HOUSE BILL 438

By: Delegate Korman
Introduced and read first time: January 20, 2022
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 8, 2022

CHAPTER ______

1 AN ACT concerning

2 Washington Metropolitan Area Transit Authority – Funding Formulas – Alteration

(WMATA Dedicated Funding Amendment Act of 2022)

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

10 BY repealing and reenacting, with amendments,

11 Article – Transportation

12 Section 10–205(f) and (g)

13 Annotated Code of Maryland

14 (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.

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

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

1. Performance and condition assessments and reports regarding:

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

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

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

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

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

2. The Washington Metropolitan Area Transit Authority’s:

A. Annual budget;

B. Annual independent financial audit;

C. Annual National Transit Database profile; and

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

(ii) If the Commonwealth of Virginia or the District of Columbia reduce the amount of dedicated capital funding for the Washington Metropolitan Area Transit Authority, the Governor may reduce the appropriation under paragraph (1) of this subsection by a proportional amount.
(iii) 1. The Governor shall withhold 35% of the appropriation under paragraph (1) of this subsection if:

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

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

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

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

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

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

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

Article – Transportation

10–205.

(g) (1) [The] For fiscal year 2024 2027, the Governor shall include in the State budget an appropriation for the purposes specified under paragraph (2) of this subsection of $167,000,000 from the revenues available for the State capital program in the Transportation Trust Fund.
(II) For fiscal year 2025 and each fiscal year thereafter, the Governor shall include in the State budget an appropriation for the purposes specified under paragraph (2) of this subsection equal to the amount of the appropriation for the preceding fiscal year increased by 3%.

(2) The Department shall provide an annual grant of at least $167,000,000 equal to the appropriation required under paragraph (1) of this subsection to the Washington Suburban Transit District to be used only to pay the capital costs of the Washington Metropolitan Area Transit Authority.

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

SECTION 3. AND BE IT FURTHER ENACTED, That:

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

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

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

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

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