
By: **Senators DeGrange and Kasemeyer**
Introduced and read first time: January 27, 2005
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transportation Authority - Revenue Bond Restrictions**

3 FOR the purpose of repealing a provision of law prohibiting the Maryland
4 Transportation Authority from issuing bonds to finance a transportation
5 facilities project without certain approval of the General Assembly; providing a
6 certain limit on the issuance of certain debt by the Authority; requiring the
7 General Assembly to establish a certain limit on debt outstanding subject to
8 certain requirements; authorizing the Authority to increase the amount of debt
9 issued by a certain amount under certain circumstances; defining a certain
10 term; and generally relating to Maryland Transportation Authority revenue
11 bonds and the issuance of debt.

12 BY repealing and reenacting, with amendments,
13 Article - Transportation
14 Section 4-101, 4-205, and 4-306
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2004 Supplement)

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

19 **Article - Transportation**

20 4-101.

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

22 (b) "Authority" means the Maryland Transportation Authority.

23 (c) "Cost", as applied to any transportation facilities project, includes the cost
24 of and all expenses incident to the construction, reconstruction, acquisition,
25 improvement, extension, alteration, modernization, planning, maintenance, and
26 repair of the project, including the cost and expenses of:

27 (1) All property acquired in connection with it;

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

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

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

6 (d) "Outstanding and unpaid" does not include:

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

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

9 (i) Matured bonds not presented for payment; or

10 (ii) Bonds called for redemption but not presented for redemption.

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

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

18 (g) "REVENUE BONDS" MEANS BONDS ISSUED FROM TIME TO TIME BY THE
19 AUTHORITY THAT ARE PAYABLE FROM TOLL REVENUES OR OTHER AUTHORITY-
20 SOURCED REVENUES AND ARE NOT ISSUED ON BEHALF OF ANY OTHER PUBLIC OR
21 PRIVATE ENTITY.

22 (H) "Revenue bonds of prior issues" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

17 4-205.

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

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

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

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

30 (i) The Senate Budget and Taxation Committee and the House
31 Committee on Ways and Means and House Appropriations Committee for review and
32 comment; and

33 (ii) The Department of Legislative Services.

34 (d) (1) Subject to paragraph (2) of this subsection, the Authority may employ
35 and fix the compensation of attorneys, consulting engineers, accountants,
36 construction and financial experts, superintendents, managers, and any other agents
37 and employees that it considers necessary to exercise its powers and perform its

1 duties. The compensation established by the Authority for executive management
2 positions shall be consistent with the compensation of comparable positions in the
3 Department of Transportation. The compensation established by the Authority shall
4 be reported to the General Assembly each year as part of the Authority's presentation
5 of its budget.

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

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

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

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

17 4-306.

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

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

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

24 (b) (1) [On or after July 1, 2005, the Authority may not issue bonds to
25 finance all or any part of the cost of a transportation facility project until the General
26 Assembly has approved, through legislation, the specific project and the maximum
27 principal amount of bonds that the Authority may issue in connection with the
28 project.] THE REVENUE BONDS MAY BE ISSUED IN ANY AMOUNT AS LONG AS THE
29 AGGREGATE OUTSTANDING AND UNPAID PRINCIPAL BALANCE OF THE REVENUE
30 BONDS AND REVENUE BONDS OF PRIOR ISSUES DOES NOT EXCEED AT ANY ONE TIME
31 THE SUM OF \$1,900,000,000.

32 (2) [Without] EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
33 WITHOUT the approval of the General Assembly, the Authority may issue bonds to
34 refinance all or any part of the cost of a transportation facility project for which the
35 Authority previously issued bonds authorized under this subtitle.

36 (3) THE MAXIMUM AGGREGATE AMOUNT OF THE OUTSTANDING AND
37 UNPAID PRINCIPAL BALANCE OF REVENUE BONDS AND BONDS OF PRIOR ISSUES AS
38 OF JUNE 30 OF THE NEXT FISCAL YEAR:

1 (I) SHALL BE ESTABLISHED EACH YEAR BY THE GENERAL
2 ASSEMBLY IN THE MARYLAND CONSOLIDATED CAPITAL BOND LOAN OR IN ANOTHER
3 ACT; AND

4 (II) MAY NOT EXCEED THE LIMIT ESTABLISHED IN PARAGRAPH (1)
5 OF THIS SUBSECTION.

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

9 (I) THE AUTHORITY PROVIDES NOTICE, STATING THE SPECIFIC
10 NEED FOR THE ADDITIONAL DEBT, TO THE SENATE BUDGET AND TAXATION
11 COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE TO ALLOW THE
12 COMMITTEES TO REVIEW AND COMMENT ON THE PROPOSED INCREASE; AND

13 (II) THE NOTICE IS PROVIDED AT LEAST 45 DAYS BEFORE
14 PUBLICATION OF A PRELIMINARY OFFICIAL STATEMENT REGARDING THE PROPOSED
15 DEBT INCREASE.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2005.