

# HOUSE BILL 438

R2, B1, B5

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CF SB 463

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By: **Delegate Korman**

Introduced and read first time: January 20, 2022

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2022

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

1 AN ACT concerning

2 **Washington Metropolitan Area Transit Authority – Funding Formulas –**  
3 **Alteration**  
4 **(WMATA Dedicated Funding Amendment Act of 2022)**

5 FOR the purpose of altering the amount of a certain appropriation the Governor is required  
6 to make for the Washington Suburban Transit District; repealing a requirement that  
7 a certain mandated appropriation be increased by a certain percentage each year;  
8 requiring, subject to a certain contingency, that a certain mandated appropriation  
9 be increased by a certain percentage each year; and generally relating to funding for  
10 the Washington Metropolitan Area Transit Authority.

11 BY repealing and reenacting, with amendments,  
12 Article – Transportation  
13 Section 10–205(f) and (g)  
14 Annotated Code of Maryland  
15 (2020 Replacement Volume and 2021 Supplement)

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

18 **Article – Transportation**

19 10–205.

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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 (f) (1) Except as provided in paragraph (2) of this subsection, the Governor  
2 shall include an appropriation in the annual budget of at least the amount specified in  
3 paragraph (4) of this subsection for the sole purpose of providing grants to the Washington  
4 Suburban Transit District to pay the capital costs of the Washington Metropolitan Area  
5 Transit Authority.

6 (2) (i) The Governor is not required to make the appropriation under  
7 paragraph (1) of this subsection in a fiscal year unless the Department certifies to the  
8 Governor in writing before the beginning of the immediately preceding fiscal year that the  
9 Washington Metropolitan Area Transit Authority has submitted to the Department:

10 1. Performance and condition assessments and reports  
11 regarding:

12 A. The safety and reliability of rapid heavy rail and bus  
13 systems;

14 B. The financial performance of the Washington  
15 Metropolitan Area Transit Authority as it relates to rail and bus operations, including fare  
16 box recovery, service per rider, and cost per service hour;

17 C. The monthly ridership of rail and bus systems broken  
18 down by Metrorail station, Metrorail line, bus route, and bus line;

19 D. Strategies to reduce costs and improve the Washington  
20 Metropolitan Area Transit Authority's operational efficiency; and

21 E. The comparison of annual capital investments and  
22 approved budgets; and

23 2. The Washington Metropolitan Area Transit Authority's:

24 A. Annual budget;

25 B. Annual independent financial audit;

26 C. Annual National Transit Database profile; and

27 D. Single audit reports issued in accordance with the  
28 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for  
29 Federal Awards under 2 C.F.R. Part 200.

30 (ii) If the Commonwealth of Virginia or the District of Columbia  
31 reduce the amount of dedicated capital funding for the Washington Metropolitan Area  
32 Transit Authority, the Governor may reduce the appropriation under paragraph (1) of this  
33 subsection by a proportional amount.

1 (iii) 1. The Governor shall withhold 35% of the appropriation  
2 under paragraph (1) of this subsection if:

3 A. The Washington Metropolitan Area Transit Authority has  
4 received a modified audit opinion as a result of an annual independent audit conducted in  
5 accordance with Article XVI, Section 70 of the Washington Metropolitan Area Transit  
6 Authority Compact under § 10–204 of this subtitle; and

7 B. The Department has not certified to the Governor in  
8 writing before the beginning of the immediately preceding fiscal year that the Washington  
9 Metropolitan Area Transit Authority has submitted in writing to the board of directors of  
10 the Washington Metropolitan Area Transit Authority and the Maryland General Assembly  
11 a satisfactory corrective plan that addresses the reasons for the modified audit opinion.

12 2. The Governor shall release the portion of the  
13 appropriation withheld under subparagraph 1 of this subparagraph if the Washington  
14 Metropolitan Area Transit Authority submits in writing to the board of directors of the  
15 Washington Metropolitan Area Transit Authority and, in accordance with § 2–1257 of the  
16 State Government Article, the Maryland General Assembly a satisfactory corrective action  
17 plan that addresses the reasons for the modified audit opinion.

18 (3) The Governor shall make the appropriation under paragraph (1) of this  
19 subsection from the Transportation Trust Fund.

20 (4) [(i) For the first fiscal year in which the mandated appropriation  
21 under this subsection applies, the] **THE** appropriation under paragraph (1) of this  
22 subsection shall equal at least the amount appropriated in the fiscal year [2019] ~~2022~~  
23 **2026** State budget as enacted for the Washington Suburban Transit District to pay the  
24 capital costs of the Washington Metropolitan Area Transit Authority.

25 [(ii) For each fiscal year after the first fiscal year in which the  
26 mandated appropriation under this subsection applies, the appropriation under paragraph  
27 (1) of this subsection shall be equal to the amount of the appropriation for the preceding  
28 fiscal year increased by 3%.]

29 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
30 as follows:

31 **Article – Transportation**

32 10–205.

33 (g) (1) **(I)** [The] **FOR FISCAL YEAR ~~2024~~ 2027, THE** Governor shall  
34 include in the State budget an appropriation for the purposes specified under paragraph  
35 (2) of this subsection of \$167,000,000 from the revenues available for the State capital  
36 program in the Transportation Trust Fund.

1                   **(II) FOR FISCAL YEAR ~~2025~~ 2028 AND EACH FISCAL YEAR**  
2 **THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN**  
3 **APPROPRIATION FOR THE PURPOSES SPECIFIED UNDER PARAGRAPH (2) OF THIS**  
4 **SUBSECTION EQUAL TO THE AMOUNT OF THE APPROPRIATION FOR THE PRECEDING**  
5 **FISCAL YEAR INCREASED BY 3%.**

6                   (2) The Department shall provide an annual grant [of at least  
7 \$167,000,000] **EQUAL TO THE APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF**  
8 **THIS SUBSECTION** to the Washington Suburban Transit District to be used only to pay the  
9 capital costs of the Washington Metropolitan Area Transit Authority.

10                   (3) The grant required under paragraph (2) of this subsection is in addition  
11 to the appropriation required under subsection (f)(1) of this section.

12                   **SECTION 3. AND BE IT FURTHER ENACTED, That:**

13                   (a) Section 2 of this Act may not take effect until similar Acts are passed by the  
14 Commonwealth of Virginia and the District of Columbia.

15                   (b) The Commonwealth of Virginia and the District of Columbia are requested to  
16 concur in this Act of the General Assembly by the passage of substantially similar Acts.

17                   (c) The Department of Legislative Services shall notify the appropriate officials  
18 of the Commonwealth of Virginia, the District of Columbia, and the United States Congress  
19 of the passage of this Act.

20                   (d) On concurrence in this Act by the Commonwealth of Virginia, the District of  
21 Columbia, and the United States Congress, the Governor of the State of Maryland shall  
22 issue a proclamation declaring Section 2 of this Act valid and effective and shall forward a  
23 copy of the proclamation to the Executive Director of the Department of Legislative  
24 Services.

25                   **SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this**  
26 **Act, this Act shall take effect June 1, 2022.**