

**ENROLLED BILL**

-- Budget and Taxation/Appropriations --

Introduced by **Senators DeGrange and Kasemeyer**

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.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Transportation Authority—Revenue Bond Restrictions**  
3 **Department of Transportation and Maryland Transportation Authority -**  
4 **Debt, Authority, and Financing**

5 FOR the purpose of ~~repealing a provision of law prohibiting the Maryland~~  
6 ~~Transportation Authority from issuing bonds to finance a transportation~~  
7 ~~facilities project without certain approval of the General Assembly; expanding a~~  
8 ~~certain definition of tax-supported debt to require the Capital Debt~~  
9 ~~Affordability Committee to review and make recommendations regarding~~  
10 ~~certain debt issued by the Department of Transportation and the Maryland~~  
11 ~~Transportation Authority; repealing a certain requirement that the Capital Debt~~  
12 ~~Affordability Committee review and make recommendations about certain debt~~  
13 ~~issued by the Department of Transportation; repealing a certain requirement~~  
14 ~~that the Governor include a certain appropriation to the Transportation Trust~~  
15 ~~Fund under certain circumstances; providing for additional notice and ~~consent~~~~  
16 ~~comment before the Authority enters into any contract or agreement to acquire~~  
17 ~~or construct a revenue-producing transportation facility project; repealing a~~

1 requirement that the Authority receive General Assembly approval through  
 2 legislation prior to issuing bonds for certain purposes after a certain date;  
 3 providing a certain limit on the issuance of certain debt by the Authority;  
 4 requiring the General Assembly to establish a certain limit on debt outstanding  
 5 subject to certain requirements; authorizing the Authority to increase the  
 6 amount of debt issued by a certain amount under certain circumstances;  
 7 defining a certain term; and generally relating to Maryland Transportation  
 8 Authority revenue bonds and the issuance of debt altering the maximum  
 9 amount of debt that the Department or the Authority may issue that is  
 10 supported secured by a pledge of future federal aid; altering the maximum term  
 11 of certain debt issued by the Department or the Authority that is secured by a  
 12 pledge of future federal aid; pledging certain taxes to the payment of bonds  
 13 supported secured by a pledge of federal aid under certain circumstances;  
 14 providing that the State and the Authority shall finance a certain project in a  
 15 certain manner; requiring the Authority to issue certain bonds; requiring the  
 16 Governor to transfer certain amounts from the Transportation Trust Fund for  
 17 certain purposes; requiring the Governor to include certain appropriations in  
 18 the State budget transfer to the Authority certain amounts for certain fiscal  
 19 years; stating the intent of the General Assembly regarding project cost savings  
 20 realized from a certain project; requiring the Maryland Transportation  
 21 Authority to submit certain reports; requiring the Department to study the  
 22 construction of a certain bicycle and pedestrian path and under certain  
 23 circumstances to design and build a certain bicycle and pedestrian path; stating  
 24 the intent of the General Assembly regarding inclusion of a certain bicycle and  
 25 pedestrian path in a certain project; defining certain terms; providing for the  
 26 effective date of this Act; and generally relating to debt, authority, and financing  
 27 of the Department of Transportation and the Maryland Transportation  
 28 Authority.

29 BY repealing and reenacting, with amendments,  
 30 Article - State Finance and Procurement  
 31 Section 7-311(j), 8-104, and 8-112  
 32 Annotated Code of Maryland  
 33 (2001 Replacement Volume and 2004 Supplement)

34 BY repealing  
 35 Article - Transportation  
 36 Section 3-216(g)  
 37 Annotated Code of Maryland  
 38 (2001 Replacement Volume and 2004 Supplement)

39 BY repealing and reenacting, with amendments,  
 40 Article - Transportation  
 41 Section 3-601(d), ~~4-101~~, 4-205, and 4-306, 4-307(a), and 4-320  
 42 Annotated Code of Maryland  
 43 (2001 Replacement Volume and 2004 Supplement)

1 BY adding to  
2 Article - Transportation  
3 Section 4-321  
4 Annotated Code of Maryland  
5 (2001 Replacement Volume and 2004 Supplement)

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

8 **Article - State Finance and Procurement**

9 7-311.

