
By: **Senators DeGrange and Kasemeyer**
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Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
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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 ~~before the Authority enters into any contract or agreement to acquire or~~
17 ~~construct a revenue-producing transportation facility project; repealing a~~
18 ~~requirement that the Authority receive General Assembly approval through~~
19 ~~legislation prior to issuing bonds for certain purposes after a certain date;~~
20 ~~providing a certain limit on the issuance of certain debt by the Authority;~~
21 ~~requiring the General Assembly to establish a certain limit on debt outstanding~~
22 ~~subject to certain requirements; authorizing the Authority to increase the~~
23 ~~amount of debt issued by a certain amount under certain circumstances;~~
24 ~~defining a certain term; and generally relating to Maryland Transportation~~
25 ~~Authority revenue bonds and the issuance of debt altering the maximum~~
26 ~~amount of debt that the Department or the Authority may issue that is~~
27 ~~supported by a pledge of future federal aid; altering the maximum term of~~
28 ~~certain debt issued by the Department or the Authority that is secured by a~~

1 pledge of future federal aid; pledging certain taxes to the payment of bonds
2 supported by a pledge of federal aid under certain circumstances; providing that
3 the State and the Authority shall finance a certain project in a certain manner;
4 requiring the Authority to issue certain bonds; requiring the Governor to
5 transfer certain amounts from the Transportation Trust Fund for certain
6 purposes; requiring the Governor to include certain appropriations in the State
7 budget for certain fiscal years; requiring the Maryland Transportation Authority
8 to submit certain reports; requiring the Department to study the construction of
9 a certain bicycle and pedestrian path and under certain circumstances to design
10 and build a certain bicycle and pedestrian path; defining certain terms;
11 providing for the effective date of this Act; and generally relating to debt,
12 authority, and financing of the Department of Transportation and the Maryland
13 Transportation Authority.

14 BY repealing and reenacting, with amendments,
15 Article - State Finance and Procurement
16 Section 7-311(j), 8-104, and 8-112
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2004 Supplement)

19 BY repealing
20 Article - Transportation
21 Section 3-216(g)
22 Annotated Code of Maryland
23 (2001 Replacement Volume and 2004 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article - Transportation
26 Section 3-601(d), ~~4-101~~, 4-205, and 4-306, 4-307(a), and 4-320
27 Annotated Code of Maryland
28 (2001 Replacement Volume and 2004 Supplement)

29 BY adding to
30 Article - Transportation
31 Section 4-321
32 Annotated Code of Maryland
33 (2001 Replacement Volume and 2004 Supplement)

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

1 Article - State Finance and Procurement

2 7-311.

3 (j) (1) Except as provided in paragraph (2) of this subsection [and §
4 3-216(g) of the Transportation Article], for fiscal year 2006 and for each subsequent
5 fiscal year, the Governor shall include in the budget bill an appropriation to the
6 Account equal to the amount by which the unappropriated General Fund surplus as
7 of June 30 of the second preceding fiscal year exceeds \$10,000,000.

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

11 8-104.

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

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

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

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

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

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

27 8-112.

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

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

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

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

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

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

6 (i) will be outstanding; and

7 (ii) will be authorized but unissued;

8 (2) the capital program prepared by the Department of Budget and
9 Management;

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

12 (4) projections of debt service requirements during the next 10 fiscal
13 years;

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

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

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

19 (ii) the marketability of State bonds;

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

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

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

26 (ii) other debt of State units, including the University System of
27 Maryland, Morgan State University, St. Mary's College of Maryland, and the
28 Baltimore City Community College.

29 (d) The estimate of the Committee:

30 (1) is advisory; and

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

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

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

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

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

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

19 (6) This estimate:

20 (i) is advisory; and

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

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

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

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

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

38 (5) This estimate:

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

4 **Article - Transportation**

5 3-216.

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

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

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

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

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

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

31 3-601.

