

HOUSE BILL 1324

R2

2lr0557

By: **Delegate Korman**

Introduced and read first time: February 11, 2022

Assigned to: Appropriations and Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Maryland Rail Authority – Establishment**
3 **(Maryland Rail Investment Act of 2022)**

4 FOR the purpose of establishing the Maryland Rail Authority and the powers and duties
5 that the Rail Authority, acting on behalf of the Department of Transportation, has
6 with respect to the supervision, financing, construction, operation, maintenance, and
7 repair of railroad facilities projects; altering the membership of the Maryland
8 Transportation Authority to include the Executive Director of the Rail Authority;
9 prohibiting the Transportation Authority from passing a budget plan that exceeds a
10 certain amount; requiring the Transportation Authority to obtain the consent of the
11 Rail Authority before issuing certain bonds; requiring the Transportation Authority
12 to determine the optimal tolling rate for certain transportation facilities projects and
13 to set certain tolling rates; establishing the Rail Authority Fund; requiring certain
14 funds and revenues to be transferred from the Transportation Authority to the Rail
15 Authority Fund; and generally relating to the establishment of the Maryland Rail
16 Authority.

17 BY repealing and reenacting, with amendments,
18 Article – Transportation
19 Section 4–101, 4–202, 4–208(b)(1), 4–301, 4–306, 4–312(a)(2), 4–314, and 7–101(j),
20 (l), and (n)
21 Annotated Code of Maryland
22 (2020 Replacement Volume and 2021 Supplement)

23 BY repealing and reenacting, without amendments,
24 Article – Transportation
25 Section 4–201 and 4–208(a)
26 Annotated Code of Maryland
27 (2020 Replacement Volume and 2021 Supplement)

28 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Transportation

2 Section 4–205.1; and 9–101 through 9–401 to be under the new title “Title 9.
3 Railroads”

4 Annotated Code of Maryland

5 (2020 Replacement Volume and 2021 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

7 That the Laws of Maryland read as follows:

8 **Article – Transportation**

9 4–101.

10 (a) In this title the following words have the meanings indicated.

11 (b) “Authority” means the Maryland Transportation Authority.

12 (c) “Cost”, as applied to any transportation facilities project, includes the cost of
13 and all expenses incident to the construction, reconstruction, acquisition, improvement,
14 extension, alteration, modernization, planning, maintenance, and repair of the project,
15 including the cost and expenses of:

16 (1) All property acquired in connection with it;

17 (2) Financial, architectural, consulting, engineering, and legal services;

18 (3) Plans, specifications, surveys, estimates, feasibility reports, and direct
19 and indirect labor, material, equipment, and administrative expenses; and

20 (4) Financing the project, including financing charges and interest before,
21 during, and for 1 year after completion of construction.

22 **(D) “NEAR OPTIMAL TOLLING” MEANS A TOLLING RATE THAT PROVIDES**
23 **95% OR MORE OF THE MAXIMUM REVENUE POSSIBLE BASED ON A TRANSPORTATION**
24 **FACILITIES PROJECT’S OPTIMAL TOLLING.**

25 **(E) “OPTIMAL TOLLING” MEANS A TOLLING RATE FOR A TRANSPORTATION**
26 **FACILITIES PROJECT THAT MAXIMIZES REVENUE, AS DETERMINED BY THE**
27 **AUTHORITY.**

28 **[(d)] (F)** “Outstanding and unpaid” does not include:

29 (1) Bonds purchased and held in sinking funds by or for the Authority; or

30 (2) If the money for their payment or redemption has been provided:

- 1 (i) Matured bonds not presented for payment; or
- 2 (ii) Bonds called for redemption but not presented for redemption.

3 **(G) “RAIL AUTHORITY” MEANS THE MARYLAND RAIL AUTHORITY.**

4 **[(e)] (H)** “Refunding” means the retirement and cancellation of bonds, including
5 revenue bonds of prior issues, after their acquisition by or for the Authority, whether before,
6 at, or after maturity, either in exchange for other bonds or by payment, purchase, or
7 redemption with the proceeds of the sale of other bonds.

8 **[(f)] (I)** “Resolution”, as used with respect to the Authority, means a resolution
9 adopted by the affirmative vote of a majority of the appointed members of the Authority
10 and concurred in by the Chairman.

11 **[(g)] (J)** “Revenue bonds of prior issues” means:

12 (1) “State of Maryland Bridge and Tunnel Revenue Bonds” dated as of
13 October 1, 1954;

14 (2) “State of Maryland Northeastern Expressway Revenue Bonds” dated as
15 of January 1, 1962;

16 (3) “State of Maryland Bridge and Tunnel Revenue Bonds”:

17 (i) “(Series 1968)” dated as of October 1, 1968; and

18 (ii) “(Series 1975)” dated as of July 1, 1975; and

19 (4) Any other revenue bonds issued under the same provisions of law that
20 authorized the issuance of the bonds listed in this subsection.

21 **[(h)] (K)** “Transportation facilities project” includes:

22 (1) The Susquehanna River Bridge, the Harry W. Nice/Thomas “Mac”
23 Middleton Potomac River Bridge, the William Preston Lane, Jr. Memorial Chesapeake Bay
24 Bridge and parallel Chesapeake Bay Bridge, the Baltimore Harbor Tunnel, the Fort
25 McHenry Tunnel, the Francis Scott Key Bridge, and the John F. Kennedy Memorial
26 Highway, together with their appurtenant causeways, approaches, interchanges, entrance
27 plazas, toll stations, and service facilities;

28 (2) A vehicle parking facility located in a priority funding area as defined
29 in § 5–7B–02 of the State Finance and Procurement Article;

30 (3) Any other project for transportation facilities that the Authority
31 authorizes to be acquired or constructed; and

1 (4) Any additions, improvements, or enlargements to any of these projects,
2 whenever authorized.

3 [(i)] (L) "Transportation facility" has the meaning stated in § 3–101 of this
4 article.

5 [(j)] (M) "Vehicle parking facility" means a controlled entrance and exit
6 building, structure, surface lot, and other facility for parking vehicles, for which fees or
7 charges are established for the use of the facility.

8 4–201.

9 There is a Maryland Transportation Authority.

10 4–202.

11 (a) The Secretary of Transportation is the Chairman of the Authority.

12 (b) (1) In addition to the Chairman, the Authority consists of [eight]:

13 (I) **EIGHT** members appointed by the Governor with the advice and
14 consent of the Senate; **AND**

15 (II) **THE EXECUTIVE DIRECTOR OF THE RAIL AUTHORITY, WHO**
16 **SERVES AS AN EX OFFICIO MEMBER.**

17 (2) The appointed members of the Authority may not be employees of the
18 Executive Branch of the State government.

19 (3) Of the appointed members:

20 (i) One shall have expertise in structural engineering;

21 (ii) One shall have expertise in transportation planning;

22 (iii) One shall have expertise in land use planning; and

23 (iv) One shall have expertise in finance.

24 (4) The appointed members of the Authority shall reflect the racial, gender,
25 and geographic diversity of the population of the State.

