

# HOUSE BILL 368

R2

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CF SB 424

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By: **Delegates Lierman, Acevero, Anderson, Attar, Bagnall, B. Barnes, Boyce, Bridges, Carey, Carr, Chang, Conaway, Feldmark, Fennell, Gilchrist, Guyton, Healey, Hettleman, Hornberger, Ivey, Kerr, Korman, Lehman, R. Lewis, Love, McIntosh, Moon, Mosby, Palakovich Carr, Proctor, Shetty, Smith, Solomon, Stein, Stewart, Terrasa, Wells, Wilkins, ~~and P. Young~~ P. Young, and Holmes**

Introduced and read first time: January 22, 2020

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Transit Administration – Funding**  
3 **(Transit Safety and Investment Act)**

4 FOR the purpose of requiring the Governor to include certain appropriations in the State  
5 budget from the Transportation Trust Fund to the Maryland Transit Administration  
6 for ~~the certain~~ operating and capital needs of the Administration in certain fiscal  
7 years; ~~requiring that certain capital appropriations to the Administration be in~~  
8 ~~addition to any funds appropriated for the capital needs of a certain transit project~~  
9 authorizing the reduction of certain appropriations under certain circumstances;  
10 requiring the Administration to submit a report each year on the planning and use  
11 of capital funds for certain capital projects in the prior fiscal year; altering the  
12 termination date for certain provisions of law concerning funding for the  
13 Administration; declaring the intent of the General Assembly; making conforming  
14 changes; and generally relating to funding for the Maryland Transit Administration.

15 BY repealing and reenacting, with amendments,  
16 Article – Transportation  
17 Section 7–205 and 7–309  
18 Annotated Code of Maryland  
19 (2015 Replacement Volume and 2019 Supplement)

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,  
2 Chapter 351 of the Acts of the General Assembly of 2018  
3 Section 9

4 BY repealing and reenacting, with amendments,  
5 Chapter 352 of the Acts of the General Assembly of 2018  
6 Section 9

7 Preamble

8 WHEREAS, Section 7–309 of the Transportation Article of the Annotated Code of  
9 Maryland requires the Maryland Transit Administration (Administration) to assess its  
10 ongoing, unconstrained capital needs; and

11 WHEREAS, The Administration released the Capital Needs Inventory in July 2019,  
12 which captured and quantified the capital investment needs over a 10–year period for the  
13 assets of the following modes: (1) Local Bus, including CityLink, LocalLink, and Express  
14 BusLink; (2) Commuter Bus; (3) Maryland Area Regional Commuter trains; (4) Baltimore  
15 Metro SubwayLink; (5) Light RailLink; and (6) MobilityLink; and

16 WHEREAS, These services provide nearly 320,000 rides a day for residents in  
17 Baltimore City and Anne Arundel, Baltimore, Calvert, Charles, Frederick, Harford,  
18 Howard, Montgomery, Prince George’s, Queen Anne’s, and St. Mary’s counties; and

19 WHEREAS, The Capital Needs Inventory identified that in order to provide safe,  
20 reliable transit services the Administration would need, on average, \$462 million per year  
21 in capital funding for state of good repair needs during the 10–year period identified in the  
22 report; and

23 WHEREAS, In addition to its state of good repair needs, the Capital Needs Inventory  
24 identified a need of more than \$100 million per year over the same period for capital  
25 enhancement needs; and

26 WHEREAS, Section 7–301.1 of the Transportation Article requires the  
27 Administration to prepare the Central Maryland Regional Transit Plan, a long–range  
28 transit plan for Maryland transit service growth in Baltimore City and Anne Arundel,  
29 Baltimore, Harford, and Howard counties; and

30 WHEREAS, The Central Maryland Regional Transit Plan is to be completed by  
31 October 1, 2020, but early findings suggest that the existing public transportation system  
32 does not provide adequate service to meet existing demand; and

33 WHEREAS, The Maryland Department of Transportation’s draft FY 2020–2025  
34 Consolidated Transportation Program (CTP) provides the Administration only \$326 million  
35 on average per year for the Capital Needs Inventory during this period; and

1 WHEREAS, The funding levels identified in the CTP for the Administration will  
2 increase the agency's Capital Needs Inventory and delay the implementation of the Central  
3 Maryland Regional Transit Plan, including the growth of the transit system; and

4 WHEREAS, Infrastructure becomes more expensive to operate and maintain if  
5 maintenance is deferred; and

6 WHEREAS, Emergency shutdowns, such as the 2018 shutdown of the Baltimore  
7 subway system, and equipment failures impact the reliability of Administration services;  
8 and

9 WHEREAS, Riders and the public at large expect the State to maintain its public  
10 transit infrastructure at a level of reasonable reliability and the utmost safety; now,  
11 therefore,

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That the Laws of Maryland read as follows:

14 **Article – Transportation**

15 7–205.

