltimore City in fiscal 2000 for transporting students to and from school. Extending the period in which Baltimore City may use highway user revenues for this purpose would generate approximately this same amount from fiscal 2002-2006. If highway user revenues were not used to subsidize the MTA fares, the city

may have to find alternative forms of transportation for students. This could potentially lead to lower ridership and thus lower revenues for the Transportation Trust Fund.

**Local Expenditures:** Currently, Baltimore City uses approximately \$3.65 million per year in highway revenues to subsidize the cost of MTA fares for students.

The MTA advises that it will continue to offer, and expect reimbursement for, discounted fares regardless of the sunset extension. If the sunset period is not extended, Baltimore City may have to significantly increase expenditures, find other sources of funding, or eliminate the discounted fare for students. It may also seek alternative forms of transportation for students.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 332 (Delegate Marriott, *et al.*) – Ways and Means.

**Information Source(s):** Department of Transportation (Mass Transit Administration), Department of Legislative Services

**Fiscal Note History:** First Reader – February 14, 2001  
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