

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 1149 (Senators Pinsky and Peters)  
Budget and Taxation

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Appropriations and Public-Private Partnerships – Transit Lines –  
Three-Station Requirement

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The bill prohibits an officer or a unit of State government from using an appropriation to construct a transit line unless the transit line will have at least three transit stations in the State. The bill also prohibits a State reporting agency from entering into a public-private partnership (P3) agreement to deliver a transit line unless the transit line will have at least three transit stations in the State. **The bill takes effect July 1, 2018.**

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**Fiscal Summary**

**State Effect:** None. There are no current plans to appropriate funding for a transit line that does not have at least three transit stations in the State; however, the bill could have an effect on future transit projects. For example, the bill would prevent the State from appropriating funds in future years for the Baltimore-Washington Superconducting Magnetic Levitation Project in its currently proposed form.

**Local Effect:** None, for the reasons discussed above.

**Small Business Effect:** None, for the reasons discussed above.

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## Analysis

### **Current Law/Background:**

#### *Magnetic Levitation Train System*

The State is currently exploring the possibility of constructing a magnetic levitation train system. The proposed plan has two stops in the State (in Baltimore City and at the Baltimore Washington International Thurgood Marshall Airport) and one stop in the District of Columbia. Accordingly, under the bill's provisions, no funding can be appropriated for the project in any future year. For more information on the status of magnetic levitation train systems in the State, please see the **Appendix – Background on Magnetic Levitation Systems in Maryland**.

#### *Transit Agencies and Lines Currently Operating in the State*

The Maryland Transit Administration (MTA) is a model unit within the Maryland Department of Transportation (MDOT), and it operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services such as the light rail, Baltimore Metro subway, commuter buses, Maryland Area Regional Commuter (MARC) trains, and mobility/paratransit vehicles. With the exception of the District of Columbia Metrorail system, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State.

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. 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. Funding for Maryland's portion of WMATA costs is the sole responsibility of the State. There are 26 Metrorail stations in the State.

#### *Public Private Partnerships*

Chapter 5 of 2013 established a new framework for the approval and oversight of P3s. Chapter 5 defined a P3 as a method for delivering public infrastructure assets using a long-term, performance-based agreement between specified State "reporting" agencies and a private entity where appropriate risks and benefits can be allocated in a cost-effective manner between the contract partners, in which:

- a private entity performs functions normally undertaken by the government, but the reporting agency remains ultimately accountable for the public infrastructure asset and its public function; and
- the State may retain ownership of the public infrastructure asset and the private entity may be given additional decision-making rights in determining how the asset is financed, developed, constructed, operated, and maintained over its life cycle.

A “public infrastructure asset” is a capital facility or structure, including systems and equipment related to the facility or structure intended for public use. MDOT is included in the definition of “reporting agency” under the Act.

### *Previous P3s and the Proposed Purple Line*

MDOT has previously partnered with private entities for two P3 projects, and a third is in process for the Purple Line. The Purple Line is a 16.2-mile light rail line that will extend from Bethesda, in Montgomery County, to New Carrollton, in Prince George’s County. The Purple Line will operate largely at street level in a combination of dedicated and semi-exclusive right-of-way, and also includes segments on elevated structures and in tunnels.

The alignment for the Purple Line will provide direct connections to WMATA at Bethesda, Silver Spring, College Park, and New Carrollton. The project will also connect to all three MARC rail lines, Amtrak, and local bus routes. The project includes 21 stations, 2 storage and maintenance facilities, and 25 light rail vehicles. The Purple Line Project is currently in the construction phase, with revenue operations scheduled for December 31, 2022. The estimated project cost is \$2.4 billion.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Transportation; University System of Maryland; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2018  
md/lgc

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## **Appendix – Background on Magnetic Levitation Systems in Maryland**

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### *Magnetic Levitation Trains – Generally*

Unlike traditional steel wheel trains that travel along rails, magnetic levitation (Maglev) trains use superconducting magnets to levitate train cars. Magnets attached to the train interact with magnets along rails within a concrete guideway to propel the train. The [U.S. Department of Energy](#) (DOE) reports that a Maglev train can travel at speeds of up to 375 miles per hour with very little turbulence compared to steel wheel trains. DOE also notes that Maglev trains are safer than traditional trains; for example, traditional train derailments that result from cornering too quickly are nearly impossible. Several countries have implemented Maglev train systems, including Germany, Japan, and South Korea, and many others have explored the prospects of doing so.

### *History of Maglev in Maryland*

The federal Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), which was signed into law in 1998, authorized federal funding to implement a Maglev system in the United States. Funding through TEA-21 lapsed in 2003, and although the Act did not result in the implementation of a Maglev system, several states explored the costs and benefits of doing so. Maryland was particularly interested because a Maglev system could significantly reduce the travel time between Baltimore City and the District of Columbia.

The Maryland Department of Transportation (MDOT) began to devote funding to the development and evaluation of a Maglev system in fiscal 2001. At that time, the Federal Railroad Administration (FRA) and MDOT commenced the Environmental Impact Study (EIS) for the project, which is required by the National Environmental Policy Act (NEPA).

The final EIS was never published, however, because State legislation enacted in 2003 and 2004 prohibited the funding of a Maglev project following the final report of the Task Force to Evaluate the Development and Construction of a Magnetic Levitation Transportation System. In its final report, which was issued in 2003, the task force noted that, among other challenges, a significant amount of funding would be required to implement a Maglev system in Maryland. As a result, during the 2003 session, the General Assembly prohibited spending any State funds to study, develop, or construct a Maglev system and required the enactment of legislation prior to any agreement to construct or operate such a system. During the 2004 session, these provisions were modified to prohibit any State or federal funding for any phase of a Maglev project after

July 1, 2005. The Budget Reconciliation and Financing Act of 2011, however, repealed these prohibitions.

*Current Status of Maglev in Maryland*

The Baltimore-Washington Superconducting Magnetic Levitation (SCMAGLEV) Project, which has been proposed by a private company, is a proposed Maglev train system between Baltimore City and the District of Columbia, with an intermediate stop at the Baltimore Washington International Thurgood Marshall Airport. In 2016, MDOT was awarded \$27.8 million by FRA to conduct the required EIS, and that analysis is currently underway. Additional information about the project can be found on the [Baltimore-Washington SCMAGLEV Project website](#).