16 (a) **IN THIS SECTION, “STATE OF GOOD REPAIR NEEDS” INCLUDES THE**  
17 **CAPITAL NEEDS IDENTIFIED BY THE ADMINISTRATION IN THE REPORT REQUIRED**  
18 **UNDER § 7–309 OF THIS ARTICLE.**

19 **(B)** For fiscal year 2020, the Governor shall include in the State budget an  
20 appropriation from the Transportation Trust Fund for the operation of the Administration  
21 that is equal to the appropriation for the operation of the Administration in the fiscal year  
22 2019 State budget as introduced, increased by at least 4.4%.

23 ~~(C)~~ **(C)** For each of fiscal years 2021 and 2022, the Governor shall include in  
24 the State budget an appropriation from the Transportation Trust Fund for the operation of  
25 the Administration that is equal to the appropriation for the operation of the  
26 Administration in the State budget for the immediately preceding fiscal year, increased by  
27 at least 4.4%.

28 ~~(D)~~ **(D)** **FOR EACH OF FISCAL YEARS 2023 THROUGH 2027, THE**  
29 **GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FROM THE**  
30 **TRANSPORTATION TRUST FUND FOR THE OPERATION OF THE ADMINISTRATION**  
31 **THAT MAY NOT BE LESS THAN THE FISCAL YEAR 2022 APPROPRIATION FOR THE**  
32 **OPERATION OF THE ADMINISTRATION.**

33 **[(c)] ~~(E)~~ (E)** (1) For each of fiscal years 2020 [through 2022] **AND 2021**, the  
34 Governor shall include in the State budget an appropriation for the capital needs of the

1 Administration of at least \$29,100,000 from the revenues available for the State capital  
2 program in the Transportation Trust Fund.

3 ~~(2) (I) FOR EACH OF FISCAL YEARS 2022 THROUGH 2027, THE~~  
4 ~~GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FOR THE~~  
5 ~~CAPITAL NEEDS OF THE ADMINISTRATION OF AT LEAST \$500,000,000 FROM THE~~  
6 ~~REVENUES AVAILABLE FOR THE STATE CAPITAL PROGRAM IN THE~~  
7 ~~TRANSPORTATION TRUST FUND.~~

8 ~~(II) IN ADDITION TO THE APPROPRIATION REQUIRED UNDER~~  
9 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH, FOR FISCAL YEAR 2022, THE GOVERNOR~~  
10 ~~SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FOR THE CAPITAL~~  
11 ~~NEEDS OF THE ADMINISTRATION OF \$29,100,000 FROM THE REVENUES AVAILABLE~~  
12 ~~FOR THE STATE CAPITAL PROGRAM IN THE TRANSPORTATION TRUST FUND.~~

13 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE  
14 GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FOR THE  
15 STATE OF GOOD REPAIR NEEDS OF THE ADMINISTRATION IN THE FOLLOWING  
16 AMOUNTS FROM THE REVENUES AVAILABLE FOR THE STATE CAPITAL PROGRAM IN  
17 THE TRANSPORTATION TRUST FUND:

18 (I) FOR FISCAL YEAR 2022, AT LEAST \$509,541,000;

19 (II) FOR FISCAL YEAR 2023, AT LEAST \$361,880,000;

20 (III) FOR FISCAL YEAR 2024, AT LEAST \$414,893,000;

21 (IV) FOR FISCAL YEAR 2025, AT LEAST \$453,839,000;

22 (V) FOR FISCAL YEAR 2026, AT LEAST \$566,573,000;

23 (VI) FOR FISCAL YEAR 2027, AT LEAST \$566,573,000; AND

24 (VII) FOR FISCAL YEAR 2028, AT LEAST \$531,573,000.

25 (3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN  
26 APPROPRIATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY BE  
27 REDUCED IF THE TOTAL APPROPRIATION FOR STATE OF GOOD REPAIR NEEDS IN A  
28 PRIOR FISCAL YEAR EXCEEDED THE AMOUNT SPECIFIED UNDER PARAGRAPH (2) OF  
29 THIS SUBSECTION FOR THAT FISCAL YEAR.