10 (j) (1) Except as provided in paragraph (2) of this subsection [and §  
11 3-216(g) of the Transportation Article], for fiscal year 2006 and for each subsequent  
12 fiscal year, the Governor shall include in the budget bill an appropriation to the  
13 Account equal to the amount by which the unappropriated General Fund surplus as  
14 of June 30 of the second preceding fiscal year exceeds \$10,000,000.

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

18 8-104.

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

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

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

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

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

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

1 8-112.

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

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

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

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

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

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

14 (i) will be outstanding; and

15 (ii) will be authorized but unissued;

16 (2) the capital program prepared by the Department of Budget and  
17 Management;

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

20 (4) projections of debt service requirements during the next 10 fiscal  
21 years;

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

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

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

27 (ii) the marketability of State bonds;

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

30 (8) the amount of issuances, debt outstanding, and debt service  
31 requirement of other classes of State tax supported debt as well as[:

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

1                   (ii)]     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     (d)     The estimate of the Committee:

5                   (1)     is advisory; and

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

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

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

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

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

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

25                   (6)     This estimate:

26                   (i)     is advisory; and

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

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

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

35                   (3)     At the same time that the Committee makes its report as required  
36 under subsection (b) of this section, the Committee shall submit to the Governor and

1 the General Assembly the Committee's estimate of the amount of new bonds that may  
2 prudently be issued by the Department of Transportation under Title 3, Subtitle 6 of  
3 the Transportation Article.

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

8 (5) This estimate:

9 (i) is advisory; and

10 (ii) does not bind the General Assembly, the Board, or the  
11 Governor.]

## 12 **Article - Transportation**

13 3-216.

14 [(g) (1) Notwithstanding § 7-311(j) of the State Finance and Procurement  
15 Article, for fiscal year 2006 and for each subsequent fiscal year, if the unappropriated  
16 General Fund surplus as of June 30 of the second preceding fiscal year exceeds  
17 \$10,000,000, except as provided in paragraph (3) of this subsection, the Governor  
18 shall include in the budget bill an appropriation to the Transportation Trust Fund in  
19 an amount equal to the lesser of \$50,000,000 or the excess surplus over \$10,000,000.

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

21 (i) Unless the unappropriated General Fund surplus as of June 30  
22 of the second preceding fiscal year exceeds the sum of \$10,000,000 and the amount  
23 required to be appropriated to the Transportation Trust Fund under paragraph (1) of  
24 this subsection, the appropriation to the Revenue Stabilization Account under §  
25 7-311(j) of the State Finance and Procurement Article is not required; and

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

33 (3) (i) The cumulative amount appropriated to the Transportation  
34 Trust Fund under paragraph (1) of this subsection for all fiscal years may not exceed  
35 \$314,913,000.

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

1 3-601.

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

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

11 (2) The date of maturity may not be later than [15] 12 years after the  
12 date of issue; AND

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

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

22 ~~(ii) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE~~  
23 ~~PRINCIPAL AND INTEREST HAS BEEN MADE.~~

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

31 (4) THE LIEN OF THE PLEDGE UNDER ITEM (3) OF THIS SUBSECTION  
32 SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THE PLEDGE OF SUCH TAX  
33 UNDER § 3-215(D) OF THIS TITLE TO THE PAYMENT OF PRINCIPAL OF AND INTEREST  
34 ON CONSOLIDATED TRANSPORTATION BONDS; AND

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

37 (i) THE BONDS ISSUED UNDER THIS SUBTITLE AND INTEREST ON  
38 THEM HAVE BECOME DUE AND FULLY PAID; OR

1 (II) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE  
 2 PRINCIPAL AND INTEREST HAS BEEN MADE.

3 4-101.