26 (c) (1) Each appointed member serves for a term of 4 years and until a
27 successor is appointed and qualifies.

28 (2) The terms of the appointed members are staggered as required by the

1 terms provided for members of the Authority on January 1, 2007.

2 (3) An appointed member may not serve more than three consecutive
3 terms.

4 (4) A member appointed to fill a vacancy in an unexpired term serves only
5 for the remainder of that term.

6 (d) **[A] AN APPOINTED** member of the Authority is entitled to:

7 (1) The compensation provided in the State budget; and

8 (2) Reimbursement for expenses, in accordance with the Standard State
9 Travel Regulations of the Department of Budget and Management.

10 **4-205.1.**

11 **THE AUTHORITY MAY NOT PASS AN OPERATING BUDGET OR A CAPITAL**
12 **IMPROVEMENT PLAN THAT EXCEEDS \$2,800,000,000.**

13 **4-208.**

14 (a) (1) There is a Maryland Transportation Authority Police Force.

15 (2) Subject to subsection (b) of this section, a Maryland Transportation
16 Authority police officer has all the powers granted to a peace officer and a police officer of
17 this State.

18 (b) (1) A Maryland Transportation Authority police officer may exercise the
19 powers described in subsection (a)(2) of this section on property owned, leased, or operated
20 by or under the control of the Maryland Transportation Authority, Maryland Aviation
21 Administration, **MARYLAND RAIL AUTHORITY**, and Maryland Port Administration.

22 **4-301.**

23 By one or more resolutions, the Authority, **AFTER OBTAINING THE CONSENT OF**
24 **THE RAIL AUTHORITY**, may:

25 (1) Finance the cost of transportation facilities projects;

26 (2) Borrow money from time to time for that purpose; and

27 (3) Evidence the borrowing by the issuance and sale of revenue bonds,
28 notes, or other evidences of obligation on the terms, conditions, and limitations contained
29 in this subtitle.

1 4–306.

2 (a) Except as provided in subsection (b) of this section, revenue bonds may be
3 issued by the Authority:

4 (1) Without obtaining the consent of any instrumentality, agency, or unit
5 of this State; and

6 (2) Without any proceedings or the happening of any conditions or things
7 other than those specifically required by this subtitle.

8 (b) (1) **THE AUTHORITY SHALL OBTAIN THE CONSENT OF THE RAIL**
9 **AUTHORITY BEFORE ISSUING REVENUE BONDS.**

10 (2) (i) Subject to subparagraph (ii) of this paragraph, revenue bonds
11 secured by toll revenue may be issued in any amount as long as the aggregate outstanding
12 and unpaid principal balance of the revenue bonds secured by toll revenue and revenue
13 bonds of prior issues does not exceed \$3,000,000,000 or, in fiscal years 2015 through 2020,
14 \$2,325,000,000, on June 30 of any year.

15 (ii) The maximum aggregate amount of revenue bonds that may be
16 outstanding and unpaid under subparagraph (i) of this paragraph shall be reduced by the
17 amount of:

18 1. Any loan extended to the State under the federal
19 Transportation Infrastructure Finance and Innovation Act; and

20 2. Any line of credit extended to the State under the federal
21 Transportation Infrastructure Finance and Innovation Act, to the extent the State draws
22 on the line of credit.

23 **[(2)] (3)** Except as otherwise provided in this section and § 4–205 of this
24 title, without the approval of the General Assembly, the Authority, **AFTER OBTAINING**
25 **THE CONSENT OF THE RAIL AUTHORITY**, may issue bonds to refinance all or any part of
26 the cost of a transportation **[facility] FACILITIES** project for which the Authority previously
27 issued bonds authorized under this subtitle.

28 4–312.

29 (a) (2) **(I)** As to all or any part of any transportation facilities project, the
30 Authority may:

31 **[(i)] 1.** Fix, revise, charge, and collect rentals, rates, fees, tolls,
32 and other charges and revenues for its use or for its services; and

33 **[(ii)] 2.** Contract with any person who desires its use for any

1 purpose and fix the terms, conditions, rentals, rates, fees, tolls, or other charges or revenues
2 for this use.

3 **(II) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF**
4 **THIS SUBPARAGRAPH, AS TO ALL OR ANY PART OF ANY TRANSPORTATION**
5 **FACILITIES PROJECT IN WHICH THE AUTHORITY CHARGES TOLLS, THE AUTHORITY**
6 **SHALL:**

7 **A. DETERMINE THE OPTIMAL TOLLING RATE FOR THE**
8 **TRANSPORTATION FACILITIES PROJECT; AND**

9 **B. SET TOLLING RATES THAT ACHIEVE NEAR OPTIMAL**
10 **TOLLING.**

11 **2. A. THIS SUBSUBPARAGRAPH DOES NOT APPLY TO**
12 **THE I-495 AND I-270 PUBLIC-PRIVATE PARTNERSHIP.**

13 **B. THE AUTHORITY MAY FIX COMMUTER DISCOUNT**
14 **RATES.**

15 4-314.

16 (a) Without in any way limiting or restricting its effect or application, this subtitle
17 is intended to authorize the Authority to finance any one or more or any combination of
18 transportation facilities projects by any one or more or combination of issues or series of
19 bonds secured by the pledge of the net or gross or any combination of the net or gross
20 rentals, rates, fees, tolls, and other charges and revenues derived from any transportation
21 facilities project or combination of projects designated by any bond authorizing resolution
22 or trust agreement securing the bonds.

23 (b) However, all funds collected from rentals, rates, fees, tolls, and other charges
24 and revenues which are not needed to meet the costs which they are required to meet under
25 § 4-312 of this subtitle or any trust agreement and are not needed to meet obligations of
26 the Transportation Authority Fund, may be used in the discretion of the Secretary to
27 provide adequate and complete payment of all principal and interest on all bonds issued in
28 connection with the John F. Kennedy Memorial Highway and any project constructed under
29 the provisions of Section 3 (Bridge, Tunnel, and Motorway Revenue Bonds) of Chapter 608,
30 of the Acts of the General Assembly of 1976. All such remaining funds thereafter remaining
31 [may] **SHALL** be transferred[, upon the recommendation of the Secretary and after the
32 approval of the Board of Public Works,] to the [Transportation Trust] **RAIL AUTHORITY**
33 **Fund** and may be used for any purpose to which funds in the [Transportation Trust] **RAIL**
34 **AUTHORITY Fund** may be applied.

35 7-101.

1 (j) [(1)] "Railroad facility" means any facility used in providing railroad
2 services, and includes any one or more or combination of:

3 [(i)] (1) Switches, spurs, tracks, structures, terminals, yards, real
4 property, and other facilities useful or designed for use in connection with the
5 transportation of persons or goods by rail; and

6 [(ii)] (2) All other appurtenances, including locomotives, cars,
7 vehicles, and other instrumentalities of shipment or carriage, useful or designed for use in
8 connection with the transportation of persons or goods by rail.

9 [(2)] "Railroad facility" does not include any transit facility.]

