

ENROLLED BILL

-- Appropriations/Budget and Taxation --

Introduced by **Delegates Madaleno, Barve, Bronrott, Cryor, Dumais, Feldman, Goldwater, Hurson, Jones, King, Lee, Petzold, Proctor, Simmons, Stern, and Taylor**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Department of Transportation and Maryland Transportation Authority -**
3 **Bond Authority and Debt Limits Debt, Authority, and Financing**

4 FOR the purpose of ~~altering the maximum percentage of certain federal highway aid~~
5 ~~that the Department of Transportation or the Maryland Transportation~~
6 ~~Authority may pledge or use for the payment of principal of and interest on the~~
7 ~~Department's or the Authority's bonds or debt obligations; expanding a certain~~
8 ~~definition of tax-supported debt to require the Capital Debt Affordability~~
9 ~~Committee to review and make recommendations regarding certain debt issued~~
10 ~~by the Department of Transportation and the Maryland Transportation~~
11 ~~Authority; repealing a certain requirement that the Capital Debt Affordability~~
12 ~~Committee review and make recommendations about certain debt issued by the~~
13 ~~Department of Transportation; repealing a certain requirement that the~~
14 ~~Governor include a certain appropriation to the Transportation Trust Fund~~
15 ~~under certain circumstances; providing for additional notice and comment~~

1 before the Authority enters into any contract or agreement to acquire or
 2 construct a revenue-producing transportation facility project; repealing a
 3 requirement that the Authority receive General Assembly approval through
 4 legislation prior to issuing bonds for certain purposes after a certain date;
 5 providing a certain limit on the issuance of certain debt by the Authority;
 6 altering the maximum amount of debt that the Department or Authority may
 7 issue that is ~~supported~~ *secured* by a pledge of future federal aid; altering the
 8 maximum term of certain debt issued by the Department or the Authority that
 9 is secured by a pledge of future federal aid; pledging certain taxes to the
 10 payment of bonds ~~supported~~ *secured* by a pledge of future federal aid under
 11 certain circumstances; providing that the State and the Authority shall finance
 12 a certain project in a certain manner; requiring the Authority to issue certain
 13 bonds; requiring the Governor to transfer certain amounts from the
 14 Transportation Trust Fund for certain purposes; requiring the Governor to
 15 include certain appropriations in the State budget ~~transfer to the Authority~~
 16 *certain amounts* for certain fiscal years; defining certain terms; stating the
 17 intent of the General Assembly regarding project cost savings realized from a
 18 certain project; *requiring the Maryland Transportation Authority to submit*
 19 *certain reports; stating the intent of the General Assembly regarding inclusion of*
 20 *a certain bicycle and pedestrian path in a certain project; providing for the*
 21 effective date of this Act; and generally relating to ~~limits on bond authority and~~
 22 ~~debt incurred by~~ debt, authority, and financing of the Department of
 23 Transportation and the Maryland Transportation Authority.

24 BY repealing and reenacting, with amendments,
 25 Article - State Finance and Procurement
 26 Section 7-311(j), 8-104, and 8-112
 27 Annotated Code of Maryland
 28 (2001 Replacement Volume and 2004 Supplement)

29 BY repealing
 30 Article - Transportation
 31 Section 3-216(g)
 32 Annotated Code of Maryland
 33 (2001 Replacement Volume and 2004 Supplement)

34 BY repealing and reenacting, with amendments,
 35 Article - Transportation
 36 Section 3-601(d), ~~4-101~~, ~~4-205(e)~~, ~~4-302(a)~~, ~~4-205~~, 4-306, 4-307(a), and 4-320
 37 Annotated Code of Maryland
 38 (2001 Replacement Volume and 2004 Supplement)

39 BY adding to
 40 Article - Transportation
 41 Section 4-321
 42 Annotated Code of Maryland

1 (2001 Replacement Volume and 2004 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - State Finance and Procurement**

5 7-311.

6 (j) (1) Except as provided in paragraph (2) of this subsection [and §
7 3-216(g) of the Transportation Article], for fiscal year 2006 and for each subsequent
8 fiscal year, the Governor shall include in the budget bill an appropriation to the
9 Account equal to the amount by which the unappropriated General Fund surplus as
10 of June 30 of the second preceding fiscal year exceeds \$10,000,000.

