

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 635 (Delegate James, *et al.*)
Ways and Means

Task Force to Study the Creation of Regional Transit Financing Authorities

This bill establishes a Task Force to Study the Creation of Regional Transit Financing Authorities staffed by the Maryland Department of Transportation (MDOT). An interim report of the task force's findings and recommendations must be provided to the Governor and the General Assembly by January 1, 2013, with a final report due by November 1, 2013.

The bill takes effect July 1, 2012, and terminates June 30, 2014.

Fiscal Summary

State Effect: Given the State's fiscal difficulties, agency budgets have been constrained. Thus, the requirement to staff the task force and develop the reports is not absorbable within the existing budgeted resources of MDOT. Instead, Transportation Trust Fund (TTF) expenditures increase by \$75,000 in FY 2013 and \$75,000 in FY 2014 to hold meetings and complete the reports. Revenues are not affected.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	75,000	75,000	0	0	0
Net Effect	(\$75,000)	(\$75,000)	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill does not materially affect local operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: The task force must study and make recommendations on the establishment of regional financing authorities as a potential means to generate additional revenue to meet growing transit funding needs. To the extent practicable, the composition of the task force must reflect the State's regional, economic, ethnic, and gender diversity. Task force members may not receive compensation but are entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

Current Law/Background: Chapters 525 and 526 of 2010 established the Blue Ribbon Commission on Transportation Funding. The commission was tasked with reviewing, evaluating, and making recommendations on a variety of issues, including (1) the current State funding sources and structure of TTF; (2) short- and long-term transit and highway construction and maintenance funding needs; (3) options for public-private partnerships to meet transportation funding needs; (4) the structure of regional transportation authorities and their ability to meet transportation needs; and (5) options for sustainable, long-term revenue sources for transportation. The commission's November 1, 2011 final report recommends, among other things, that regional transit financing authorities be studied as a potential means to generate additional revenue to address transit funding needs.

State Expenditures: TTF expenditures increase by \$75,000 in fiscal 2013 and \$75,000 in fiscal 2014 for contractual costs associated with contributing to meetings and completing technical studies and national research on transit authorities. This estimate is based on contractual costs MDOT incurred in fiscal 2011 and 2012 for the commission.

This estimate assumes that MDOT redirects resources from other projects so it may absorb (1) a potentially significant amount of staff time associated with coordinating the task force, holding meetings, and contributing to the reports; and (2) reimbursements for the task force members.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2012
ncs/lgc

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