10 (l) "Transit facility" includes any one or more or combination of tracks,
11 rights-of-way, bridges, tunnels, subways, rolling stock, stations, terminals, ports, parking
12 areas, equipment, fixtures, buildings, structures, other real or personal property, and
13 services incidental to or useful or designed for use in connection with the rendering of
14 transit service by any means, including rail, bus, motor vehicle, or other mode of
15 transportation[, but does not include any railroad facility].

16 (n) (1) "Transit service" means the transportation of persons and their
17 packages and baggage and of newspapers, express, and mail in regular route, special, or
18 charter service by means of transit facilities between points within the District.

19 (2) "Transit service" does not include any[:

20 (i) Vanpool] VANPOOL operation[: or

21 (ii) Railroad service].

22 TITLE 9. RAILROADS.

23 SUBTITLE 1. DEFINITIONS.

24 9-101.

25 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

27 (B) "ADMINISTRATION" MEANS THE MARYLAND TRANSIT
28 ADMINISTRATION.

29 (C) "COST", AS APPLIED TO ANY RAILROAD FACILITIES PROJECT, INCLUDES
30 THE COST OF AND ALL EXPENSES INCIDENT TO THE CONSTRUCTION,
31 RECONSTRUCTION, ACQUISITION, IMPROVEMENT, EXTENSION, ALTERATION,

1 MODERNIZATION, PLANNING, MAINTENANCE, AND REPAIR OF THE PROJECT,
2 INCLUDING THE COST AND EXPENSES OF:

3 (1) ALL PROPERTY ACQUIRED IN CONNECTION WITH THE PROJECT;

4 (2) FINANCIAL, ARCHITECTURAL, CONSULTING, ENGINEERING, AND
5 LEGAL SERVICES;

6 (3) PLANS, SPECIFICATIONS, SURVEYS, ESTIMATES, FEASIBILITY
7 REPORTS, AND DIRECT AND INDIRECT LABOR, MATERIAL, EQUIPMENT, AND
8 ADMINISTRATIVE EXPENSES; AND

9 (4) FINANCING THE PROJECT, INCLUDING FINANCING CHARGES AND
10 INTEREST BEFORE, DURING, AND FOR 1 YEAR AFTER COMPLETION OF
11 CONSTRUCTION.

12 (D) "RAIL AUTHORITY" MEANS THE MARYLAND RAIL AUTHORITY.

13 (E) "RAILROAD FACILITIES PROJECT" INCLUDES:

14 (1) (I) THE BRUNSWICK, CAMDEN, OR PENN LINES OF THE
15 MARYLAND AREA RAIL COMMUTER (MARC) SERVICE;

16 (II) EXTENDING MARC SERVICE;

17 (III) THE BALTIMORE AND POTOMAC TUNNEL; AND

18 (IV) THE SOUTHERN MARYLAND RAPID TRANSIT SYSTEM; AND

19 (2) ANY ADDITIONS, IMPROVEMENTS, OR ENLARGEMENTS TO ANY OF
20 THE PROJECTS LISTED UNDER ITEM (1) OF THIS SUBSECTION, WHENEVER
21 AUTHORIZED.

22 (F) "TRANSPORTATION AUTHORITY" MEANS THE MARYLAND
23 TRANSPORTATION AUTHORITY.

24 SUBTITLE 2. ORGANIZATION AND POWERS AND DUTIES.

25 9-201.

26 THERE IS A MARYLAND RAIL AUTHORITY.

27 9-202.

1 (A) (1) THE SECRETARY IS THE CHAIR OF THE RAIL AUTHORITY.

2 (2) THE SECRETARY SHALL DESIGNATE AN EXECUTIVE DIRECTOR
3 OF THE RAIL AUTHORITY.

4 (B) (1) IN ADDITION TO THE CHAIR, THE RAIL AUTHORITY CONSISTS OF
5 THE FOLLOWING MEMBERS:

6 (I) 1. ONE MEMBER WITH A BACKGROUND IN TRANSIT,
7 APPOINTED BY THE PRESIDENT OF THE SENATE; AND

8 2. ONE MEMBER WITH A BACKGROUND IN TRANSIT,
9 APPOINTED BY THE SPEAKER OF THE HOUSE; AND

10 (II) AS EX OFFICIO MEMBERS:

11 1. THE MARYLAND TRANSIT ADMINISTRATOR;

12 2. THE GENERAL MANAGER OF THE WASHINGTON
13 METROPOLITAN AREA TRANSIT AUTHORITY, OR THE GENERAL MANAGER'S
14 DESIGNEE;

15 3. THE CEO OF THE NATIONAL RAILROAD PASSENGER
16 CORPORATION, OR THE CEO'S DESIGNEE;

17 4. THE EXECUTIVE DIRECTOR OF THE
18 TRANSPORTATION AUTHORITY;

19 5. THE STATE TREASURER, OR THE STATE
20 TREASURER'S DESIGNEE; AND

21 6. THE EXECUTIVE DIRECTOR OF THE RAIL
22 AUTHORITY.

23 (2) THE MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE
24 AND THE SPEAKER OF THE HOUSE SHALL:

25 (I) REFLECT THE GEOGRAPHIC DIVERSITY OF THE STATE, TO
26 THE EXTENT PRACTICABLE; AND

27 (II) HAVE A BACKGROUND IN TRANSIT, RAIL, OR
28 TRANSPORTATION PROJECT FINANCE.

1 **(C) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.**

2 **(2) AN APPOINTED MEMBER MAY NOT SERVE MORE THAN THREE**
3 **CONSECUTIVE TERMS.**

4 **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL**
5 **A SUCCESSOR IS APPOINTED AND QUALIFIES.**

6 **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES**
7 **ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND**
8 **QUALIFIES.**

9 **(D) AN APPOINTED MEMBER OF THE RAIL AUTHORITY IS ENTITLED TO:**

10 **(1) THE COMPENSATION PROVIDED IN THE STATE BUDGET; AND**

11 **(2) REIMBURSEMENT FOR EXPENSES, UNDER THE STANDARD STATE**
12 **TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

13 **(E) (1) THE STATE ETHICS COMMISSION SHALL PROVIDE A TRAINING**
14 **COURSE FOR RAIL AUTHORITY MEMBERS ON STATE AND LOCAL ETHICS LAWS,**
15 **REGULATIONS, AND POLICIES, INCLUDING:**

16 **(I) GENERAL ETHICS REQUIREMENTS;**

17 **(II) FINANCIAL DISCLOSURES;**

18 **(III) CONFLICTS OF INTEREST; AND**

19 **(IV) ANY OTHER AREA THE STATE ETHICS COMMISSION**
20 **CONSIDERS APPROPRIATE.**

21 **(2) WITHIN 6 MONTHS AFTER BEING APPOINTED TO THE RAIL**
22 **AUTHORITY, A MEMBER SHALL:**

23 **(I) FILE A FINANCIAL DISCLOSURE STATEMENT; AND**

24 **(II) COMPLETE THE TRAINING COURSE.**

25 **(F) THE RAIL AUTHORITY IS SUBJECT TO THE OPEN MEETINGS ACT**
26 **UNDER TITLE 3 OF THE GENERAL PROVISIONS ARTICLE.**

1 **9-203.**

2 (A) THE RAIL AUTHORITY IS ENTITLED TO THE STAFF PROVIDED IN THE
3 STATE BUDGET.