11 (2) The appropriation required under this subsection for any fiscal year
12 may be reduced by the amount of any appropriation to the Account required to be
13 included for that fiscal year under subsection (e) of this section.

14 8-104.

15 (a) In this Part II of this subtitle the following words have the meanings
16 indicated.

17 (b) "Committee" means the Capital Debt Affordability Committee.

18 (c) (1) "Tax supported debt" means:

19 [(1)] (I) State debt; and

20 [(2)] (II) other forms of debt, including State agency capital leases
21 supported in whole or part by State tax revenues[,] and debt of the Department of
22 Transportation, the Maryland Stadium Authority, and other units of State
23 government which, in the opinion of the Committee, are supported directly or
24 indirectly by State tax revenues.

25 (2) "TAX SUPPORTED DEBT" INCLUDES DEBT ISSUED BY THE
26 DEPARTMENT OF TRANSPORTATION UNDER TITLE 3, SUBTITLE 6 OF THE
27 TRANSPORTATION ARTICLE OR BY THE MARYLAND TRANSPORTATION AUTHORITY
28 UNDER TITLE 4, SUBTITLE 3 OF THE TRANSPORTATION ARTICLE THAT IS SECURED BY
29 A PLEDGE OF FUTURE FEDERAL AID FROM ANY SOURCE.

30 8-112.

31 (a) The Committee shall review on a continuing basis the size and condition of
32 the State tax supported debt as well as [:

33 (1) debt issued by the Department of Transportation under Title 3,
34 Subtitle 6 of the Transportation Article; and

1 (2)] other debt of State units, including the University System of
2 Maryland, Morgan State University, St. Mary's College of Maryland, and the
3 Baltimore City Community College.

4 (b) On or before September 10 of each year, the Committee shall submit to the
5 Governor and the General Assembly the Committee's estimate of the total amount of
6 new State debt that prudently may be authorized for the next fiscal year.

7 (c) In making the estimate, the Committee shall consider:

8 (1) the amount of State bonds that, during the next fiscal year:

9 (i) will be outstanding; and

10 (ii) will be authorized but unissued;

11 (2) the capital program prepared by the Department of Budget and
12 Management;

13 (3) capital improvement and school construction needs during the next 5
14 fiscal years, as projected by the Interagency Committee on School Construction;

15 (4) projections of debt service requirements during the next 10 fiscal
16 years;

17 (5) the criteria that recognized bond rating agencies use to judge the
18 quality of issues of State bonds;

19 (6) any other factor that is relevant to:

20 (i) the ability of the State to meet its projected debt service
21 requirements for the next 5 fiscal years; or

22 (ii) the marketability of State bonds;

23 (7) the effect of authorizations of new State debt on each of the factors
24 set out in this subsection; and

25 (8) the amount of issuances, debt outstanding, and debt service
26 requirement of other classes of State tax supported debt as well as[;

27 (i) debt issued by the Department of Transportation under Title 3,
28 Subtitle 6 of the Transportation Article; and

29 (ii)] other debt of State units, including the University System of
30 Maryland, Morgan State University, St. Mary's College of Maryland, and the
31 Baltimore City Community College.

32 (d) The estimate of the Committee:

33 (1) is advisory; and

1 (2) does not bind the General Assembly, the Board, or the Governor.

2 (e) (1) In addition to its other duties under this section, the Committee shall
3 review on a continuing basis the size and condition of any debt of the University
4 System of Maryland, Morgan State University, St. Mary's College of Maryland, and
5 the Baltimore City Community College.

6 (2) In preparing an estimate with respect to the authorization of any new
7 State debt, the Committee shall take into account as part of the affordability analysis
8 any debt for academic facilities to be issued by a System.

9 (3) At the same time that the Committee makes its report as required
10 under paragraph (b) of this section, the Committee shall submit to the Governor and
11 the General Assembly the Committee's estimate of the amount of new bonds for
12 academic facilities that prudently may be authorized in the aggregate for the next
13 fiscal year by the University System of Maryland, Morgan State University, and St.
14 Mary's College of Maryland.

15 (4) For purposes of this subtitle, the terms "System" and "academic
16 facilities" have the meanings stated in § 19-101 of the Education Article.

