

# HOUSE BILL 572

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By: **Chair, Environmental Matters Committee (By Request – Departmental – Transportation)**

Introduced and read first time: February 6, 2009

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Washington Metropolitan Area Transit Authority – Finance and Governance**

3 FOR the purpose of amending the Washington Metropolitan Area Transit Authority  
4 Compact in order to comply with certain federal requirements; increasing the  
5 number of directors on the Washington Metropolitan Area Transit Authority  
6 Board to include directors representing the federal government, subject to a  
7 certain requirement; providing for the appointment of federal directors and  
8 alternates; establishing an Office of the Inspector General within the  
9 Washington Metropolitan Area Transit Authority; providing for the duties and  
10 functions of the Office; providing that the Director of the Office is the Inspector  
11 General; requiring that certain payments made by signatories to the  
12 Washington Metropolitan Area Transit Authority to match certain federal funds  
13 be made from certain dedicated funding sources; requiring the Maryland  
14 Department of Transportation to provide grants from the Transportation Trust  
15 Fund to the Washington Suburban Transit District for the purpose of funding  
16 Maryland's required share of local funds for the Washington Metropolitan Area  
17 Transit Authority to match certain federal funds; defining a certain term;  
18 clarifying language; making this Act subject to a certain contingency; and  
19 generally relating to the finance and governance of the Washington  
20 Metropolitan Area Transit Authority.

21 BY repealing and reenacting, with amendments,

22 Article – Transportation

23 Section 10–204 Title III Article III Section 5 and 9 and Article VII Section 18;  
24 and 10–205

25 Annotated Code of Maryland

26 (2008 Replacement Volume)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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**Article – Transportation**

2 10–204.

3

## TITLE III

4

## ARTICLE III

5

## Organization and Area

6 5.

7 (a) The Authority shall be governed by a Board of [six] **EIGHT** Directors  
8 consisting of two Directors for each signatory **AND TWO FOR THE FEDERAL**  
9 **GOVERNMENT, ONE OF WHOM SHALL BE A REGULAR PASSENGER AND**  
10 **CUSTOMER OF THE BUS OR RAIL SERVICE OF THE AUTHORITY.** [For Virginia, the]  
11 **THE** Directors shall be appointed, **FOR VIRGINIA**, by the Northern Virginia  
12 Transportation Commission; for the District of Columbia, by the Council of the District  
13 of Columbia; [and] for Maryland, by the Washington Suburban Transit Commission;  
14 **AND FOR THE FEDERAL GOVERNMENT, BY THE ADMINISTRATOR OF GENERAL**  
15 **SERVICES.** For Virginia and Maryland, the Directors shall be appointed from among  
16 the members of the appointing body, except as otherwise provided herein, and shall  
17 serve for a term coincident with their term on the appointing body. A Director **FOR A**  
18 **SIGNATORY** may be removed or suspended from office only as provided by the law of  
19 the signatory from which he was appointed. The **NONFEDERAL** appointing authorities  
20 shall also appoint an alternate for each Director[, who]. **IN ADDITION, THE**  
21 **ADMINISTRATOR OF GENERAL SERVICES SHALL APPOINT TWO NONVOTING**  
22 **DIRECTORS WHO SHALL SERVE AS ALTERNATES FOR THE FEDERAL DIRECTORS.**  
23 **AN ALTERNATE DIRECTOR** may act only in the absence of the Director for whom he  
24 has been appointed an alternate, except that, in the case of the District of Columbia  
25 where only one Director and his alternate are present, such alternate may act on  
26 behalf of the absent Director. Each alternate, **INCLUDING THE FEDERAL**  
27 **NONVOTING DIRECTORS**, shall serve at the pleasure of the appointing authority. In  
28 the event of a vacancy in the Office of Director or alternate, it shall be filled in the  
29 same manner as an original appointment.

30 (b) Before entering upon the duties of his office each Director and alternate  
31 director shall take and subscribe to the following oath (or affirmation) of office or any  
32 such other oath or affirmation, if any, as the constitution or laws of the [signatory]  
33 **GOVERNMENT** he represents shall provide:

34 “I, ..., hereby solemnly swear (or affirm) that I will support and defend the  
35 Constitution of the United States and the Constitution and laws of the state or  
36 political jurisdiction from which I was appointed as a Director (alternate director) of

1 the Board of Washington Metropolitan Area Transit Authority and will faithfully  
2 discharge the duties of the office upon which I am about to enter.”

3 9.