4 (B) THE SECRETARY SHALL PROVIDE THE RAIL AUTHORITY WITH THE
5 PERSONNEL OF THE DEPARTMENT THAT THE SECRETARY CONSIDERS NECESSARY
6 FOR PERFORMANCE OF THE MAINTENANCE AND OTHER FUNCTIONS REQUIRED OF
7 THE RAIL AUTHORITY TO MEET ITS OBLIGATIONS WITH RESPECT TO ITS RAILROAD
8 FACILITIES PROJECTS.

9 **9-204.**

10 (A) (1) ACTING ON BEHALF OF THE DEPARTMENT, THE RAIL AUTHORITY
11 HAS THOSE POWERS AND DUTIES RELATING TO THE SUPERVISION, FINANCING,
12 CONSTRUCTION, OPERATION, MAINTENANCE, AND REPAIR OF RAILROAD FACILITIES
13 PROJECTS AS ARE GRANTED TO IT BY THIS TITLE.

14 (2) THE RAIL AUTHORITY MAY:

15 (I) DELEGATE PROJECT OPERATIONS TO THE
16 ADMINISTRATION; AND

17 (II) USE FARE REVENUE TO PROVIDE THE ADMINISTRATION
18 WITH PAYMENTS FOR PROJECT MAINTENANCE.

19 (B) THE RAIL AUTHORITY HAS GENERAL SUPERVISION OF THE FOLLOWING
20 RAILROAD FACILITIES PROJECTS:

21 (1) EXTENDING MARYLAND AREA RAIL COMMUTER (MARC)
22 SERVICE, INCLUDING EXTENDING RAIL SERVICE TO:

23 (I) NEWARK, DELAWARE;

24 (II) NORTHERN VIRGINIA; AND

25 (III) WESTERN MARYLAND;

26 (2) REPLACING THE BALTIMORE AND POTOMAC TUNNEL;

27 (3) PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING,
28 OPERATING, AND MAINTAINING THE SOUTHERN MARYLAND RAPID TRANSIT
29 SYSTEM; AND

1 **(4) IMPROVEMENTS TO THE BRUNSWICK, CAMDEN, OR PENN LINES**
2 **OF THE MARC SERVICE.**

3 **(C) THE RAIL AUTHORITY SHALL FINANCE, CONSTRUCT, OPERATE,**
4 **REPAIR, AND MAINTAIN IN GOOD ORDER THE RAILROAD FACILITIES PROJECTS**
5 **LISTED IN THIS SECTION.**

6 **(D) THE RAIL AUTHORITY SHALL, TO THE EXTENT PRACTICABLE, ADHERE**
7 **TO THE TRANSIT PLANS PREPARED UNDER TITLE 7, SUBTITLE 3 OF THIS ARTICLE.**

8 **9-205.**

9 **(A) SUBJECT TO § 9-306 OF THIS TITLE AND IN ADDITION TO THE POWERS**
10 **OTHERWISE SPECIFICALLY GRANTED BY LAW, THE RAIL AUTHORITY HAS THE**
11 **POWERS DESCRIBED IN THIS SECTION.**

12 **(B) THE RAIL AUTHORITY MAY ACQUIRE, HOLD, AND DISPOSE OF**
13 **PROPERTY IN THE EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES.**

14 **(C) (1) SUBJECT TO THE LIMITATIONS DESCRIBED IN PARAGRAPH (2) OF**
15 **THIS SUBSECTION, THE RAIL AUTHORITY MAY MAKE ANY CONTRACTS AND**
16 **AGREEMENTS NECESSARY OR INCIDENTAL TO THE EXERCISE OF ITS POWERS AND**
17 **PERFORMANCE OF ITS DUTIES.**

18 **(2) NOT LESS THAN 45 DAYS BEFORE ENTERING INTO ANY CONTRACT**
19 **OR AGREEMENT TO ACQUIRE OR CONSTRUCT A REVENUE-PRODUCING PASSENGER**
20 **RAIL OR TRANSIT PROJECT, THE RAIL AUTHORITY SHALL PROVIDE, IN**
21 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, TO THE**
22 **SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE COMMITTEE ON WAYS**
23 **AND MEANS, AND THE HOUSE APPROPRIATIONS COMMITTEE, FOR REVIEW AND**
24 **COMMENT, AND TO THE DEPARTMENT OF LEGISLATIVE SERVICES A DESCRIPTION**
25 **OF THE PROPOSED PROJECT, A SUMMARY OF THE CONTRACT OR AGREEMENT, AND**
26 **A FINANCING PLAN THAT DETAILS:**

27 **(I) THE ESTIMATED ANNUAL REVENUE FROM THE ISSUANCE OF**
28 **BONDS TO FINANCE THE PROJECT; AND**

29 **(II) THE ESTIMATED IMPACT OF THE ISSUANCE OF BONDS TO**
30 **FINANCE THE PROJECT ON THE BONDING CAPACITY OF THE RAIL AUTHORITY.**

31 **(D) (1) (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
32 **RAIL AUTHORITY MAY EMPLOY AND FIX THE COMPENSATION OF ATTORNEYS,**

1 CONSULTING ENGINEERS, ACCOUNTANTS, CONSTRUCTION AND FINANCIAL
2 EXPERTS, SUPERINTENDENTS, MANAGERS, AND ANY OTHER AGENTS AND
3 EMPLOYEES THAT IT CONSIDERS NECESSARY TO EXERCISE ITS POWERS AND
4 PERFORM ITS DUTIES.

5 (II) THE COMPENSATION ESTABLISHED BY THE RAIL
6 AUTHORITY FOR EXECUTIVE MANAGEMENT POSITIONS SHALL BE CONSISTENT WITH
7 THE COMPENSATION OF COMPARABLE POSITIONS IN THE DEPARTMENT.

8 (III) THE COMPENSATION ESTABLISHED BY THE RAIL
9 AUTHORITY SHALL BE REPORTED TO THE GENERAL ASSEMBLY EACH YEAR AS PART
10 OF THE RAIL AUTHORITY'S PRESENTATION OF ITS BUDGET.

11 (2) THE EXPENSE OF EMPLOYING THESE PERSONS MAY BE PAID ONLY
12 FROM REVENUES OR FROM THE PROCEEDS OF REVENUE BONDS ISSUED BY THE
13 RAIL AUTHORITY.

14 (E) THE RAIL AUTHORITY MAY APPLY FOR AND RECEIVE GRANTS FROM
15 ANY FEDERAL AGENCY FOR THE PLANNING, CONSTRUCTION, OPERATION, OR
16 FINANCING OF ANY PASSENGER RAIL OR TRANSIT PROJECT AND MAY RECEIVE AID
17 OR CONTRIBUTIONS OF MONEY, PROPERTY, LABOR, OR OTHER THINGS OF VALUE
18 FROM ANY SOURCE, TO BE HELD, USED, AND APPLIED FOR THE PURPOSES FOR
19 WHICH THE GRANTS, AID, AND CONTRIBUTIONS ARE MADE.