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

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

6 (c) ~~"Cost", as applied to any transportation facilities project, includes the cost~~  
 7 ~~of and all expenses incident to the construction, reconstruction, acquisition,~~  
 8 ~~improvement, extension, alteration, modernization, planning, maintenance, and~~  
 9 ~~repair of the project, including the cost and expenses of:~~

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

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

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

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

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

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

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

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

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

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

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

28 (g) ~~"REVENUE BONDS" MEANS BONDS ISSUED FROM TIME TO TIME BY THE~~  
 29 ~~AUTHORITY THAT ARE PAYABLE FROM TOLL REVENUES OR OTHER AUTHORITY-~~  
 30 ~~SOURCED REVENUES AND ARE NOT ISSUED ON BEHALF OF ANY OTHER PUBLIC OR~~  
 31 ~~PRIVATE ENTITY.~~

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



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

3 (2) "State of Maryland Northeastern Expressway Revenue Bonds" dated  
4 as of January 1, 1962;

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

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

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

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

10 (h) (I) "Transportation facility" has the meaning stated in § 3-101 of this  
11 article.

12 (i) (J) "Transportation facilities project" includes:

13 (1) The Susquehanna River Bridge, the Harry W. Nice Memorial  
14 Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay  
15 Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the  
16 Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with  
17 their appurtenant causeways, approaches, interchanges, entrance plazas, toll  
18 stations, and service facilities;

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

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

23 (4) Any additions, improvements, or enlargements to any of these  
24 projects, whenever authorized.

25 (j) (K) "Vehicle parking facility" means a controlled entrance and exit  
26 building, structure, surface lot, and other facility for parking vehicles, for which fees  
27 or charges are established for the use of the facility.

28 4-205.

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

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

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

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

8 (i) ~~The Senate Budget and Taxation Committee and the House~~  
 9 ~~Committee on Ways and Means and House Appropriations Committee for review and~~  
 10 ~~comment; and~~

11 (ii) The Department of Legislative Services, TO THE SENATE  
 12 BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS,  
 13 AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND COMMENT, AND  
 14 TO THE DEPARTMENT OF LEGISLATIVE SERVICES, A DESCRIPTION OF THE PROPOSED  
 15 PROJECT, A SUMMARY OF THE CONTRACT OR AGREEMENT, AND A FINANCING PLAN  
 16 THAT DETAILS:

17 (I) THE ESTIMATED ANNUAL REVENUE FROM THE ISSUANCE OF  
 18 BONDS TO FINANCE THE PROJECT; AND

19 (II) THE ESTIMATED IMPACT OF THE ISSUANCE OF BONDS TO  
 20 FINANCE THE PROJECT ON THE BONDING CAPACITY OF THE AUTHORITY.

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

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

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

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

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

1 4-306.

2 (a) Except as provided in subsection (b) of this section, revenue bonds may be  
3 issued by the Authority:

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

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

8 (b) (1) [On or after July 1, 2005, the Authority may not issue bonds to  
9 finance all or any part of the cost of a transportation facility project until the General  
10 Assembly has approved, through legislation, the specific project and the maximum  
11 principal amount of bonds that the Authority may issue in connection with the  
12 project.] ~~THE REVENUE BONDS SECURED BY TOLL REVENUE MAY BE ISSUED IN ANY~~  
13 ~~AMOUNT AS LONG AS THE AGGREGATE OUTSTANDING AND UNPAID PRINCIPAL~~  
14 ~~BALANCE OF THE REVENUE BONDS SECURED BY TOLL REVENUE AND REVENUE~~  
15 ~~BONDS OF PRIOR ISSUES DOES NOT EXCEED AT ANY ONE TIME THE SUM OF~~  
16 ~~\$1,900,000,000 ON JUNE 30 OF ANY YEAR.~~

17 (2) [Without] ~~EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND~~  
18 ~~§ 4-205 OF THIS SUBTITLE,~~ WITHOUT the approval of the General Assembly, the  
19 Authority may issue bonds to refinance all or any part of the cost of a transportation  
20 facility project for which the Authority previously issued bonds authorized under this  
21 subtitle.

