

Chapter 11

(Senate Bill 199 of the 2021 Regular Session)

AN ACT concerning

**Transportation – Maryland Transit Administration – ~~Funding~~ Funding and
MARC Rail Extension Study**
(Transit Safety and Investment Act)

FOR the purpose of establishing the Purple Line Construction Zone Grant Program; establishing the purpose of the Grant Program; requiring the Department of Commerce to implement and administer the Grant Program; requiring the Department of Commerce, in consultation with the Department of Transportation, to adopt certain regulations; requiring the Department of Commerce and the Maryland Transit Administration to consult qualified small businesses for a certain purpose; requiring the Department of Commerce to make a certain application available as soon as practicable; establishing a maximum amount for a certain grant awarded; authorizing the Department of Commerce to award grants until a certain time; prohibiting the Department of Commerce from awarding more than one grant to the same business in a certain period of time; requiring that certain funds revert to the Maryland Economic Development Assistance Fund; requiring the Administration to report certain information in the Consolidated Transportation Program; requiring the Governor to include certain appropriations in the State budget from the Transportation Trust Fund to the ~~Maryland Transit~~ Administration for certain operating and capital needs of the Administration in certain fiscal years; authorizing the reduction of certain appropriations under certain circumstances; requiring that certain capital appropriations to the Administration be in addition to any funds appropriated for the capital needs of a certain transit project; providing that a certain provision of law may not be construed to limit the authority of the Administrator to use certain funds to increase the State investment in certain transit systems for a certain purpose; requiring the Administration to submit a report each year on the planning and use of capital funds for certain capital projects in the prior fiscal year; altering the termination date for certain provisions of law concerning funding for the Administration; declaring the intent of the General Assembly; requiring the Department of Transportation to conduct a study on extending Maryland Area Regional Commuter (MARC) rail service to western Maryland; requiring the Department of Transportation to study and make recommendations regarding certain matters; requiring the Administration to incorporate certain recommendations into the Statewide Transit Plan; requiring the Department of Transportation to complete the study notwithstanding any alteration or postponement of the Statewide Transit Plan; requiring the Department of Transportation to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; making conforming changes; defining ~~a~~ certain ~~term~~ terms; and generally relating to funding for the Maryland Transit

Administration, the Statewide Transit Plan, and a study on extending MARC rail service to western Maryland.

BY adding to

Article – Economic Development

Section 16–101 to be under the new title “Title 16. Purple Line Construction Zone Grant Program”

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Transportation

Section 2–103.1(c)(4)(vi) and (vii), 7–205₁, and 7–309

Annotated Code of Maryland

(2020 Replacement Volume)

BY adding to

Article – Transportation

Section 2–103.1(c)(4)(vii)

Annotated Code of Maryland

(2020 Replacement Volume)

BY repealing and reenacting, with amendments,

Chapter 351 of the Acts of the General Assembly of 2018

Section 9

BY repealing and reenacting, with amendments,

Chapter 352 of the Acts of the General Assembly of 2018

Section 9

Preamble

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

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

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

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

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

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

WHEREAS, The Central Maryland Regional Transit Plan suggests that the existing public transportation system does not provide adequate service to meet existing demand; and

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

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

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

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

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

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

Article – Economic Development

TITLE 16. PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

16-101.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “GRANT PROGRAM” MEANS THE PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

(3) “QUALIFIED SMALL BUSINESS” MEANS A SOLE PROPRIETORSHIP, A PARTNERSHIP, A LIMITED PARTNERSHIP, A LIMITED LIABILITY PARTNERSHIP, A LIMITED LIABILITY COMPANY, OR A CORPORATION THAT:

(I) EMPLOYS 20 OR FEWER EMPLOYEES;

(II) IS INDEPENDENTLY OWNED AND OPERATED;

(III) IS NOT A SUBSIDIARY OF ANOTHER BUSINESS;

(IV) IS NOT DOMINANT IN ITS FIELD OF OPERATION; AND

(V) IS IMPACTED BY THE CONSTRUCTION OF THE PURPLE LINE LIGHT RAIL PROJECT IN MONTGOMERY COUNTY AND PRINCE GEORGE’S COUNTY.

(B) (1) THERE IS A PURPLE LINE CONSTRUCTION ZONE GRANT PROGRAM.

(2) THE PURPOSE OF THE GRANT PROGRAM IS TO PROVIDE FUNDS TO QUALIFIED SMALL BUSINESSES TO ASSIST IN OFFSETTING BUSINESS REVENUE LOST AS A RESULT OF THE CONSTRUCTION OF THE PURPLE LINE LIGHT RAIL PROJECT IN MONTGOMERY COUNTY AND PRINCE GEORGE’S COUNTY.

(3) IN EACH OF FISCAL YEARS 2023 AND 2024, THE DEPARTMENT OF COMMERCE SHALL PROVIDE \$1,000,000 IN GENERAL FUNDS TO THE GRANT PROGRAM TO ASSIST QUALIFIED SMALL BUSINESSES.