20 (F) THE RAIL AUTHORITY MAY ADOPT RULES AND REGULATIONS TO CARRY
21 OUT THE PROVISIONS OF THIS TITLE.

22 (G) THE RAIL AUTHORITY MAY DO ANYTHING ELSE NECESSARY OR
23 CONVENIENT TO CARRY OUT THE POWERS GRANTED IN THIS TITLE.

24 **9-206.**

25 SUBJECT TO TITLE 12 OF THE REAL PROPERTY ARTICLE AND CHAPTER 608
26 OF THE ACTS OF THE GENERAL ASSEMBLY OF 1976, THE RAIL AUTHORITY MAY
27 CONDEMN PROPERTY FOR ANY RAILROAD FACILITIES PROJECT AUTHORIZED TO BE
28 FINANCED WITH REVENUE BONDS OF PRIOR ISSUES.

29 **9-207.**

30 EXCEPT FOR WATER AND SEWER CHARGES IMPOSED BY THE STATE OR ANY OF
31 ITS AGENCIES OR POLITICAL SUBDIVISIONS, THE RAIL AUTHORITY, ITS ACTIVITIES,
32 AND THE PROPERTY IT OWNS OR CONTROLS ARE EXEMPT FROM ALL TAXES,
33 ASSESSMENTS, AND CHARGES, WHETHER FEDERAL, STATE, OR LOCAL, NOW OR

1 SUBSEQUENTLY LEVIED OR IMPOSED.

2 9-208.

3 THE RAIL AUTHORITY MAY CONTRACT WITH THE ADMINISTRATION TO
4 AUTHORIZE TRANSPORTATION AUTHORITY POLICE OFFICERS TO EXERCISE THE
5 POWERS DESCRIBED UNDER § 4-208 OF THIS ARTICLE ON PROPERTY OWNED,
6 LEASED, OR OPERATED BY OR UNDER THE CONTROL OF THE RAIL AUTHORITY.

7 9-209.

8 (A) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE RAIL AUTHORITY, IN
9 COLLABORATION WITH THE TRANSPORTATION AUTHORITY, SHALL DEVELOP AND,
10 SUBJECT TO APPROVAL OF THE TRANSPORTATION AUTHORITY, ADOPT A 6-YEAR
11 FINANCIAL FORECAST FOR THE OPERATIONS OF THE RAIL AUTHORITY.

12 (B) IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE,
13 THE RAIL AUTHORITY SHALL SUBMIT TO THE GENERAL ASSEMBLY:

14 (1) A DRAFT OF THE FINANCIAL FORECAST ON SUBMISSION OF THE
15 BUDGET BILL TO THE PRESIDING OFFICERS OF THE GENERAL ASSEMBLY; AND

16 (2) THE FINANCIAL FORECAST AS APPROVED BY THE RAIL
17 AUTHORITY ON OR BEFORE SEPTEMBER 1 EACH YEAR.

18 (C) THE FINANCIAL FORECAST SHALL INCLUDE THE FOLLOWING
19 COMPONENTS:

20 (1) A SCHEDULE OF OPERATING EXPENSES;

21 (2) A SCHEDULE OF REVENUES, INCLUDING CONCESSIONS INCOME,
22 INVESTMENT INCOME, OTHER INCOME, AND TRANSFERS FROM THE DEPARTMENT;

23 (3) A SCHEDULE OF PLANNED BOND ISSUANCES, INCLUDING A
24 DETAILED SUMMARY OF BONDS ISSUED TO FUND THE CAPITAL PROGRAM AND
25 BONDS ISSUED TO FUND CAPITALIZED INTEREST;

26 (4) A SCHEDULE OF DEBT SERVICE IN EACH FISCAL YEAR FOR EACH
27 BOND ISSUANCE OF ALL DEBT ISSUED BY THE RAIL AUTHORITY, INCLUDING DEBT
28 SERVICE ESTIMATES OF PLANNED BOND ISSUANCES; AND

29 (5) A SUMMARY SCHEDULE FOR THE RAIL AUTHORITY THAT
30 INCLUDES:

- 1 (I) THE TOTAL CASH BALANCE;
- 2 (II) THE AMOUNT OF THE CASH BALANCE THAT IS
3 ENCUMBERED;
- 4 (III) THE ANNUAL CASH SURPLUS OR DEFICIT;
- 5 (IV) REVENUES;
- 6 (V) TRANSFERS TO THE DEPARTMENT FROM THE RAIL
7 AUTHORITY;
- 8 (VI) TRANSFERS TO THE RAIL AUTHORITY FROM THE
9 DEPARTMENT;
- 10 (VII) BOND SALES;
- 11 (VIII) EXPENDITURES FOR DEBT SERVICE;
- 12 (IX) OPERATING EXPENSES;
- 13 (X) CAPITAL EXPENSES;
- 14 (XI) MAINTENANCE AND OPERATIONS EXPENSE RESERVE
15 ACCOUNTS;
- 16 (XII) FORECASTED BOND INTEREST RATES;
- 17 (XIII) TOTAL BONDS OUTSTANDING; AND
- 18 (XIV) FINANCIAL COVERAGE RATIOS, INCLUDING THE RATIO OF
19 TOTAL CASH TO FARE REVENUES, THE DEBT SERVICE COVERAGE RATIO, AND THE
20 RATE COVENANT COMPLIANCE RATIO.
- 21 (D) THE FINANCIAL FORECAST SHALL INCLUDE, FOR EACH OF THE
22 COMPONENTS SPECIFIED IN SUBSECTION (C) OF THIS SECTION:
- 23 (1) ACTUAL INFORMATION FOR THE LAST FULL FISCAL YEAR; AND
- 24 (2) FORECASTS OF THE INFORMATION FOR EACH OF THE 6
25 SUBSEQUENT FISCAL YEARS, INCLUDING THE CURRENT FISCAL YEAR, THE FISCAL
26 YEAR FOR THE PROPOSED BUDGET, AND THE NEXT 4 SUBSEQUENT FISCAL YEARS.

1 **9-210.**

2 (A) THE RAIL AUTHORITY SHALL EMPLOY A GENERAL COUNSEL WHO
3 SERVES AT THE PLEASURE OF THE SECRETARY.

4 (B) THE GENERAL COUNSEL IS ENTITLED TO THE COMPENSATION
5 DETERMINED BY THE MARYLAND TRANSIT ADMINISTRATOR.