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

34 (1) The [annual payments for principal of and interest on the bonds may
35 not exceed 13 percent of the State's average annual authorization level in the current
36 federal authorization act for federal highway aid provided under Title 23 of the
37 United States Code] COMBINED AND CUMULATIVE TOTAL OF DEBT ISSUED UNDER
38 THIS SUBTITLE OR TITLE 4, SUBTITLE 3 OF THIS ARTICLE THAT IS SUPPORTED BY A

1 PLEDGE OF FUTURE FEDERAL AID MAY NOT EXCEED \$750,000,000 IN PRINCIPAL
 2 AMOUNT; [and]

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

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

12 (I) THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND
 13 FULLY PAID; OR

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

16 ~~4-101.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 ~~{(h)}~~ (H) "Transportation facility" has the meaning stated in § 3-101 of this
 23 article.

24 ~~{(i)}~~ (I) "Transportation facilities project" includes:

25 (1) The Susquehanna River Bridge, the Harry W. Nice Memorial
 26 Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay
 27 Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the
 28 Francis Scott Key Bridge, and the John F. Kennedy Memorial Highway, together with
 29 their appurtenant causeways, approaches, interchanges, entrance plazas, toll
 30 stations, and service facilities;

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

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

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

1 ~~{(j)}~~ ~~(K)~~ "Vehicle parking facility" means a controlled entrance and exit
 2 building, structure, surface lot, and other facility for parking vehicles, for which fees
 3 or charges are established for the use of the facility.

4 4-205.

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

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

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

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

17 ~~(i) The Senate Budget and Taxation Committee and the House~~
 18 ~~Committee on Ways and Means and House Appropriations Committee for review and~~
 19 ~~comment; and~~

20 ~~(ii) The Department of Legislative Services, TO THE SENATE~~
 21 ~~BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS AND MEANS,~~
 22 ~~AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND COMMENT, AND~~
 23 ~~TO THE DEPARTMENT OF LEGISLATIVE SERVICES, A DESCRIPTION OF THE PROPOSED~~
 24 ~~PROJECT, A SUMMARY OF THE CONTRACT OR AGREEMENT, AND A FINANCING PLAN~~
 25 ~~THAT DETAILS:~~

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

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

30 (d) (1) Subject to paragraph (2) of this subsection, the Authority may employ
 31 and fix the compensation of attorneys, consulting engineers, accountants,
 32 construction and financial experts, superintendents, managers, and any other agents
 33 and employees that it considers necessary to exercise its powers and perform its
 34 duties. The compensation established by the Authority for executive management
 35 positions shall be consistent with the compensation of comparable positions in the
 36 Department of Transportation. The compensation established by the Authority shall
 37 be reported to the General Assembly each year as part of the Authority's presentation
 38 of its budget.

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

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

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

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

12 4-306.

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

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

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

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

28 (2) [Without] ~~EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND~~
29 ~~§ 4-205 OF THIS SUBTITLE,~~ WITHOUT the approval of the General Assembly, the
30 Authority may issue bonds to refinance all or any part of the cost of a transportation
31 facility project for which the Authority previously issued bonds authorized under this
32 subtitle.

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

36 (4) ~~SHALL BE ESTABLISHED EACH YEAR BY THE GENERAL~~
37 ~~ASSEMBLY IN THE MARYLAND CONSOLIDATED CAPITAL BOND LOAN OR IN ANOTHER~~
38 ~~ACT; AND~~

1 ~~(H) MAY NOT EXCEED THE LIMIT ESTABLISHED IN PARAGRAPH (1)~~
2 ~~OF THIS SUBSECTION.~~

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

6 ~~(F) THE AUTHORITY PROVIDES NOTICE, STATING THE SPECIFIC~~
7 ~~NEED FOR THE ADDITIONAL DEBT, TO THE SENATE BUDGET AND TAXATION~~
8 ~~COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE TO ALLOW THE~~
9 ~~COMMITTEES TO REVIEW AND COMMENT ON THE PROPOSED INCREASE; AND~~

10 ~~(H) THE NOTICE IS PROVIDED AT LEAST 45 DAYS BEFORE~~
11 ~~PUBLICATION OF A PRELIMINARY OFFICIAL STATEMENT REGARDING THE PROPOSED~~
12 ~~DEBT INCREASE.~~

13 4-307.