4 (a) The officers of the Authority, none of whom shall be members of the  
5 board, shall consist of a general manager, a secretary, a treasurer, a comptroller, **AN**  
6 **INSPECTOR GENERAL**, and a general counsel and such other officers as the board  
7 may provide. Except for the office of general manager, **INSPECTOR GENERAL**, and  
8 comptroller, the board may consolidate any of such other offices in one person. All such  
9 officers shall be appointed and may be removed by the board, shall serve at the  
10 pleasure of the board and shall perform such duties and functions as the board shall  
11 specify. The board shall fix and determine the compensation to be paid to all officers  
12 and, except for the general manager who shall be a full-time employee, all other  
13 officers may be hired on a full-time or part-time basis and may be compensated on a  
14 salary or fee basis, as the board may determine. All employees and such officers as the  
15 board may designate shall be appointed and removed by the general manager under  
16 such rules of procedure and standards as the board may determine.

17 (b) The general manager shall be the chief administrative officer of the  
18 Authority and, subject to policy direction by the board, shall be responsible for all  
19 activities of the Authority.

20 (c) The treasurer shall be the custodian of the funds of the Authority, shall  
21 keep an account of all receipts and disbursements and shall make payments only upon  
22 warrants duly and regularly signed by the chairman or vice-chairman of the board, or  
23 other person authorized by the board to do so, and by the secretary or general  
24 manager; provided, however, that the board may provide that warrants not exceeding  
25 such amounts or for such purposes as may from time to time be specified by the board  
26 may be signed by the general manager or by persons designated by him.

27 **(D) (1) THERE IS AN OFFICE OF THE INSPECTOR GENERAL IN THE**  
28 **AUTHORITY.**

29 **(2) THE INSPECTOR GENERAL SHALL SERVE AS DIRECTOR OF**  
30 **THE OFFICE AND SHALL REPORT TO THE BOARD.**

31 **(3) THE OFFICE IS AN INDEPENDENT AND OBJECTIVE UNIT OF**  
32 **THE AUTHORITY THAT:**

33 **(I) CONDUCTS AND SUPERVISES AUDITS, PROGRAM**  
34 **EVALUATIONS, AND INVESTIGATIONS RELATING TO AUTHORITY ACTIVITIES;**

35 **(II) PROMOTES ECONOMY, EFFICIENCY, AND**  
36 **EFFECTIVENESS IN AUTHORITY ACTIVITIES;**



1 (c) With respect to the federal government, the commitment or obligation to  
2 render financial assistance shall be created by appropriation or in such other manner,  
3 or by such other legislation, as the Congress shall determine. Commitments by the  
4 District of Columbia shall be by contract or agreement between the governing body of  
5 the District of Columbia and the Authority, pursuant to which the Authority  
6 undertakes, subject to the provisions of Section 20 hereof, to provide transit facilities  
7 and service in consideration for the undertaking by the District of Columbia to  
8 contribute to the capital required for the construction and/or acquisition of facilities  
9 specified in a mass transit plan adopted as provided in Article VI, or in any alteration,  
10 revision or amendment thereof, and for meeting expenses and obligations incurred in  
11 the operation of such facilities.

12 (D) (1) IN THIS SUBSECTION, “DEDICATED FUNDING SOURCE” MEANS  
13 ANY SOURCE OF FUNDING THAT IS EARMARKED OR REQUIRED UNDER STATE OR  
14 LOCAL LAW TO BE USED TO MATCH FEDERAL APPROPRIATIONS AUTHORIZED  
15 UNDER TITLE VI, § 601, P.L. 110-432 FOR PAYMENTS TO THE AUTHORITY.

16 (2) ALL PAYMENTS BY THE LOCAL SIGNATORY GOVERNMENTS  
17 FOR THE AUTHORITY FOR THE PURPOSE OF MATCHING FEDERAL FUNDS  
18 APPROPRIATED IN ANY GIVEN YEAR AS AUTHORIZED UNDER TITLE VI, § 601,  
19 P.L. 110-432 REGARDING FUNDING OF CAPITAL AND PREVENTIVE  
20 MAINTENANCE PROJECTS OF THE AUTHORITY SHALL BE MADE FROM AMOUNTS  
21 DERIVED FROM A DEDICATED FUNDING SOURCE.

22 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
23 read as follows:

24 **Article - Transportation**

25 10-205.

26 (a) In accordance with and subject to the principle that, if there is  
27 substantial State financial support for the planned rapid rail mass transit system in  
28 one metropolitan area of this State, there should be substantial State financial  
29 support for the planned rapid rail mass transit system in the other metropolitan area  
30 of this State, and subject to the appropriation requirements and budgetary provisions  
31 of § 3-216(d) of this article, the Department shall provide for grants to the Washington  
32 Suburban Transit District in an amount equal to the current expenditures required of  
33 the Washington Suburban Transit District in accordance with capital contributions  
34 agreements between the Washington Metropolitan Area Transit Authority, the  
35 Washington Suburban Transit District, and other participating jurisdictions. The  
36 Washington Suburban Transit District shall consult with the Secretary of  
37 Transportation prior to the execution of any capital contributions agreement.  
38 Expenditures required of the Washington Suburban Transit District for projects and  
39 programs not included in the “Adopted Regional System – 1968” revised as of January

1 1, 1992, are only eligible for State funding in accordance with subsection [(e)] (F) of  
2 this section.