17 (5) The Committee may request any needed information from a System
18 and shall consider the information in making its estimates, including any information
19 submitted by a System at its own initiative.

20 (6) This estimate:

21 (i) is advisory; and

22 (ii) does not bind the General Assembly, the Board, or the Governor.

23 (f) (1) In addition to the other duties under this section, the Committee
24 shall review on a continuing basis the size and condition of any debt issued by the
25 Department of Transportation under Title 3, Subtitle 6 of the Transportation Article.

26 (2) In preparing an estimate with respect to the authorization of any new
27 State debt, the Committee shall take into account as part of the affordability analysis
28 any debt issued by the Department of Transportation under Title 3, Subtitle 6 of the
29 Transportation Article.

30 (3) At the same time that the Committee makes its report as required
31 under subsection (b) of this section, the Committee shall submit to the Governor and
32 the General Assembly the Committee's estimate of the amount of new bonds that may
33 prudently be issued by the Department of Transportation under Title 3, Subtitle 6 of
34 the Transportation Article.

35 (4) The Committee may request any needed information from the
36 Department of Transportation and shall consider the information in making its
37 estimates, including any information submitted by the Department of Transportation
38 on its own initiative.

- 1 (5) This estimate:
2 (i) is advisory; and
3 (ii) does not bind the General Assembly, the Board, or the
4 Governor.]

5 **Article - Transportation**

6 3-216.

7 [(g) (1) Notwithstanding § 7-311(j) of the State Finance and Procurement
8 Article, for fiscal year 2006 and for each subsequent fiscal year, if the unappropriated
9 General Fund surplus as of June 30 of the second preceding fiscal year exceeds
10 \$10,000,000, except as provided in paragraph (3) of this subsection, the Governor
11 shall include in the budget bill an appropriation to the Transportation Trust Fund in
12 an amount equal to the lesser of \$50,000,000 or the excess surplus over \$10,000,000.

13 (2) For any fiscal year to which this subsection applies:

14 (i) Unless the unappropriated General Fund surplus as of June 30
15 of the second preceding fiscal year exceeds the sum of \$10,000,000 and the amount
16 required to be appropriated to the Transportation Trust Fund under paragraph (1) of
17 this subsection, the appropriation to the Revenue Stabilization Account under §
18 7-311(j) of the State Finance and Procurement Article is not required; and

19 (ii) If the unappropriated General Fund surplus as of June 30 of the
20 second preceding fiscal year exceeds the sum of \$10,000,000 and the amount required
21 to be appropriated to the Transportation Trust Fund under paragraph (1) of this
22 subsection, the appropriation required to the Revenue Stabilization Account under §
23 7-311(j) of the State Finance and Procurement Article shall equal the amount by
24 which that surplus exceeds the sum of \$10,000,000 and the amount appropriated to
25 the Transportation Trust Fund under paragraph (1) of this subsection.

26 (3) (i) The cumulative amount appropriated to the Transportation
27 Trust Fund under paragraph (1) of this subsection for all fiscal years may not exceed
28 \$314,913,000.

29 (ii) This subsection does not apply to any fiscal year if a cumulative
30 amount equal to at least \$314,913,000 has been appropriated to the Transportation
31 Trust Fund for prior fiscal years under this subsection.]

32 3-601.

33 (d) If the Department intends to pledge any future federal aid from any source
34 to support repayment of bonds issued under this subtitle:

35 (1) The annual payments for principal of and interest on the bonds may
36 not exceed [13] 20 percent of the State's average annual authorization level in the
37 current federal authorization act for federal highway aid provided under Title 23 of

1 the United States Code; and ~~COMBINED AND CUMULATIVE TOTAL AGGREGATE~~
2 ~~PRINCIPAL AMOUNT OF DEBT ISSUED UNDER THIS SUBTITLE OR TITLE 4, SUBTITLE 3~~
3 ~~OF THIS ARTICLE THAT IS SUPPORTED SECURED BY A PLEDGE OF FUTURE FEDERAL~~
4 ~~AID MAY NOT EXCEED \$750,000,000 IN PRINCIPAL AMOUNT;~~

5 (2) The date of maturity may not be later than ~~15~~ 12 years after the date
6 of issue; ~~AND~~