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

19 4-320.

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

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

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

31 (3) IF FUTURE FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL
32 OF AND INTEREST ON THE BONDS WHEN DUE, THE TAX LEVIED AND IMPOSED
33 UNDER § 3-215 OF THIS TITLE IS IRREVOCABLY PLEDGED, EXCLUSIVE OF ANY MONEY
34 PLEDGED TO CONSOLIDATED TRANSPORTATION BONDS, TO THE PAYMENT OF THE
35 BONDS AS THEY ARE DUE AND PAYABLE, AND NO PART OF THE TAX OR OTHER FUNDS
36 APPLICABLE TO DEBT SERVICE ON THE BONDS MAY BE REPEALED, DIMINISHED, OR
37 APPLIED TO ANY OTHER PURPOSE UNTIL:

38 (I) THE BONDS AND INTEREST ON THEM HAVE BECOME DUE AND
39 FULLY PAID; OR

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

3 4-321.

4 (A) IN THIS SECTION, "INTERCOUNTY CONNECTOR" MEANS THE EAST-WEST
5 MULTIMODAL HIGHWAY IN MONTGOMERY AND PRINCE GEORGE'S COUNTIES
6 BETWEEN INTERSTATE 270 AND INTERSTATE 95/U.S. ROUTE 1, AS DESCRIBED IN THE
7 2005 - 2010 CONSOLIDATED TRANSPORTATION PLAN.

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

10 (C) THE AUTHORITY SHALL:

11 (1) ISSUE NOT MORE THAN \$750,000,000 IN BONDS SECURED BY A
12 PLEDGE OF FUTURE FEDERAL AID, WITH \$375,000,000 ISSUED IN FISCAL 2006,
13 \$325,000,000 ISSUED IN FISCAL 2008, AND \$50,000,000 ISSUED IN 2010; AND

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

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

19 (E) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN
20 APPROPRIATION TO THE AUTHORITY FOR THE INTERCOUNTY CONNECTOR:

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

23 (2) FROM THE GENERAL FUND, AT LEAST \$53,000,000 EACH YEAR FOR
24 FISCAL YEARS 2007 THROUGH 2009 AND AT LEAST \$105,913,000 FOR FISCAL YEAR 2010;
25 AND

26 (3) FEDERAL AID FROM ANY SOURCE IN AMOUNTS AS DEEMED
27 PRUDENT.

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

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

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

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

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before June 1,
12 2005, the Maryland Transportation Authority, in accordance with § 2-1246 of the
13 State Government Article, shall submit a report to the Senate Budget and Taxation
14 Committee and the House Appropriations Committee that includes:

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

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

21 SECTION 3. AND BE IT FURTHER ENACTED, That, as part of the planning
22 for the design and construction of the Intercounty Connector, the Department of
23 Transportation shall study the construction of a continuous, paved bicycle and
24 pedestrian path between the Shady Grove Metrorail Station in Montgomery County
25 and U.S. Route 1 in Prince George's County. If a build alternative for the Intercounty
26 Connector is selected, the Department shall design and construct those portions of the
27 bicycle and pedestrian path that are within the right-of-way of the Intercounty
28 Connector as shown in the draft Environmental Impact Statement. The portions of
29 the bicycle and pedestrian path that are within the right-of-way of the Intercounty
30 Connector shall be separated from the highway shoulder by an appropriate barrier or
31 gap, and designed and constructed using best engineering practices for bicycle and
32 pedestrian paths.

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