3 (b) (1) Subject to the appropriation requirements and budgetary  
4 provisions of § 3-216(d) of this article and upon receipt of an approval of a grant  
5 application in such form and detail as the Secretary shall reasonably require, the  
6 Department shall provide for annual grants to the Washington Suburban Transit  
7 District for a share of the operating deficits of the regional transit system for which  
8 the District is responsible. "Operating deficit" means operating costs less:

9 (i) The greater of operating revenues or 50 percent of the  
10 operating costs; and

11 (ii) All federal operating assistance.

12 (2) The Department's share shall equal 100 percent of the operating  
13 deficit.

14 (c) Subject to the appropriation requirements and budgetary provision of §  
15 3-216(d) of this article, the Department shall provide for grants to the Washington  
16 Suburban Transit District in an amount equal to 100 percent of the net debt service  
17 assigned to the Washington Suburban Transit District on bonds issued by the  
18 Washington Metropolitan Area Transit Authority. In no event shall the amount of net  
19 debt service, including the refinancing of any debt, required of the Washington  
20 Suburban Transit District exceed the amount presently assigned on a year by year  
21 basis to the Washington Suburban Transit District, and payable through the year  
22 2014. Nothing in this article shall preclude the use of bond proceeds for capital  
23 improvements and replacements of the "Adopted Regional System - 1968" revised as  
24 of January 1, 1992.

25 (d) (1) In accordance with and subject to the principle that, if there is  
26 substantial State financial support for rapid rail and bus transit capital replacement  
27 costs in one metropolitan area of this State, there should be substantial State financial  
28 support for the costs of similar needs in the other metropolitan area of this State, and  
29 in recognition of the fact that timely replacement of capital facilities and equipment is  
30 essential to safe and reliable transit service, the Department shall provide grants to  
31 fully fund the Washington Suburban Transit District's share of the Washington  
32 Metropolitan Area Transit Authority's capital equipment replacement programs.

33 (2) The grants under this subsection:

34 (i) Shall be made subject to the appropriation and budgetary  
35 provisions of § 3-216(d) of this article;

36 (ii) Shall be included in the State budget beginning in fiscal  
37 year 2000;

1 (iii) Notwithstanding any other provision of law, may be funded  
2 with revenues derived from:

3 1. Any State-enacted transportation fees or taxes; or

4 2. Federal transportation grants available to the State to  
5 fund transit capital equipment replacement; and

6 (iv) Shall be contingent on the receipt of a request by the  
7 District to the Department, based on annual capital improvements programs adopted  
8 by the Washington Metropolitan Area Transit Authority.

9 **(E) SUBJECT TO THE APPROPRIATION REQUIREMENTS AND**  
10 **BUDGETARY PROVISIONS OF § 3-216(D) OF THIS ARTICLE, THE DEPARTMENT**  
11 **SHALL PROVIDE GRANTS FROM AMOUNTS DERIVED FROM THE**  
12 **TRANSPORTATION TRUST FUND TO THE WASHINGTON SUBURBAN TRANSIT**  
13 **DISTRICT FOR THE PURPOSE OF FUNDING MARYLAND'S REQUIRED SHARE OF**  
14 **LOCAL FUNDS FOR THE WASHINGTON METROPOLITAN AREA TRANSIT**  
15 **AUTHORITY TO MATCH ANY FEDERAL FUNDS APPROPRIATED IN ANY GIVEN**  
16 **YEAR AUTHORIZED UNDER TITLE VI, § 601, P.L. 110-432.**

17 [(e)] (F) A grant by the Department to the Washington Suburban Transit  
18 District in excess of the provisions of subsection (a) of this section may be made only  
19 after approval by the Secretary.

20 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act may  
21 not take effect until similar Acts are passed by the Commonwealth of Virginia and the  
22 District of Columbia; that the Commonwealth of Virginia and the District of Columbia  
23 are requested to concur in this Act of the General Assembly of Maryland by the  
24 enactment of substantially similar Acts; that the Department of Legislative Services  
25 shall notify the appropriate officials of the Commonwealth of Virginia, the District of  
26 Columbia, and the United States Congress of the enactment of this Act; and that upon  
27 the concurrence in this Act by the Commonwealth of Virginia, the District of  
28 Columbia, and the United States, the Governor of the State of Maryland shall issue a  
29 proclamation declaring this Act valid and effective and shall forward a copy of the  
30 proclamation to the Executive Director of the Department of Legislative Services.

31 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions  
32 of Section 3 of this Act, this Act shall take effect July 1, 2009.