6 **9-211.**

7 (A) THE RAIL AUTHORITY SHALL MAKE PUBLICLY AVAILABLE ON ITS
8 WEBSITE:

9 (1) EACH OPEN MEETING AGENDA:

10 (I) AT LEAST 48 HOURS IN ADVANCE OF EACH MEETING; OR

11 (II) IF THE MEETING IS BEING HELD DUE TO AN EMERGENCY, A
12 NATURAL DISASTER, OR ANY OTHER UNANTICIPATED SITUATION, AS FAR IN
13 ADVANCE OF THE MEETING AS PRACTICABLE;

14 (2) MEETING MINUTES FROM THE PORTIONS OF A MEETING THAT
15 WERE HELD IN OPEN SESSION, NOT MORE THAN 2 BUSINESS DAYS AFTER THE
16 MINUTES ARE APPROVED;

17 (3) LIVE VIDEO STREAMING OF EACH OPEN MEETING OF THE RAIL
18 AUTHORITY THAT IS HELD AT:

19 (I) THE HEADQUARTERS OF THE RAIL AUTHORITY; OR

20 (II) ANY OTHER LOCATION WHERE THE RAIL AUTHORITY HELD
21 AT LEAST 10 MEETINGS DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR;
22 AND

23 (4) A COMPLETE AND UNEDITED ARCHIVED VIDEO RECORDING OF
24 EACH OPEN MEETING FOR WHICH LIVE VIDEO STREAMING WAS MADE AVAILABLE
25 UNDER ITEM (3) OF THIS SUBSECTION FOR A MINIMUM OF 5 YEARS AFTER THE DATE
26 OF THE MEETING.

27 (B) THE DEPARTMENT OF INFORMATION TECHNOLOGY SHALL PROVIDE TO
28 THE RAIL AUTHORITY THE TECHNICAL STAFF, SUPPORT, AND EQUIPMENT
29 NECESSARY TO LIVESTREAM THE OPEN MEETINGS OF THE RAIL AUTHORITY.

1 **(5) WHETHER THE BONDS ARE TO BE ISSUED IN COUPON OR**
2 **REGISTERED FORM OR BOTH AND WHETHER PROVISION IS TO BE MADE FOR THE**
3 **REGISTRATION OF THE PRINCIPAL ONLY OF COUPON BONDS, FOR THE**
4 **RECONVERSION OF FULLY REGISTERED BONDS INTO COUPON FORM, AND FOR THE**
5 **REPLACEMENT OF BONDS THAT ARE MUTILATED, LOST, OR DESTROYED;**

6 **(6) WHETHER ALL OR ANY PART OF THE BONDS ARE REDEEMABLE**
7 **BEFORE MATURITY AND, IF SO, THE TERMS, CONDITIONS, AND PRICES OF**
8 **REDEMPTION; AND**

9 **(7) ANY OTHER MATTER RELATING TO THE FORM, TERMS,**
10 **CONDITIONS, ISSUANCE, SALE, AND DELIVERY OF THE BONDS.**

11 **9-303.**

12 **(A) (1) REVENUE BONDS ISSUED UNDER THIS SUBTITLE SHALL BE**
13 **EXECUTED ON BEHALF OF THE RAIL AUTHORITY BY THE MANUAL SIGNATURE OF AT**
14 **LEAST ONE AUTHORIZED INDIVIDUAL.**

15 **(2) OTHER SIGNATURES ON THE BONDS MAY BE EITHER MANUAL OR**
16 **FACSIMILE.**

17 **(B) IF AN INDIVIDUAL WHOSE MANUAL OR FACSIMILE SIGNATURE APPEARS**
18 **ON ANY BOND OR COUPON ISSUED UNDER THIS SUBTITLE CEASES TO SERVE IN AN**
19 **AUTHORIZED CAPACITY BEFORE THE DELIVERY OF THE BOND, THE SIGNATURE**
20 **NEVERTHELESS IS AS VALID AND SUFFICIENT FOR ALL PURPOSES AS IF THE**
21 **INDIVIDUAL HAD REMAINED IN THAT CAPACITY UNTIL DELIVERY OF THE BOND.**

22 **9-304.**

23 **NOTWITHSTANDING ANY OTHER PROVISION OF LAW OR ANY RECITALS IN THE**
24 **INSTRUMENTS, THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF**
25 **OBLIGATION ISSUED UNDER THIS SUBTITLE ARE INVESTMENT SECURITIES UNDER**
26 **THE LAWS OF THE STATE.**

27 **9-305.**

28 **THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION**
29 **ISSUED UNDER THIS SUBTITLE AND THEIR ISSUANCE AND SALE ARE EXEMPT FROM**
30 **THE PROVISIONS OF §§ 8-206 AND 8-208 OF THE STATE FINANCE AND**
31 **PROCUREMENT ARTICLE, AND THE RAIL AUTHORITY MAY SELL THEM AT EITHER**
32 **PUBLIC OR PRIVATE SALE IN THE MANNER AND FOR THE PRICE THAT IT**
33 **DETERMINES.**

1 **9-306.**

2 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, REVENUE
3 BONDS MAY BE ISSUED BY THE RAIL AUTHORITY:

4 (1) WITHOUT OBTAINING THE CONSENT OF ANY INSTRUMENTALITY,
5 AGENCY, OR UNIT OF THE STATE; AND

6 (2) WITHOUT ANY PROCEEDINGS OR THE HAPPENING OF ANY
7 CONDITIONS OR THINGS OTHER THAN THOSE SPECIFICALLY REQUIRED BY THIS
8 SUBTITLE.

9 (B) (1) (I) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,
10 REVENUE BONDS SECURED BY FARE REVENUE MAY BE ISSUED IN ANY AMOUNT.

11 (II) ON OR BEFORE APRIL 1, 2024, THE RAIL AUTHORITY
12 SHALL SUBMIT, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
13 ARTICLE, A REPORT TO THE GENERAL ASSEMBLY THAT INCLUDES:

14 1. A RECOMMENDATION ON THE MAXIMUM AGGREGATE
15 AMOUNT OF REVENUE BONDS THAT MAY BE OUTSTANDING AND UNPAID IN A FISCAL
16 YEAR; AND

17 2. WHETHER THE MAXIMUM AGGREGATE AMOUNT
18 DETERMINED UNDER ITEM 1 OF THIS SUBPARAGRAPH SHOULD BE ESTABLISHED BY
19 LAW OR REGULATION.

20 (III) THE MAXIMUM AGGREGATE AMOUNT OF REVENUE BONDS
21 THAT MAY BE OUTSTANDING AND UNPAID UNDER SUBPARAGRAPH (I) OF THIS
22 PARAGRAPH SHALL BE REDUCED BY THE AMOUNT OF:

23 1. ANY LOAN EXTENDED TO THE STATE UNDER THE
24 FEDERAL TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT;
25 AND

26 2. ANY LINE OF CREDIT EXTENDED TO THE STATE
27 UNDER THE FEDERAL TRANSPORTATION INFRASTRUCTURE FINANCE AND
28 INNOVATION ACT, TO THE EXTENT THE STATE DRAWS ON THE LINE OF CREDIT.

29 (2) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION AND § 9-205
30 OF THIS TITLE, WITHOUT THE APPROVAL OF THE GENERAL ASSEMBLY, THE RAIL
31 AUTHORITY MAY ISSUE BONDS TO REFINANCE ALL OR ANY PART OF THE COST OF A

1 PASSENGER RAIL OR TRANSIT PROJECT FOR WHICH THE RAIL AUTHORITY
2 PREVIOUSLY ISSUED BONDS AUTHORIZED UNDER THIS SUBTITLE.

