

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 731 (Delegate Washington, *et al.*)
Environment and Transportation

Purple Line Light Rail Project - Excess Property - Donation

This bill requires the Maryland Department of Transportation (MDOT), the Maryland Transit Administration (MTA), and Purple Line Transit Partners, LLC, to donate any property acquired for the construction or operation of the Purple Line light rail project that is not used for the project. The property must be donated to the governing body of the county in which the property is located.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease, potentially significantly, to the extent MDOT and MTA donate property to local governments, as discussed below. TTF expenditures decrease, likely minimally, to the extent that donated property is maintained by local governments instead of the State.

Local Effect: Montgomery and Prince George's counties benefit to the extent they are donated property as a result of the bill. Montgomery and Prince George's counties' finances may be further affected depending on how they dispose of or use any donated property, as discussed below.

Small Business Effect: Minimal.

Analysis

Current Law/Background:

Maryland Transit Administration and the Purple Line

MTA is a modal unit within 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 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, including 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 the Washington Metropolitan Area Transit Authority at Bethesda, College Park, New Carrollton, and Silver Spring. The Purple Line Project is currently in the construction phase, with revenue operations scheduled for December 31, 2022. More information on the project can be found on the project website: purplelinemd.com.

Sale of Excess Property

MDOT advises that there are two primary procedures for the sale or other disposition of unused and excess property that it owns: one for unused property acquired for highway projects and one for all other circumstances. TTF retains the revenues in either case.

Unused property acquired for highway projects is generally first offered to the local government where the property is located for public purposes. If the property is not needed for any State, county, or municipal transportation project or other public purpose, MDOT is then required to dispose of the land as soon as practicable. MDOT must offer the opportunity to purchase the property to various persons, including the person the land was originally acquired from or a person who owns land adjacent to the land being disposed of. When calculating the value of the property (for purposes of the sale price), MDOT must charge the lesser of the fair market value of the property or the acquisition cost (with interest).

Other property owned by MDOT that it seeks to dispose of (including those acquired for transit projects) is generally sold based on fair market value or disposed of in another manner (such as trade) through a contract or agreement.

State/Local Fiscal Effect: MDOT advises that it is unclear at this time whether there will be any unused property to donate to Montgomery or Prince George's counties under the bill once the Purple Line project is complete. If there is no unused property to donate, the bill has no effect on State or local governments. If there is unused property to donate, the bill affects the State and Montgomery and Prince George's counties in the following ways:

- TTF revenues decrease, potentially significantly, as property that would be sold by MDOT under current law is instead donated to Montgomery and/or Prince George's counties.
- TTF expenditures decrease, likely minimally, as donated property is transferred to the counties and MDOT is no longer required to maintain the property. Montgomery and Prince George's counties' expenditures increase correspondingly as they take over the maintenance of any donated property.
- Montgomery and Prince George's counties benefit to the extent they are donated property under the bill. In the absence of the bill, the counties would be required to pay for any such property if desired. Montgomery and Prince George's counties' finances may be further affected depending on how the counties dispose of or use any donated property. For example, the property could be sold to a private entity (in which case county revenues increase significantly), or the property could be converted into a public park (in which case, county expenditures increase to develop and maintain the new park).

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Prince George's County; Department of Legislative Services

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