(C) THE DEPARTMENT OF COMMERCE SHALL IMPLEMENT AND ADMINISTER THE GRANT PROGRAM.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT OF COMMERCE, IN CONSULTATION WITH THE DEPARTMENT OF TRANSPORTATION, SHALL ADOPT REGULATIONS TO IMPLEMENT THIS SECTION, INCLUDING REGULATIONS TO ESTABLISH:

(I) ELIGIBILITY AND GRANT APPLICATION REQUIREMENTS;

AND

(II) A PROCESS FOR REVIEWING GRANT APPLICATIONS AND AWARDING GRANTS TO ELIGIBLE QUALIFIED SMALL BUSINESSES.

(2) IN DEVELOPING THE REGULATIONS REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT OF COMMERCE AND THE MARYLAND TRANSIT ADMINISTRATION SHALL CONSULT QUALIFIED SMALL BUSINESSES TO ENSURE THAT THE ELIGIBILITY AND APPLICATION REQUIREMENTS FOR THE GRANT PROGRAM ARE NOT OVERLY BURDENSOME TO QUALIFIED SMALL BUSINESSES.

(3) THE DEPARTMENT OF COMMERCE SHALL MAKE THE APPLICATION DEVELOPED FOR PURPOSES OF THE GRANT PROGRAM AVAILABLE TO QUALIFIED SMALL BUSINESSES AS SOON AS PRACTICABLE.

(E) (1) (I) SUBJECT TO THE LIMITATIONS OF THIS PARAGRAPH, THE DEPARTMENT OF COMMERCE SHALL ESTABLISH, BY REGULATION, GUIDELINES TO CALCULATE THE AMOUNT OF A GRANT AWARDED UNDER THIS SECTION.

(II) IN ESTABLISHING GUIDELINES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE DEPARTMENT OF COMMERCE MAY USE A 12-MONTH PROJECTION OF THE DIFFERENCE BETWEEN THE BUSINESS REVENUE OF A QUALIFIED SMALL BUSINESS DURING THE 3-MONTH PERIOD IMMEDIATELY PRECEDING THE START OF THE PURPLE LINE CONSTRUCTION COMPARED TO THE 3-MONTH PERIOD IMMEDIATELY FOLLOWING THE START OF THE PURPLE LINE CONSTRUCTION.

(III) A GRANT AWARDED UNDER THE GRANT PROGRAM MAY NOT EXCEED \$50,000.

(2) SUBJECT TO THE ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION, IF A QUALIFIED SMALL BUSINESS IS REQUIRED TO BE REGISTERED WITH THE STATE AND IS REGISTERED, THE QUALIFIED SMALL BUSINESS MAY APPLY FOR A GRANT UNDER THE GRANT PROGRAM REGARDLESS OF OWNERSHIP OR LOCATION.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE DEPARTMENT OF COMMERCE MAY AWARD GRANTS UNTIL ALL THE MONEY ALLOTTED FOR THE GRANT PROGRAM HAS BEEN AWARDED OR UNTIL DECEMBER 31, 2024, WHICHEVER OCCURS FIRST.

(II) THE DEPARTMENT OF COMMERCE MAY NOT AWARD MORE THAN ONE GRANT TO THE SAME QUALIFIED SMALL BUSINESS IN A 12-MONTH PERIOD.

(4) ANY MONEY THAT HAS NOT BEEN AWARDED ON OR BEFORE DECEMBER 31, 2024, SHALL REVERT TO THE MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE FUND.

Article – Transportation

2-103.1.

(c) (4) Annually, the Consolidated Transportation Program shall include a report that:

(vi) Provides a purpose and need summary statement that includes:

1. A general description and summary that describes why the project is necessary and satisfies State transportation goals, including Climate Action Plan goals required by the Greenhouse Gas Emissions Reduction Act of 2009 under § 2-1205(b) of the Environment Article;

2. The location of the project, including a map of the project limits, project area, or transportation corridor; and

3. A summary of how the project meets the selection criteria for inclusion in the capital program; [and]

(VII) PROVIDES THE MARYLAND TRANSIT ADMINISTRATION STATE OF GOOD REPAIR BUDGET FOR THE CURRENT FISCAL YEAR AND PROJECTIONS FOR THE SUBSEQUENT FISCAL YEAR; AND

[(vii)] (VIII) Includes any other information that the Secretary believes would be useful to the members of the General Assembly, the general public, or other recipients of the Consolidated Transportation Program.

7-205.

(a) IN THIS SECTION, “STATE OF GOOD REPAIR NEEDS” INCLUDES THE CAPITAL NEEDS IDENTIFIED BY THE ADMINISTRATION IN THE ASSESSMENT REQUIRED UNDER § 7-309 OF THIS ARTICLE.

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

[(b)] (C) For each of fiscal years 2021 and 2022, the Governor shall include in the State budget an appropriation from the Transportation Trust Fund for the operation of

the Administration that is equal to the appropriation for the operation of the Administration in the State budget for the immediately preceding fiscal year, increased by at least 4.4%.