7 (3) ~~IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL~~
8 ~~OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED~~
9 ~~UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY~~
10 ~~PLEDGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT OF THE~~
11 ~~BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS~~
12 ~~APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR~~
13 ~~APPLIED TO ANY OTHER PURPOSE UNTIL;~~

14 (4) ~~THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND~~
15 ~~FULLY PAID; OR~~

16 (3) ~~NOTWITHSTANDING § 3-215(D) OF THIS TITLE, IF FUTURE FEDERAL~~
17 ~~AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS~~
18 ~~ISSUED UNDER THIS SUBTITLE WHEN DUE, THE TAX LEVIED UNDER § 3-215 OF THIS~~
19 ~~TITLE, TO THE EXTENT THE PROCEEDS OF SUCH TAX ARE NOT NECESSARY TO~~
20 ~~PROVIDE THE SINKING FUND REQUIRED UNDER § 3-215(C) OF THIS TITLE, IS~~
21 ~~IRREVOCABLY PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON~~
22 ~~THE BONDS ISSUED UNDER THIS SUBTITLE AS THEY BECOME DUE AND PAYABLE;~~

23 (4) ~~THE LIEN OF THE PLEDGE UNDER ITEM (3) OF THIS SUBSECTION~~
24 ~~SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THE PLEDGE OF SUCH TAX~~
25 ~~UNDER § 3-215(D) OF THIS TITLE TO THE PAYMENT OF PRINCIPAL OF AND INTEREST~~
26 ~~ON CONSOLIDATED TRANSPORTATION BONDS; AND~~

27 (5) ~~NO PART OF THE TAX LEVIED UNDER § 3-215 OF THIS TITLE MAY BE~~
28 ~~REPEALED, DIMINISHED, OR APPLIED TO ANY OTHER PURPOSE UNTIL;~~

29 (1) ~~THE BONDS ISSUED UNDER THIS SUBTITLE AND INTEREST ON~~
30 ~~THEM HAVE BECOME DUE AND FULLY PAID; OR~~

31 (II) ~~ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE~~
32 ~~PRINCIPAL AND INTEREST HAS BEEN MADE.~~

33 ~~4-101.~~

34 (a) ~~In this title the following words have the meanings indicated.~~

35 (b) ~~"Authority" means the Maryland Transportation Authority.~~

36 (c) ~~"Cost", as applied to any transportation facilities project, includes the cost~~
37 ~~of and all expenses incident to the construction, reconstruction, acquisition,~~

~~1 improvement, extension, alteration, modernization, planning, maintenance, and
2 repair of the project, including the cost and expenses of:~~

~~3 (1) All property acquired in connection with it;~~

~~4 (2) Financial, architectural, consulting, engineering, and legal services;~~

~~5 (3) Plans, specifications, surveys, estimates, feasibility reports, and
6 direct and indirect labor, material, equipment, and administrative expenses; and~~

~~7 (4) Financing the project, including financing charges and interest
8 before, during, and for 1 year after completion of construction.~~

~~9 (d) "Outstanding and unpaid" does not include:~~

~~10 (1) Bonds purchased and held in sinking funds by or for the Authority; or~~

~~11 (2) If the money for their payment or redemption has been provided:~~

~~12 (i) Matured bonds not presented for payment; or~~

~~13 (ii) Bonds called for redemption but not presented for redemption.~~

~~14 (e) "Refunding" means the retirement and cancellation of bonds, including
15 revenue bonds of prior issues, after their acquisition by or for the Authority, whether
16 before, at, or after maturity, either in exchange for other bonds or by payment,
17 purchase, or redemption with the proceeds of the sale of other bonds.~~

~~18 (f) "Resolution", as used with respect to the Authority, means a resolution
19 adopted by the affirmative vote of a majority of the appointed members of the
20 Authority and concurred in by the Chairman.~~

~~21 (G) "REVENUE BONDS" MEANS BONDS ISSUED FROM TIME TO TIME BY THE
22 AUTHORITY THAT ARE PAYABLE FROM TOLL REVENUES OR OTHER
23 AUTHORITY SOURCED REVENUES AND ARE NOT ISSUED ON BEHALF OF ANY OTHER
24 PUBLIC OR PRIVATE ENTITY.~~

~~25 (H) "Revenue bonds of prior issues" means:~~

~~26 (1) "State of Maryland Bridge and Tunnel Revenue Bonds" dated as of
27 October 1, 1954;~~

~~28 (2) "State of Maryland Northeastern Expressway Revenue Bonds" dated
29 as of January 1, 1962;~~

~~30 (3) "State of Maryland Bridge and Tunnel Revenue Bonds":~~

~~31 (i) "(Series 1968)" dated as of October 1, 1968; and~~

~~32 (ii) "(Series 1975)" dated as of July 1, 1975; and~~

1 ~~(4)~~ Any other revenue bonds issued under the same provisions of law
 2 that authorized the issuance of the bonds listed in this subsection.

