

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1023 (Delegate Platt, *et al.*)
 Environment and Transportation

Task Force to Study Extending Metrorail Service From Shady Grove to the City of Frederick

This bill establishes the Task Force to Study Extending Metrorail Service from Shady Grove to the City of Frederick. By October 1, 2017, the task force must report its findings and recommendations to the Governor and the General Assembly. The Maryland Department of Transportation (MDOT), Montgomery County, Frederick County, and the City of Frederick must provide staff for the task force.

The bill takes effect July 1, 2016, and terminates June 30, 2018.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$250,000 in FY 2017 and by \$150,000 in FY 2018 for contractual services to conduct the research necessary for the task force. Revenues are not affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	250,000	150,000	0	0	0
Net Effect	(\$250,000)	(\$150,000)	\$0	\$0	\$0

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

Local Effect: It is assumed that Montgomery County, Frederick County, and the City of Frederick can provide staff for the task force and provide expense reimbursements with existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The task force must (1) study the rail transit needs of Upper Montgomery County and Frederick County; (2) identify and evaluate potential rights-of-way for stations and other infrastructure that would be needed to expand Metrorail service from Shady Grove to the City of Frederick; (3) estimate the cost of expanding Metrorail service in that area; (4) estimate the economic impact in specified areas of expanding Metrorail service; and (5) study and make recommendations regarding the amount of funding needed to support expansion of Metrorail service in that area and potential funding sources and mechanisms.

The task force may (1) conduct site visits to other rail transportation systems in Maryland and other jurisdictions and (2) hold public hearings to solicit input from interested persons. Task force members may not receive compensation but are entitled to reimbursement for expenses.

Current Law/Background: The Washington Metropolitan Area Transit Authority (WMATA) was established in 1967 through an interstate compact among Maryland, Virginia, and the District of Columbia. The original purpose was construction and operation of a rapid rail transit system for the Washington metropolitan area. In 1973, WMATA purchased the assets of four major private bus companies operating in the area.

Maryland's overall participation in the Washington metropolitan transit system consists of the provision of annual funding to WMATA for the capital and operating costs of Metrorail, Metrobus, and MetroAccess systems. Funds for operating the Metrorail system are based on the number of stations, number of passengers, and population in each jurisdiction. Funds for Metrobus operation are based on the number of bus miles and bus hours of operation for each jurisdiction, as well as population and ridership. MetroAccess funding is determined by the share of trips taken by residents of each jurisdiction. The cost of each mode of service is partially offset by fare and other revenues generated by the service. In fiscal 2015, Maryland's share of WMATA's operating costs was \$284.8 million.

Funding for Maryland's portion of WMATA costs is the sole responsibility of the State. These funds support the operating deficit, including payment of a maximum fare subsidy established by the authority. The State also pays 100% of the capital equipment costs and 100% of the debt service allocated to Maryland for "Metro Matters" revenue bonds issued to finance capital improvements to the Metrorail system.

State Expenditures: TTF expenditures increase by \$250,000 in fiscal 2017 and by \$150,000 in fiscal 2018 for contractual services to staff the task force, perform any required analyses, and conduct public hearings.

MDOT advises that the bill is unclear on whether the task force is expected to perform a full feasibility study for the Metrorail extension from Shady Grove to the City of Frederick. If such a study is required, TTF expenditures increase significantly over the two-year period; full feasibility studies require detailed engineering, design, environmental impact, and economic analyses. Additionally, such a study would likely require more time than the two years allotted to the task force. This analysis assumes, however, that MDOT is not required to perform a full feasibility study.

Reimbursement of expenses for task force members can be handled with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: Although SB 966 (Senators Young and Nathan-Pulliam – Finance) is designated as a cross file, it is not identical.

Information Source(s): Maryland Department of Transportation, Montgomery County, City of Frederick, Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2016
kb/lgc

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