3 **9-307.**

4 (A) SUBJECT TO THE PROVISIONS OF §§ 9-306(B) AND 9-320 OF THIS
5 SUBTITLE, IF BY REASON OF INCREASED CONSTRUCTION COSTS, ERROR IN
6 ESTIMATES, OR OTHERWISE, THE PROCEEDS OF THE REVENUE BONDS OF ANY ISSUE
7 ARE LESS THAN THE AMOUNT REQUIRED FOR THE PURPOSE FOR WHICH THE BONDS
8 ARE AUTHORIZED, ADDITIONAL REVENUE BONDS MAY BE ISSUED IN A SIMILAR
9 MANNER TO PROVIDE THE AMOUNT OF THE DEFICIENCY.

10 (B) (1) THE ADDITIONAL BONDS SHALL BE DEEMED TO BE OF THE SAME
11 ISSUE AND SHALL BE ENTITLED TO PAYMENT FROM THE SAME FUND, WITHOUT
12 PREFERENCE OR PRIORITY, AS THE BONDS FIRST ISSUED.

13 (2) IF THE PROCEEDS OF THE ADDITIONAL BONDS EXCEED THE
14 AMOUNT REQUIRED, THE EXCESS SHALL BE DEPOSITED TO THE CREDIT OF ANY
15 RESERVE FUND FOR THE BONDS OR, IF SO PROVIDED IN THE TRUST AGREEMENT
16 SECURING THE BONDS, MAY BE APPLIED TO THE COST OF ANY ADDITIONAL
17 PROJECT.

18 **9-308.**

19 (A) THE RAIL AUTHORITY FROM TIME TO TIME MAY ISSUE ITS REVENUE
20 REFUNDING BONDS FOR:

21 (1) REFUNDING ANY BONDS ISSUED UNDER THIS SUBTITLE OR ANY
22 REVENUE BONDS OF PRIOR ISSUES, INCLUDING THE PAYMENT OF ANY REDEMPTION
23 PREMIUM ON THE BONDS AND ANY INTEREST ACCRUED OR TO ACCRUE TO THE DATE
24 OF REDEMPTION OF THE BONDS;

25 (2) CONSTRUCTING IMPROVEMENTS OR EXTENSIONS TO OR
26 ENLARGEMENTS OF ANY RAILROAD FACILITIES PROJECT; AND

27 (3) PAYING ALL OR ANY PART OF THE COST OF ANY ADDITIONAL
28 RAILROAD FACILITIES PROJECT.

29 (B) THE ISSUANCE OF REVENUE REFUNDING BONDS, THE DETAILS OF
30 THEIR ISSUANCE, THE RIGHTS OF THEIR HOLDERS, AND THE RIGHTS, DUTIES, AND
31 OBLIGATIONS OF THE RAIL AUTHORITY WITH RESPECT TO THEM ARE GOVERNED BY
32 THE PROVISIONS OF THIS SUBTITLE RELATING TO REVENUE BONDS, INsofar AS
33 THOSE PROVISIONS MAY BE APPLICABLE.

1 **9-309.**

2 **BEFORE THE PREPARATION OF DEFINITIVE BONDS, THE RAIL AUTHORITY**
3 **MAY ISSUE ITS INTERIM CERTIFICATES OR TEMPORARY BONDS, WITH OR WITHOUT**
4 **COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE DEFINITIVE BONDS**
5 **HAVE BEEN EXECUTED AND ARE AVAILABLE FOR DELIVERY.**

6 **9-310.**

7 **(A) THE RAIL AUTHORITY MAY ISSUE ITS BOND ANTICIPATION NOTES,**
8 **PAYABLE TO THE BEARER OR REGISTERED HOLDER OF THE NOTES, OUT OF THE**
9 **FIRST PROCEEDS OF THE NEXT SALE OF BONDS ISSUED UNDER THIS SUBTITLE.**

10 **(B) THE RESOLUTION AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION**
11 **NOTES MAY PROVIDE FOR THE ISSUANCE OF THESE NOTES IN SERIES, AS FUNDS ARE**
12 **REQUIRED, AND FOR THE RENEWAL OF THESE NOTES AT MATURITY, WITH OR**
13 **WITHOUT RESALE.**

14 **(C) THE ISSUANCE OF BOND ANTICIPATION NOTES, THE DETAILS OF THEIR**
15 **ISSUANCE, THE RIGHTS OF THEIR HOLDERS, AND THE RIGHTS, DUTIES, AND**
16 **OBLIGATIONS OF THE RAIL AUTHORITY WITH RESPECT TO THEM ARE GOVERNED BY**
17 **THE PROVISIONS OF THIS SUBTITLE RELATING TO THE ISSUANCE OF THE BONDS IN**
18 **ANTICIPATION OF THE SALE OF WHICH THE NOTES ARE ISSUED, INsofar AS THOSE**
19 **PROVISIONS MAY BE APPLICABLE.**

20 **9-311.**

21 **(A) (1) REVENUE BONDS ISSUED UNDER THIS SUBTITLE MAY BE**
22 **SECURED BY A TRUST AGREEMENT BETWEEN THE RAIL AUTHORITY AND A**
23 **CORPORATE TRUSTEE THAT MAY BE ANY TRUST COMPANY OR BANK HAVING TRUST**
24 **POWERS WITHIN OR OUTSIDE THE STATE.**

25 **(2) THE TRUST AGREEMENT MAY PLEDGE OR ASSIGN ALL OR ANY**
26 **PART OF THE REVENUES OF THE RAIL AUTHORITY OR OF ANY RAILROAD FACILITIES**
27 **PROJECT, BUT MAY NOT MORTGAGE ANY PART OF ANY RAILROAD FACILITIES**
28 **PROJECT.**

29 **(B) ANY TRUST AGREEMENT OR BOND AUTHORIZING RESOLUTION MAY:**

30 **(1) CONTAIN ANY PROVISIONS FOR THE PROTECTION AND**
31 **ENFORCEMENT OF THE RIGHTS AND REMEDIES OF BONDHOLDERS AS ARE**
32 **CONSIDERED REASONABLE AND PROPER, INCLUDING COVENANTS SETTING FORTH**

1 THE DUTIES OF THE RAIL AUTHORITY AS TO THE FINANCING OR DEVELOPMENT OF
2 ANY RAILROAD FACILITIES PROJECT, THE EXTENSION, ENLARGEMENT,
3 IMPROVEMENT, MAINTENANCE, OPERATION, REPAIR, AND INSURANCE OF THE
4 PROJECT, AND THE CUSTODY, SAFEGUARDING, AND APPLICATION OF MONEY;

5 (2) PROVIDE FOR THE EMPLOYMENT OF CONSULTING ENGINEERS IN
6 CONNECTION WITH THE CONSTRUCTION OR OPERATION OF ANY RAILROAD
7 FACILITIES PROJECT;

8 (3) SET FORTH THE RIGHTS AND REMEDIES OF THE BONDHOLDERS
9 AND OF THE TRUSTEE;

10 (4) RESTRICT THE INDIVIDUAL RIGHT OF ACTION BY BONDHOLDERS;
11 AND

12 (5) CONTAIN ANY OTHER PROVISIONS THAT THE RAIL AUTHORITY
13 CONSIDERS REASONABLE AND PROPER FOR THE SECURITY OF THE BONDHOLDERS,
14 INCLUDING:

15 (I) COVENANTS TO RESTRICT OR PROHIBIT THE
16 CONSTRUCTION OR OPERATION OF COMPETING RAILROAD FACILITIES; AND

17 (II) COVENANTS RELATING TO THE ISSUANCE OF ADDITIONAL
18 PARITY BONDS ON STATED CONDITIONS CONSISTENT WITH THE REQUIREMENTS OF
19 THIS SUBTITLE.