3 ~~[(h)]~~ ~~(I)~~ "Transportation facility" has the meaning stated in § 3-101 of this
 4 article.

5 ~~[(i)]~~ ~~(J)~~ "Transportation facilities project" includes:

6 ~~(1)~~ The Susquehanna River Bridge, the Harry W. Nice Memorial
 7 Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay
 8 Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the
 9 Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with
 10 their appurtenant causeways, approaches, interchanges, entrance plazas, toll
 11 stations, and service facilities;

12 ~~(2)~~ A vehicle parking facility located in a priority funding area as defined
 13 in § 5-7B-02 of the State Finance and Procurement Article;

14 ~~(3)~~ Any other project for transportation facilities that the Authority
 15 authorizes to be acquired or constructed; and

16 ~~(4)~~ Any additions, improvements, or enlargements to any of these
 17 projects, whenever authorized.

18 ~~[(j)]~~ ~~(K)~~ "Vehicle parking facility" means a controlled entrance and exit
 19 building, structure, surface lot, and other facility for parking vehicles, for which fees
 20 or charges are established for the use of the facility.

21 4-205.

22 ~~(a)~~ [In] SUBJECT TO § 4-306 OF THIS TITLE AND IN addition to the powers
 23 otherwise specifically granted by law, the Authority has the powers described in this
 24 section.

25 ~~(b)~~ The Authority may acquire, hold, and dispose of property in the exercise of
 26 its powers and performance of its duties.

27 ~~(c)~~ ~~(1)~~ Subject to the limitations described in paragraph (2) of this
 28 subsection, the Authority may make any contracts and agreements necessary or
 29 incidental to the exercise of its powers and performance of its duties.

30 ~~(2)~~ Not less than 45 days before entering into any contract or agreement
 31 to acquire or construct a revenue-producing transportation facilities project, subject
 32 to § 2-1246 of the State Government Article, the Authority shall provide ~~TO~~ a
 33 description of the proposed project and a summary of the contract or agreement to:

34 ~~(i)~~ The] THE Senate Budget and Taxation Committee, [and] the
 35 House Committee on Ways and Means [and], THE House Appropriations Committee,
 36 [for review and comment;] and

1 ~~[(iii) The] THE Department of Legislative Services, FOR REVIEW AND~~
2 ~~COMMENT, THE FOLLOWING:~~

3 ~~(I) A DESCRIPTION OF THE PROPOSED PROJECT;~~

4 ~~(II) A SUMMARY OF THE CONTRACT OR AGREEMENT;~~

5 ~~(III) THE TOTAL ESTIMATED COST OF THE PROJECT; AND~~

6 ~~(IV) A PRELIMINARY FINANCING PLAN FOR THE PROJECT. , TO THE~~
7 ~~SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS~~
8 ~~AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND~~
9 ~~COMMENT, AND TO THE DEPARTMENT OF LEGISLATIVE SERVICES, A DESCRIPTION~~
10 ~~OF THE PROPOSED PROJECT, A SUMMARY OF THE CONTRACT OR AGREEMENT, AND A~~
11 ~~FINANCING PLAN THAT DETAILS:~~

12 ~~(I) THE ESTIMATED ANNUAL REVENUE FROM THE ISSUANCE OF BONDS~~
13 ~~TO FINANCE THE PROJECT; AND~~

14 ~~(II) THE ESTIMATED IMPACT OF THE ISSUANCE OF BONDS TO FINANCE~~
15 ~~THE PROJECT ON THE BONDING CAPACITY OF THE AUTHORITY.~~

16 (d) (1) Subject to paragraph (2) of this subsection, the Authority may employ
17 and fix the compensation of attorneys, consulting engineers, accountants,
18 construction and financial experts, superintendents, managers, and any other agents
19 and employees that it considers necessary to exercise its powers and perform its
20 duties. The compensation established by the Authority for executive management
21 positions shall be consistent with the compensation of comparable positions in the
22 Department of Transportation. The compensation established by the Authority shall
23 be reported to the General Assembly each year as part of the Authority's presentation
24 of its budget.

