

SENATE BILL 915

P1

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CF HB 572

By: **Senators Forehand, Madaleno, and Muse**
Introduced and read first time: February 13, 2009
Assigned to: Rules

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:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

1 9.

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

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

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

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

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

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

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

33 (II) **PROMOTES ECONOMY, EFFICIENCY, AND**
34 **EFFECTIVENESS IN AUTHORITY ACTIVITIES;**

35 (III) **DETECTS AND PREVENTS FRAUD AND ABUSE IN**
36 **AUTHORITY ACTIVITIES; AND**

1 **(IV) KEEPS THE BOARD FULLY AND CURRENTLY INFORMED**
2 **ABOUT DEFICIENCIES IN AUTHORITY ACTIVITIES AS WELL AS THE NECESSITY**
3 **FOR AND PROGRESS OF CORRECTIVE ACTION.**

4 [(d)] (E) An oath of office in the form set out in § 5(b) of this article shall be
5 taken, subscribed and filed with the board by all appointed officers.

6 [(e)] (F) Each director, officer and employee specified by the board shall
7 give such bond in such form and amount as the board may require, the premium for
8 which shall be paid by the Authority.

9 ARTICLE VII

10 Financing

11 18.

12 (a) Commitments on behalf of the portion of the zone located in Virginia
13 shall be by contract or agreement by the Authority with the Northern Virginia
14 Transportation District, or its component governments, as authorized in the
15 Transportation District Act of 1964 (ch. 631, 1964 Acts of Virginia Assembly), to
16 contribute to the capital required for the construction and/or acquisition of facilities
17 specified in a mass transit plan adopted as provided in Article VI, or any alteration,
18 revision or amendment thereof, and for meeting expenses and obligations in the
19 operation of such facilities. No such contract or agreement, however, shall be entered
20 into by the Authority with the Northern Virginia Transportation District unless said
21 District has entered into the contracts or agreements with its member governments,
22 as contemplated by § 1(b)(4) of Article 4 of said act, which contracts or agreements
23 expressly provide that such contracts or agreements shall inure to the benefit of the
24 Authority and shall be enforceable by the Authority in accordance with the provisions
25 of § 2, Article 5 of said act, and such contracts or agreements are acceptable to the
26 Board. The General Assembly of Virginia hereby authorizes and designates the
27 Authority as the agency to plan for and provide transit facilities and services for the
28 area of Virginia encompassed within the zone within the contemplation of Article 1, §
29 3(c) of said act.

30 (b) Commitments on behalf of the portion of the zone located in Maryland
31 shall be by contract or agreement by the Authority with the Washington Suburban
32 Transit District, pursuant to which the Authority undertakes to provide transit
33 facilities and service in consideration for the agreement by said district to contribute
34 to the capital required for the construction and/or acquisition of facilities specified in a
35 mass transit plan adopted as provided in Article VI, or in any alteration, revision or
36 amendment thereof, and for meeting expenses and obligations incurred in the
37 operation of such facilities.

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
40 1, 1992, are only eligible for State funding in accordance with subsection [(e)] (F) of
41 this section.

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

7 (i) The greater of operating revenues or 50 percent of the
8 operating costs; and

9 (ii) All federal operating assistance.

10 (2) The Department’s share shall equal 100 percent of the operating
11 deficit.

12 (c) Subject to the appropriation requirements and budgetary provision of §
13 3–216(d) of this article, the Department shall provide for grants to the Washington
14 Suburban Transit District in an amount equal to 100 percent of the net debt service
15 assigned to the Washington Suburban Transit District on bonds issued by the
16 Washington Metropolitan Area Transit Authority. In no event shall the amount of net
17 debt service, including the refinancing of any debt, required of the Washington
18 Suburban Transit District exceed the amount presently assigned on a year by year
19 basis to the Washington Suburban Transit District, and payable through the year
20 2014. Nothing in this article shall preclude the use of bond proceeds for capital
21 improvements and replacements of the “Adopted Regional System – 1968” revised as
22 of January 1, 1992.

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

31 (2) The grants under this subsection:

32 (i) Shall be made subject to the appropriation and budgetary
33 provisions of § 3–216(d) of this article;

34 (ii) Shall be included in the State budget beginning in fiscal
35 year 2000;

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

- 1 1. Any State–enacted transportation fees or taxes; or
- 2 2. Federal transportation grants available to the State to
- 3 fund transit capital equipment replacement; and
- 4 (iv) Shall be contingent on the receipt of a request by the
- 5 District to the Department, based on annual capital improvements programs adopted
- 6 by the Washington Metropolitan Area Transit Authority.

7 **(E) SUBJECT TO THE APPROPRIATION REQUIREMENTS AND**

8 **BUDGETARY PROVISIONS OF § 3–216(D) OF THIS ARTICLE, THE DEPARTMENT**

9 **SHALL PROVIDE GRANTS FROM AMOUNTS DERIVED FROM THE**

10 **TRANSPORTATION TRUST FUND TO THE WASHINGTON SUBURBAN TRANSIT**

11 **DISTRICT FOR THE PURPOSE OF FUNDING MARYLAND’S REQUIRED SHARE OF**

12 **LOCAL FUNDS FOR THE WASHINGTON METROPOLITAN AREA TRANSIT**

13 **AUTHORITY TO MATCH ANY FEDERAL FUNDS APPROPRIATED IN ANY GIVEN**

14 **YEAR AUTHORIZED UNDER TITLE VI, § 601, P.L. 110–432.**

15 [(e)] (F) A grant by the Department to the Washington Suburban Transit

16 District in excess of the provisions of subsection (a) of this section may be made only

17 after approval by the Secretary.

18 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act may

19 not take effect until similar Acts are passed by the Commonwealth of Virginia and the

20 District of Columbia; that the Commonwealth of Virginia and the District of Columbia

21 are requested to concur in this Act of the General Assembly of Maryland by the

22 enactment of substantially similar Acts; that the Department of Legislative Services

23 shall notify the appropriate officials of the Commonwealth of Virginia, the District of

24 Columbia, and the United States Congress of the enactment of this Act; and that upon

25 the concurrence in this Act by the Commonwealth of Virginia, the District of

26 Columbia, and the United States, the Governor of the State of Maryland shall issue a

27 proclamation declaring this Act valid and effective and shall forward a copy of the

28 proclamation to the Executive Director of the Department of Legislative Services.

29 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions

30 of Section 3 of this Act, this Act shall take effect July 1, 2009.