22 (3) ~~THE MAXIMUM AGGREGATE AMOUNT OF THE OUTSTANDING AND~~  
23 ~~UNPAID PRINCIPAL BALANCE OF REVENUE BONDS AND BONDS OF PRIOR ISSUES AS~~  
24 ~~OF JUNE 30 OF THE NEXT FISCAL YEAR:~~

25 (I) ~~SHALL BE ESTABLISHED EACH YEAR BY THE GENERAL~~  
26 ~~ASSEMBLY IN THE MARYLAND CONSOLIDATED CAPITAL BOND LOAN OR IN ANOTHER~~  
27 ~~ACT; AND~~

28 (II) ~~MAY NOT EXCEED THE LIMIT ESTABLISHED IN PARAGRAPH (I)~~  
29 ~~OF THIS SUBSECTION.~~

30 (4) ~~THE AUTHORITY MAY INCREASE ITS DEBT OUTSTANDING BY NOT~~  
31 ~~MORE THAN \$25,000,000 ABOVE THE MAXIMUM AMOUNT ESTABLISHED UNDER~~  
32 ~~PARAGRAPH (3) OF THIS SUBSECTION IF:~~

33 (I) ~~THE AUTHORITY PROVIDES NOTICE, STATING THE SPECIFIC~~  
34 ~~NEED FOR THE ADDITIONAL DEBT, TO THE SENATE BUDGET AND TAXATION~~  
35 ~~COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE TO ALLOW THE~~  
36 ~~COMMITTEES TO REVIEW AND COMMENT ON THE PROPOSED INCREASE; AND~~

37 (II) ~~THE NOTICE IS PROVIDED AT LEAST 45 DAYS BEFORE~~  
38 ~~PUBLICATION OF A PRELIMINARY OFFICIAL STATEMENT REGARDING THE PROPOSED~~  
39 ~~DEBT INCREASE.~~

1 4-307.

2 (a) Subject to the provisions of [~~§ 4-306(b)~~] §§ 4-306(B), 4-320, AND 4-321 of  
 3 this subtitle, if by reason of increased construction costs, error in estimates, or  
 4 otherwise, the proceeds of the revenue bonds of any issue are less than the amount  
 5 required for the purpose for which the bonds are authorized, additional revenue bonds  
 6 may be issued in a similar manner to provide the amount of the deficiency.

7 4-320.

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

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

17 (2) The date of maturity may not be later than [15] 12 years after the  
 18 date of issue: AND

19 (3) ~~IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL~~  
 20 ~~OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED~~  
 21 ~~UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY~~  
 22 ~~PLEGGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT OF THE~~  
 23 ~~BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS~~  
 24 ~~APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR~~  
 25 ~~APPLIED TO ANY OTHER PURPOSE UNTIL:~~

26 (I) ~~THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND~~  
 27 ~~FULLY PAID; OR~~

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

30 (3) NOTWITHSTANDING § 3-215(D) OF THIS ARTICLE, IF FUTURE  
 31 FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE  
 32 BONDS ISSUED UNDER THIS SUBTITLE WHEN DUE, THE TAX LEVIED UNDER § 3-215  
 33 OF THIS ARTICLE, TO THE EXTENT THE PROCEEDS OF SUCH TAX ARE NOT  
 34 NECESSARY TO PROVIDE THE SINKING FUND REQUIRED UNDER § 3-215(C) OF THIS  
 35 ARTICLE, IS IRREVOCABLY PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND  
 36 INTEREST ON THE BONDS ISSUED UNDER THIS SUBTITLE AS THEY BECOME DUE  
 37 AND PAYABLE;

38 (4) THE LIEN OF THE PLEDGE UNDER ITEM (3) OF THIS SUBSECTION  
 39 SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THE PLEDGE OF SUCH TAX

1 UNDER § 3-215(D) OF THIS ARTICLE TO THE PAYMENT OF PRINCIPAL OF AND  
2 INTEREST ON CONSOLIDATED TRANSPORTATION BONDS; AND

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

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

7 (II) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF THE  
8 PRINCIPAL AND INTEREST HAS BEEN MADE.

9 4-321.

10 (A) IN THIS SECTION, "INTERCOUNTY CONNECTOR" MEANS THE EAST-WEST  
11 MULTIMODAL HIGHWAY IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES  
12 BETWEEN INTERSTATE 270 AND INTERSTATE 95/U.S. ROUTE 1, AS DESCRIBED IN THE  
13 2005 - 2010 CONSOLIDATED TRANSPORTATION PLAN.

