

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 745

(Senator DeGrange)

Finance

Environmental Matters

**Task Force to Study Governance of Baltimore-Washington International (BWI)
Airport**

This bill creates a 14-member Task Force to Study Governance of Baltimore-Washington International (BWI) Airport. The bill specifies eight items for the task force to study, including: (1) the governance and financial structure of other large commercial airports; (2) passenger, cargo, and aircraft forecasts at BWI; and (3) industry benchmark data.

The task force must make recommendations to the Governor and the General Assembly regarding an appropriate governance structure for BWI and regulatory, administrative, or legislative changes needed to allow BWI to function more efficiently by December 31, 2004. The Department of Legislative Services (DLS) must provide staffing for the task force and the Maryland Department of Transportation (MDOT) must provide the necessary funding for task force activities.

The bill takes effect July 1, 2004 and terminates June 30, 2006.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures will increase by \$50,000 for consulting services in FY 2005 only. Any expense reimbursements for task force members are assumed to be minimal and absorbable within existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: BWI started as Friendship International Airport and was purchased by the State in 1972 (Chapter 180). The Maryland Aviation Commission, which oversees the Maryland Aviation Administration (MAA), establishes policies for BWI and approves policies and regulations for the operation of Martin State Airport and for major capital projects. The commission is under the organizational direction of MDOT.

Background: During the 2001 legislative interim, MDOT undertook a study of BWI's governing structure. The Airport Governance Working Group concluded that the airport should remain State-owned but needed to make several changes to remain competitive. Among the group's recommendations were: (1) decreasing the number of projects that require Board of Public Works' review; (2) developing a 30- to 50-year vision for the airport; and (3) creating an enterprise fund. A \$1.5 billion expansion is underway at BWI to provide additional parking and car rental facilities and terminal space.

Few large airports in the U.S. are State-owned; those that are include Honolulu International (Hawaii), Bradley International (Connecticut), and Anchorage International Airport (Alaska). Most others are operated by independent public authorities.

State Expenditures: TTF expenditures will increase by \$50,000 in fiscal 2005 only. MAA advises that this expenditure is necessary due to the provision that allows the task force to require technical and financial information including lease agreements between the airport and various entities, as well as operational contracts and other data. Such requirements may result in the need for consulting and administrative services.

DLS advises that it will likely be able to handle staffing duties with existing resources, depending upon the number of other task forces or commissions that are established during the 2004 legislative session. The bill's December 31 deadline could divert staff resources from other responsibilities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2004
ncs/mdr

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