

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 1329

(Chair, Environmental Matters Committee)(By Request -
Departmental - Transportation)

Environmental Matters

Finance

Washington Suburban Transit Commission - Washington Metropolitan Area
Transit Authority Board of Directors - Membership

This departmental bill establishes new qualifications and reporting requirements for individuals appointed to the Washington Suburban Transit Commission. The commission's members are deemed "public officials" and made subject to the restrictions and requirements of the Maryland Public Ethics Law, including financial disclosure requirements. The bill increases the terms of commission members from three to four years, but it establishes that members may not serve more than two consecutive terms. The terms of all commission members appointed and serving as of October 1, 2012, must expire on June 30, 2013, and new members must be appointed by July 1, 2013. Generally, the bill specifies staggered terms for the new commissioners.

Fiscal Summary

State Effect: The bill does not materially affect State finances.

Local Effect: None.

Small Business Effect: The Maryland Department of Transportation (MDOT) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The county executives of Montgomery and Prince George's counties must designate one of their two appointees to the commission as an alternate member of

the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors. Commission members appointed by the Governor must be principal members of the WMATA Board of Directors.

Commission members serving on the WMATA Board of Directors:

- may not, except in specified instances, hold any elected office in federal, State, or county government at any time during the term of their appointment;
- may not have been employed by WMATA for at least one year prior to being appointed;
- must have experience in at least one of the following areas: transit, transportation, or land use planning; transit, transportation, or other public-sector management; engineering; finance; public safety; homeland security; human resources; law; or specified knowledge derived from working on regional transportation issues; and
- must be a regular passenger of WMATA bus, rail, or paratransit service.

During the term of their appointment, commission members serving on the WMATA Board of Directors must submit annual reports, by January 31 annually, to the Governor and county executives indicating (1) the dates of the WMATA board meetings attended and, if applicable, the reason for not attending a board meeting; (2) the dates of any other public meetings attended in their official capacity as a WMATA board member; and (3) affirmation of their use of WMATA bus, rail, or paratransit services. By January 31, 2013, the first annual reports – covering the October 1, 2012, through December 31, 2012 period – must be submitted.

Generally, commissioners are (1) required to serve four-year, instead of three-year, terms, that begin on July 1; and (2) limited to serving two consecutive terms. Generally, commissioners' terms must be staggered. A commissioner's term may be extended until the member is reappointed, subject to specified terms; however, the holdover period may not exceed 12 months. For purposes of term limits, a term of less than three years is not a full term.

Beginning July 1, 2013, and annually thereafter, the county executives of Montgomery and Prince George's counties and the Governor must submit a letter to the Secretary of Transportation establishing compensation for commissioners on the WMATA board of directors.

Current Law/Background: The Washington Suburban Transit Commission, established in 1965, is responsible for administering the Washington Suburban Transit District and is authorized to develop a transportation system, including mass transit facilities, for Montgomery and Prince George's counties. It coordinates mass transit

programs with the two county governments, WMATA, and MDOT. MDOT provides annual operating grants to the commission, which then provides funding to WMATA for operation of the Metrorail, Metrobus, and MetroAccess systems.

The commission consists of seven members appointed to three-year terms. The Montgomery and Prince George's county executives each select two members. The Governor, with Senate advice and consent, appoints one member from each of the two counties. The Secretary of Transportation serves on the commission as an *ex officio* member. The gubernatorial appointees to the commission also represent the State on the WMATA Board of Directors.

Under the Maryland Public Ethics Law, an official or employee may not intentionally use the prestige of office or public position for that official's or employee's private gain or that of another. "Official" means either a State or public official. The determination of whether an individual is a "public official" is made in accordance with specified provisions in the Maryland Public Ethics Law.

In June 2010, the Greater Washington Board of Trade and the Metropolitan Washington Council of Governments created a task force to review WMATA's governance structure. The task force was established in response to area leaders and industry experts' belief that significant shortcomings in WMATA's governance structure have contributed to a serious decline in Metro's performance, as evidenced by fatal accidents, escalator and elevator outages, and unsatisfactory service reliability. The task force released a report in November 2010 recommending several changes to WMATA's governance structure, including the creation of a governance commission to make necessary improvements to the governance structure and hold the board of directors accountable for its performance.

In June 2011, the U.S. Government Accountability Office (GAO) released a report on WMATA. In the report, GAO recommends, among other things, that the WMATA Board of Directors follow through with its efforts to clarify the board's roles and responsibilities; conduct a regular self-assessment of the board's effectiveness; and improve its strategic planning process by, for example, increasing the board's involvement in the process and updating performance metrics.

MDOT advises that the bill is intended to increase transparency and accountability and help ensure that qualified experts are selected to govern the commission and WMATA.

Additional Information

Prior Introductions: SB 323 of 2011, a bill with similar provisions, was heard by the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

Cross File: None.

Information Source(s): Montgomery and Prince George's counties, Maryland Department of Transportation, U.S. Government Accountability Office, Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2012
ncs/lgc

Analysis by: Amanda Mock

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Washington Suburban Transit Commission – Washington Metropolitan Area Transit Authority Board of Directors – Membership

BILL NUMBER: HB 1329

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.