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

16 (C) THE AUTHORITY SHALL:

17 (1) ISSUE NOT MORE THAN AN AGGREGATE PRINCIPAL AMOUNT OF  
18 \$750,000,000 IN BONDS SECURED BY A PLEDGE OF FUTURE FEDERAL AID, WITH  
19 \$375,000,000 ISSUED IN FISCAL 2006, \$325,000,000 ISSUED IN FISCAL 2008, AND  
20 \$50,000,000 ISSUED IN 2010; AND

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

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

26 (E) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN  
27 APPROPRIATION TRANSFER TO THE AUTHORITY FOR THE INTERCOUNTY  
28 CONNECTOR:

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

31 (2) FROM THE GENERAL FUND, AN AGGREGATE APPROPRIATION BY  
32 FISCAL YEAR 2010 EQUAL TO \$264,913,000, WITH A PAYMENT OF AT LEAST \$53,000,000  
33 \$50,000,000 EACH YEAR FOR FISCAL YEARS 2007 THROUGH 2009 AND AT LEAST  
34 \$105,913,000 FOR FISCAL YEAR 2010; AND

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

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

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

7 (I) AN UPDATE ON THE PROGRESS OF THE PROJECT AND A  
8 COMPARISON OF THE ACTUAL PROGRESS TO THE PROJECT SCHEDULE PROVIDED TO  
9 THE COMMITTEES IN JANUARY, 2005;

10 (II) THE REVISED ESTIMATE OF THE TOTAL PROJECT COST OF THE  
11 PROJECT AND A STATEMENT OF THE REASONS FOR ANY COST SAVINGS OR COST  
12 OVERRUNS, RELATIVE TO THE ESTIMATE OF \$2,447,000,000 PROVIDED TO THE  
13 COMMITTEES IN JANUARY, 2005; AND

14 (III) A DESCRIPTION OF ANY CHANGES TO THE FINANCING PLAN  
15 FOR THE PROJECT, INCLUDING THE IMPACT OF COST SAVINGS OR COST OVERRUNS,  
16 AND, CONSISTENT WITH THE INTENT OF THE GENERAL ASSEMBLY TO LIMIT THE  
17 OVERALL AMOUNT OF DEBT USED FOR FINANCING THE INTERCOUNTY CONNECTOR,  
18 THE SPECIFIC IDENTIFICATION OF SOURCES OF FUNDS THAT MAY BE APPLIED TO  
19 ADDRESS ANY COST OVERRUNS.

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

25 ~~SECTION 2.3. AND BE IT FURTHER ENACTED, That, on or before June 1,~~  
26 ~~2005, the Maryland Transportation Authority, in accordance with § 2-1246 of the~~  
27 ~~State Government Article, shall submit a report to the Senate Budget and Taxation~~  
28 ~~Committee and the House Appropriations Committee that includes:~~

29 (1) a complete cost/benefit analysis of a loan under the Transportation  
30 Infrastructure Finance and Innovation Act (TIFIA) compared to the issuance of  
31 Maryland Transportation Authority debt that is secured by toll revenue; and

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

35 ~~SECTION 3. AND BE IT FURTHER ENACTED, That, as part of the planning~~  
36 ~~for the design and construction of the Intercounty Connector, the Department of~~  
37 ~~Transportation shall study the construction of a continuous, paved bicycle and~~  
38 ~~pedestrian path between the Shady Grove Metrorail Station in Montgomery County~~  
39 ~~and U.S. Route 1 in Prince George's County. If a build alternative for the Intercounty~~  
40 ~~Connector is selected, the Department shall design and construct those portions of the~~  
41 ~~bicycle and pedestrian path that are within the right-of-way of the Intercounty~~

1 Connector as shown in the draft Environmental Impact Statement. The portions of  
2 the bicycle and pedestrian path that are within the right-of-way of the Intercounty  
3 Connector shall be separated from the highway shoulder by an appropriate barrier or  
4 gap, and designed and constructed using best engineering practices for bicycle and  
5 pedestrian paths.

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

15 SECTION ~~2, 3, 4, 5.~~ AND BE IT FURTHER ENACTED, That this Act shall take  
16 effect ~~July~~ June 1, 2005.