25 (2) The expense of employing these persons may be paid only from
26 revenues or from the proceeds of revenue bonds issued by the Authority.

27 (e) The Authority may apply for and receive grants from any federal agency
28 for the planning, construction, operation, or financing of any transportation facilities
29 project and may receive aid or contributions of money, property, labor, or other things
30 of value from any source, to be held, used, and applied for the purposes for which the
31 grants, aid, and contributions are made.

32 (f) The Authority may adopt rules and regulations to carry out the provisions
33 of this title.

34 (g) The Authority may do anything else necessary or convenient to carry out
35 the powers granted in this title.

1 ~~4-302.~~

2 (a) [~~Except as provided in § 4-306(b) of this subtitle, without~~] WITHOUT
3 limiting the power of the Authority to issue additional revenue bonds under the
4 provisions of law that authorize the issuance of revenue bonds of prior issues, the
5 Authority from time to time may issue its revenue bonds to finance the cost of any one
6 or more or combination of transportation facilities projects.

7 4-306.

8 (a) Except as provided in subsection (b) of this section, revenue] ~~REVENUE~~
9 bonds may be issued by the Authority:

10 (1) Without obtaining the consent of any instrumentality, agency, or unit
11 of this State; and

12 (2) Without any proceedings or the happening of any conditions or things
13 other than those specifically required by this subtitle.

14 (b) (1) ~~On or after July 1, 2005, the Authority may not issue bonds to~~
15 ~~finance all or any part of the cost of a transportation facility project until the General~~
16 ~~Assembly has approved, through legislation, the specific project and the maximum~~
17 ~~principal amount of bonds that the Authority may issue in connection with the~~
18 ~~project.~~

19 (B) (1) THE REVENUE BONDS SECURED BY TOLL REVENUE MAY BE ISSUED
20 IN ANY AMOUNT AS LONG AS THE AGGREGATE OUTSTANDING AND UNPAID
21 PRINCIPAL BALANCE OF THE REVENUE BONDS SECURED BY TOLL REVENUE AND
22 REVENUE BONDS OF PRIOR ISSUES DOES NOT EXCEED \$1,900,000,000 ON JUNE 30 OF
23 ANY YEAR.

24 (2) ~~Without~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND §
25 4-205 OF THIS TITLE, WITHOUT the approval of the General Assembly, the Authority
26 may issue bonds to refinance all or any part of the cost of a transportation facility
27 project for which the Authority previously issued bonds authorized under this
28 subtitle.}

29 4-307.

30 (a) {Subject to the provisions of ~~§ 4-306(b)~~ §§ 4-306(B), 4-320, AND 4-321 of this
31 subtitle, if} IF by reason of increased construction costs, error in estimates, or
32 otherwise, the proceeds of the revenue bonds of any issue are less than the amount
33 required for the purpose for which the bonds are authorized, additional revenue bonds
34 may be issued in a similar manner to provide the amount of the deficiency.

35 4-320.

36 If the Authority intends to pledge any future federal aid from any source to
37 support repayment of any debt instrument issued under this subtitle:

1 (1) The annual payments for principal of and interest on the bonds may
 2 not exceed ~~[13]~~ 20 percent of the State's average annual authorization level in the
 3 current federal authorization act for federal highway aid provided under Title 23 of
 4 the United States Code; and ~~COMBINED AND CUMULATIVE TOTAL AGGREGATE~~
 5 ~~PRINCIPAL AMOUNT OF DEBT ISSUED UNDER THIS SUBTITLE OR TITLE 3, SUBTITLE 6~~
 6 ~~OF THIS ARTICLE THAT IS SUPPORTED SECURED BY A PLEDGE OF FUTURE FEDERAL~~
 7 ~~AID MAY NOT EXCEED \$750,000,000 IN PRINCIPAL AMOUNT;~~

8 (2) The date of maturity may not be later than ~~15~~ 12 years after the date
 9 of issue; ~~AND~~