30 (II) A REDUCTION AUTHORIZED UNDER SUBPARAGRAPH (I) OF  
31 THIS PARAGRAPH:

1 1. MAY ONLY BE APPLIED TO ONE FISCAL YEAR; AND

2 2. MAY NOT EXCEED THE DIFFERENCE BETWEEN THE  
 3 TOTAL APPROPRIATION FOR STATE OF GOOD REPAIR NEEDS FOR THE PRIOR FISCAL  
 4 YEAR AND THE AMOUNT SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION  
 5 FOR THAT FISCAL YEAR.

6 [(2)] ~~(3)~~ (4) ~~(4)~~ The appropriation required under paragraph (1) of this  
 7 subsection may not supplant any other capital funding otherwise available for the  
 8 Administration.

9 ~~(H) THE APPROPRIATIONS REQUIRED UNDER PARAGRAPH (2)~~  
 10 ~~OF THIS SUBSECTION SHALL BE IN ADDITION TO ANY FUNDS APPROPRIATED FOR~~  
 11 ~~THE CAPITAL PLANNING, ENGINEERING, RIGHT OF WAY ACQUISITION, OR~~  
 12 ~~CONSTRUCTION OF THE PURPLE LINE IN MONTGOMERY COUNTY AND PRINCE~~  
 13 ~~GEORGE'S COUNTY.~~

14 7-309.

15 (a) The Administration shall, at least every 3 years, assess the ongoing,  
 16 unconstrained capital needs of the Administration.

17 (b) In undertaking the assessment required under subsection (a) of this section,  
 18 the Administration shall:

19 (1) Compile and prioritize capital needs without regard to cost;

20 (2) Identify the backlog of repairs and replacements needed to achieve a  
 21 state of good repair for all Administration assets, including a separate analysis of these  
 22 needs over the following 10 years; and

23 (3) Identify the needs to be met in order to enhance service and achieve  
 24 system performance goals.

25 (c) On or before July 1, 2019, and on or before July 1 every 3 years thereafter, the  
 26 Administration shall, in accordance with § 2-1257 of the State Government Article, submit  
 27 the assessment required under subsection (a) of this section to the Senate Budget and  
 28 Taxation Committee, the House Appropriations Committee, and the House Environment  
 29 and Transportation Committee.

30 **(D) ON OR BEFORE JANUARY 20, 2021, AND ON OR BEFORE JANUARY 20**  
 31 **EACH YEAR THEREAFTER, THE ADMINISTRATION SHALL, IN ACCORDANCE WITH §**  
 32 **2-1257 OF THE STATE GOVERNMENT ARTICLE, SUBMIT AN ACCOUNTING OF THE**  
 33 **CAPITAL FUNDS PROGRAMMED, APPROPRIATED, AND EXPENDED ON EACH OF THE**  
 34 **PROJECTS IDENTIFIED IN THE ASSESSMENT REQUIRED UNDER SUBSECTION (A) OF**  
 35 **THIS SECTION FOR THE PRIOR FISCAL YEAR TO THE SENATE BUDGET AND**

1 TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE  
2 HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE.

3 Chapter 351 of the Acts of 2018

4 SECTION 9. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this  
5 Act, this Act shall take effect June 1, 2018. Section 2 of this Act shall remain effective for a  
6 period of [4] ~~9~~ 11 years and 1 month and, at the end of June 30, [2022] ~~2027~~ 2029, Section  
7 2 of this Act, with no further action required by the General Assembly, shall be abrogated  
8 and of no further force and effect.

9 Chapter 352 of the Acts of 2018

10 SECTION 9. AND BE IT FURTHER ENACTED, That, subject to Section 4 of this  
11 Act, this Act shall take effect June 1, 2018. Section 2 of this Act shall remain effective for a  
12 period of [4] ~~9~~ 11 years and 1 month and, at the end of June 30, [2022] ~~2027~~ 2029, Section  
13 2 of this Act, with no further action required by the General Assembly, shall be abrogated  
14 and of no further force and effect.

15 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General  
16 Assembly that the Maryland Department of Transportation:

17 (1) maximize its use of Consolidated Transportation Bonds to support the  
18 Department's capital program by forecasting Transportation Trust Fund estimates to  
19 include assumed bond issuances that would result in net income debt service coverage  
20 ratios of two-and-a-half times maximum future debt service in each year of the forecast;  
21 and

22 (2) explore all other options to maximize ancillary revenues through the  
23 operations of its units, including the leasing of unused real estate, the sale of air rights, the  
24 sale of advertising, such as naming rights, and other marketing efforts.

25 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 June 1, 2020.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.