(D) FOR EACH OF FISCAL YEARS 2023 THROUGH ~~2028~~ 2029, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN APPROPRIATION FROM THE TRANSPORTATION TRUST FUND FOR THE OPERATION OF THE ADMINISTRATION THAT MAY NOT BE LESS THAN THE FISCAL YEAR 2022 APPROPRIATION FOR THE OPERATION OF THE ADMINISTRATION.

[(c)] (E) (1) For each of fiscal years 2020 through 2022, the Governor shall include in the State budget an appropriation for the capital needs of the Administration of at least \$29,100,000 from the revenues available for the State capital program in the Transportation Trust Fund.

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

**(I) FOR FISCAL YEAR 2023, AT LEAST ~~\$361,880,000~~
\$402,037,183;**

**(II) FOR FISCAL YEAR 2024, AT LEAST ~~\$414,893,000~~
\$502,081,501;**

**(III) FOR FISCAL YEAR 2025, AT LEAST ~~\$453,839,000~~
\$450,000,000;**

**(IV) FOR FISCAL YEAR 2026, AT LEAST ~~\$566,573,000~~
\$450,000,000;**

**(V) FOR FISCAL YEAR 2027, AT LEAST ~~\$566,573,000~~
\$450,000,000; AND**

**(VI) FOR FISCAL YEAR 2028, AT LEAST ~~\$531,573,000~~
\$450,000,000; AND**

(VII) FOR FISCAL YEAR 2029, AT LEAST \$318,558,000.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, AN APPROPRIATION REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY BE REDUCED IF THE TOTAL APPROPRIATION FOR STATE OF GOOD REPAIR NEEDS IN A

PRIOR FISCAL YEAR EXCEEDED THE AMOUNT SPECIFIED UNDER PARAGRAPH (2) OF THIS SUBSECTION FOR THAT FISCAL YEAR.

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

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

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

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

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

(F) THIS ACT MAY NOT BE CONSTRUED TO LIMIT THE AUTHORITY OF THE ADMINISTRATOR TO USE AVAILABLE FUNDS APPROPRIATED TO THE ADMINISTRATION TO INCREASE THE STATE INVESTMENT IN LOCALLY OPERATED TRANSIT AGENCIES ~~SERVING URBANIZED AREAS IN ORDER TO FACILITATE BUS REPLACEMENT IN A MANNER CONSISTENT WITH THE FIXED ROUTE SERVICE BUS FLEET REPLACEMENT SCHEDULE FOR THE ADMINISTRATION.~~

7-309.

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

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

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

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

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

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

(D) ON OR BEFORE JANUARY 20, 2022, AND ON OR BEFORE JANUARY 20 EACH YEAR THEREAFTER, THE ADMINISTRATION SHALL, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, SUBMIT AN ACCOUNTING OF THE CAPITAL FUNDS PROGRAMMED, APPROPRIATED, AND EXPENDED ON EACH OF THE PROJECTS IDENTIFIED IN THE ASSESSMENT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION FOR THE PRIOR FISCAL YEAR TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE.

Chapter 351 of the Acts of 2018

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

Chapter 352 of the Acts of 2018

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

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

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

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

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Department of Transportation.

(3) “Statewide Transit Plan” means a framework developed by the Maryland Transit Administration that provides a 50–year vision of coordinated local, regional, and intercity transit across the State, including defined public transportation goals and strategies for rural, suburban, and urban regions.

(b) The Department shall conduct a study on the feasibility, including the cost, of extending MARC rail service to western Maryland.

(c) In conducting the study, the Department shall:

(1) Examine existing commuter rail facilities in the State and current transportation options in western Maryland;

(2) Explore up to three potential routes for expanding rail service to western Maryland;

(3) Identify the possibilities and challenges related to establishing and operating MARC rail service in western Maryland;

(4) Study the public transportation needs of Allegany County and Washington County in the vicinity of interstates 70 and 81;

(5) Confer with the following stakeholders:

(i) The Washington County Board of County Commissioners;

(ii) The City of Hagerstown;

(iii) Washington County residents;

(iv) Public transit advocates;

(v) Representatives of the local business community;

(vi) The Allegany County Board of County Commissioners;

(vii) The City of Cumberland;

(viii) Allegany County residents; and

- (ix) The Town of Hancock;
 - (6) Identify infrastructure needs;
 - (7) Perform a cost analysis of the capital and operating costs of extending MARC rail service to western Maryland;
 - (8) Identify all potential stops and estimate the potential ridership for each stop;
 - (9) Study and compare the potential ridership for rush-hour-only service and all-day service;
 - (10) Develop recommendations on the potential start and end points of a MARC extension; and
 - (11) Explore the potential effect that extending MARC rail service to western Maryland would have on CSX.
- (d) The Department shall develop recommendations on the feasibility of planning, financing, constructing, and operating a MARC line that extends commuter rail service to western Maryland.
- (e) On or before July 1, 2023, the Department shall submit a report of its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.
- (f) (1) The Maryland Transit Administration shall incorporate the recommendations of the study into the Statewide Transit Plan.
- (2) Notwithstanding any alteration or postponement of the Statewide Transit Plan, the Department shall conduct the study in accordance with this section.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.

Gubernatorial Veto Override, December 6, 2021.