10 (3) ~~IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL~~
 11 ~~OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED~~
 12 ~~UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY~~
 13 ~~PLEDGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT OF THE~~
 14 ~~BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS~~
 15 ~~APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR~~
 16 ~~APPLIED TO ANY OTHER PURPOSE UNTIL;~~

17 (4) ~~THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND~~
 18 ~~FULLY PAID; OR~~

19 (3) ~~NOTWITHSTANDING § 3-215(D) OF THIS ARTICLE, IF FUTURE~~
 20 ~~FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE~~
 21 ~~BONDS ISSUED UNDER THIS SUBTITLE WHEN DUE, THE TAX LEVIED UNDER § 3-215~~
 22 ~~OF THIS ARTICLE, TO THE EXTENT THE PROCEEDS OF SUCH TAX ARE NOT~~
 23 ~~NECESSARY TO PROVIDE THE SINKING FUND REQUIRED UNDER § 3-215(C) OF THIS~~
 24 ~~ARTICLE, IS IRREVOCABLY PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND~~
 25 ~~INTEREST ON THE BONDS ISSUED UNDER THIS SUBTITLE AS THEY BECOME DUE~~
 26 ~~AND PAYABLE;~~

27 (4) ~~THE LIEN OF THE PLEDGE UNDER ITEM (3) OF THIS SUBSECTION~~
 28 ~~SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THE PLEDGE OF SUCH TAX~~
 29 ~~UNDER § 3-215(D) OF THIS ARTICLE TO THE PAYMENT OF PRINCIPAL OF AND~~
 30 ~~INTEREST ON CONSOLIDATED TRANSPORTATION BONDS; AND~~

31 (5) ~~NO PART OF THE TAX LEVIED UNDER § 3-215 OF THIS ARTICLE MAY~~
 32 ~~BE REPEALED, DIMINISHED, OR APPLIED TO ANY OTHER PURPOSE UNTIL;~~

33 (I) ~~THE BONDS ISSUED UNDER THIS SUBTITLE AND INTEREST ON~~
 34 ~~THEM HAVE BECOME DUE AND FULLY PAID; OR~~

35 (II) ~~ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE~~
 36 ~~PRINCIPAL AND INTEREST HAS BEEN MADE.~~

37 ~~4-321.~~

38 (A) ~~IN THIS SECTION, "INTERCOUNTY CONNECTOR" MEANS THE EAST-WEST~~
 39 ~~MULTIMODAL HIGHWAY IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES~~

1 BETWEEN INTERSTATE 270 AND INTERSTATE 95/U.S. ROUTE 1, AS DESCRIBED IN THE
 2 2005 - 2010 CONSOLIDATED TRANSPORTATION PLAN.

3 (B) THE STATE AND THE AUTHORITY SHALL FINANCE THE INTERCOUNTY
 4 CONNECTOR AS PROVIDED IN THIS SECTION.

5 (C) THE AUTHORITY SHALL:

6 (1) ISSUE NOT MORE THAN AN AGGREGATE PRINCIPAL AMOUNT OF
 7 \$750,000,000 IN BONDS SECURED BY A PLEDGE OF FUTURE FEDERAL AID, WITH
 8 \$375,000,000 ISSUED IN FISCAL 2006, \$325,000,000 ISSUED IN FISCAL 2008, AND
 9 \$50,000,000 ISSUED IN FISCAL 2010; AND

10 (2) ISSUE REVENUE BONDS UNDER THIS SUBTITLE THAT ARE NOT
 11 SECURED BY A PLEDGE OF FUTURE FEDERAL AID.

12 (D) THE GOVERNOR SHALL TRANSFER FROM THE TRANSPORTATION TRUST
 13 FUND TO THE AUTHORITY FOR THE INTERCOUNTY CONNECTOR \$22,000,000 IN
 14 FISCAL 2005 AND \$38,000,000 IN FISCAL 2006.

15 (E) THE GOVERNOR SHALL ~~INCLUDE IN THE STATE BUDGET AN~~
 16 ~~APPROPRIATION~~ TRANSFER TO THE AUTHORITY FOR THE INTERCOUNTY
 17 CONNECTOR:

18 (1) FROM THE TRANSPORTATION TRUST FUND, AT LEAST \$30,000,000
 19 EACH YEAR FOR FISCAL YEARS 2007 THROUGH 2010;

20 (2) FROM THE GENERAL FUND, AN AGGREGATE APPROPRIATION BY
 21 FISCAL YEAR 2010 EQUAL TO \$264,913,000, WITH A PAYMENT OF AT LEAST \$53,000,000
 22 \$50,000,000 EACH YEAR FOR FISCAL YEARS 2007 THROUGH 2009 AND AT LEAST
 23 \$105,913,000 FOR FISCAL YEAR 2010; AND

24 (3) AT LEAST \$10,000,000 FEDERAL AID FROM ANY SOURCE IN AMOUNTS
 25 AS DEEMED PRUDENT.

26 (F) (1) ON OR BEFORE DECEMBER 1 OF EACH YEAR, IN ACCORDANCE WITH §
 27 2-1246 OF THE STATE GOVERNMENT ARTICLE THE AUTHORITY SHALL SUBMIT A
 28 REPORT ON THE STATUS OF THE INTERCOUNTY CONNECTOR TO THE SENATE
 29 BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE,
 30 AND THE HOUSE COMMITTEE ON WAYS AND MEANS.

31 (2) THE REPORT REQUIRED UNDER THIS SUBSECTION SHALL INCLUDE:

32 (I) AN UPDATE ON THE PROGRESS OF THE PROJECT AND A
 33 COMPARISON OF THE ACTUAL PROGRESS TO THE PROJECT SCHEDULE PROVIDED TO
 34 THE COMMITTEES IN JANUARY, 2005;

35 (II) THE REVISED ESTIMATE OF THE TOTAL PROJECT COST OF THE
 36 PROJECT AND A STATEMENT OF THE REASONS FOR ANY COST SAVINGS OR COST

1 OVERRUNS, RELATIVE TO THE ESTIMATE OF \$2,447,000,000 PROVIDED TO THE
2 COMMITTEES IN JANUARY, 2005; AND

3 (III) A DESCRIPTION OF ANY CHANGES TO THE FINANCING PLAN
4 FOR THE PROJECT, INCLUDING THE IMPACT OF COST SAVINGS OR COST OVERRUNS,
5 AND, CONSISTENT WITH THE INTENT OF THE GENERAL ASSEMBLY TO LIMIT THE
6 OVERALL AMOUNT OF DEBT USED FOR FINANCING THE INTERCOUNTY CONNECTOR,
7 THE SPECIFIC IDENTIFICATION OF SOURCES OF FUNDS THAT MAY BE APPLIED TO
8 ADDRESS ANY COST OVERRUNS.

9 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the
10 General Assembly that any project cost savings realized from the Intercounty
11 Connector project, below the projected cost of \$2,447,000,000, shall be applied as
12 reductions in the amount of Maryland Transportation Authority toll-backed revenue
13 bonds issued.

14 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before June 1,
15 2005, the Maryland Transportation Authority, in accordance with § 2-1246 of the
16 State Government Article, shall submit a report to the Senate Budget and Taxation
17 Committee and the House Appropriations Committee that includes:

18 (1) a complete cost/benefit analysis of a loan under the Transportation
19 Infrastructure Finance and Innovation Act (TIFIA) compared to the issuance of toll
20 revenue-backed Maryland Transportation Authority debt that is secured by
21 toll-revenue; and

22 (2) an indication whether the Authority plans to apply for a TIFIA loan
23 and include a TIFIA loan as an element of the financing of the Intercounty Connector.

24 SECTION 4. AND BE IT FURTHER ENACTED, That the General Assembly
25 fully supports the inclusion of a continuous bike and pedestrian path as part of the
26 Intercounty Connector. The Department of Transportation is urged to review all
27 options for an East-West trail system that would link the Shady Grove Metrorail
28 Station with U.S. 1. Depending on which corridor is chosen, the Department is
29 encouraged to maximize opportunities within the Intercounty Connector right-of-way
30 as well as to make use of connections to existing and planned trails in both counties to
31 enable better connectivity and lessen impacts of the most sensitive environmental
32 areas.

33 SECTION ~~2, 3, 5~~ 5. AND BE IT FURTHER ENACTED, That this Act shall take
34 effect ~~July~~ June 1, 2005.