20 (C) ALL EXPENSES INCURRED IN CARRYING OUT THE TRUST AGREEMENT
21 MAY BE TREATED AS A PART OF THE COST OF THE OPERATION OF THE RAILROAD
22 FACILITIES PROJECT IN CONNECTION WITH WHICH THE BONDS HAVE BEEN ISSUED.

23 (D) THE PROCEEDS OF THE SALE OF BONDS SHALL BE PAID TO THE
24 TRUSTEE UNDER THE TRUST AGREEMENT SECURING THE BONDS AND SHALL BE
25 DISBURSED IN THE MANNER AND UNDER THE RESTRICTIONS, IF ANY, PROVIDED IN
26 THE TRUST AGREEMENT.

27 (E) ANY BANK OR TRUST COMPANY INCORPORATED UNDER THE LAWS OF
28 THE STATE THAT ACTS AS DEPOSITARY OF THE PROCEEDS OF THE BONDS OR OF
29 REVENUES MAY FURNISH ANY INDEMNIFYING BONDS OR PLEDGE ANY SECURITIES
30 THAT THE RAIL AUTHORITY REQUIRES.

31 9-312.

32 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IF THE RAIL AUTHORITY

1 IS OPERATING A RAILROAD FACILITIES PROJECT, THE RAIL AUTHORITY SHALL FIX,
2 REVISE, CHARGE, AND COLLECT RENTALS, RATES, FEES, FARES, AND OTHER
3 CHARGES FOR ITS USE OR FOR ITS SERVICES CONSISTENT WITH THE PROVISIONS OF
4 §§ 7-208, 7-505, AND 7-506 OF THIS ARTICLE AS THOSE PROVISIONS APPLY TO THE
5 ADMINISTRATION.

6 9-313.

7 (A) (1) ALL RENTALS, RATES, FARES, FEES, AND OTHER CHARGES AND
8 REVENUES DERIVED FROM ANY RAILROAD FACILITIES PROJECT SHALL BE SET
9 ASIDE IN A FUND KNOWN AS THE RAIL AUTHORITY FUND, EXCEPT TO THE EXTENT
10 THAT THEY ARE PLEDGED UNDER AN APPLICABLE TRUST AGREEMENT TO SECURE
11 EITHER:

12 (I) REVENUE BONDS ISSUED UNDER THIS SUBTITLE IF THE
13 TRUST AGREEMENT OR BOND AUTHORIZING RESOLUTION EXPRESSLY PROVIDES
14 THAT THIS SECTION DOES NOT APPLY TO THOSE BONDS; OR

15 (II) REVENUE BONDS OF PRIOR ISSUES.

16 (2) THE RAIL AUTHORITY FUND SHALL BE PLEDGED TO AND
17 CHARGED WITH THE PAYMENT OF:

18 (I) THE INTEREST ON BONDS ISSUED UNDER THIS SUBTITLE AS
19 IT FALLS DUE;

20 (II) THE PRINCIPAL OF THE BONDS AS IT FALLS DUE;

21 (III) THE NECESSARY CHARGES OF PAYING AGENTS FOR PAYING
22 PRINCIPAL AND INTEREST; AND

23 (IV) THE REDEMPTION PRICE OR PURCHASE PRICE OF BONDS
24 RETIRED BY CALL OR PURCHASE AS PROVIDED IN THE BOND AUTHORIZING
25 RESOLUTION OR TRUST AGREEMENT.

26 (B) (1) THE PLEDGE IS VALID AND BINDING FROM THE TIME IT IS MADE.

27 (2) RENTALS, RATES, FARES, FEES, AND OTHER CHARGES AND
28 REVENUES OR OTHER MONEY SO PLEDGED AND LATER RECEIVED BY THE RAIL
29 AUTHORITY IMMEDIATELY SHALL BE SUBJECT TO THE LIEN OF THE PLEDGE
30 WITHOUT PHYSICAL DELIVERY OR ANY FURTHER ACT.

31 (3) THE LIEN OF THE PLEDGE IS VALID AND BINDING AS AGAINST ALL

1 PARTIES HAVING ANY CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE
2 AGAINST THE RAIL AUTHORITY, WHETHER OR NOT THESE PARTIES HAVE NOTICE OF
3 THE PLEDGE.

4 (4) NOTWITHSTANDING ANY LAW TO THE CONTRARY, NEITHER THE
5 RESOLUTION NOR ANY TRUST AGREEMENT BY WHICH A PLEDGE IS CREATED NEED
6 BE FILED OR RECORDED OTHER THAN IN THE RECORDS OF THE RAIL AUTHORITY.

7 (C) THE USE AND DISPOSITION OF MONEY TO THE CREDIT OF THE RAIL
8 AUTHORITY FUND IS SUBJECT TO THE PROVISION OF THE APPLICABLE BOND
9 AUTHORIZING RESOLUTION OR TRUST AGREEMENT.

10 **9-314.**

11 WITHOUT IN ANY WAY LIMITING OR RESTRICTING ITS EFFECT OR
12 APPLICATION, THIS SUBTITLE IS INTENDED TO AUTHORIZE THE RAIL AUTHORITY
13 TO FINANCE ANY ONE OR MORE OR ANY COMBINATION OF RAILROAD FACILITIES
14 PROJECTS BY ANY ONE OR MORE OR COMBINATION OF ISSUES OR SERIES OF BONDS
15 SECURED BY THE PLEDGE OF THE NET OR GROSS OR ANY COMBINATION OF THE NET
16 OR GROSS RENTALS, RATES, FARES, FEES, AND OTHER CHARGES AND REVENUES
17 DERIVED FROM ANY RAILROAD FACILITIES PROJECT OR COMBINATION OF
18 PROJECTS DESIGNATED BY ANY BOND AUTHORIZING RESOLUTION OR TRUST
19 AGREEMENT SECURING THE BONDS.

20 **9-315.**

21 ALL MONEY THAT IS RECEIVED BY THE RAIL AUTHORITY AS PROCEEDS FROM
22 THE SALE OF REVENUE BONDS, NOTES, OR OTHER EVIDENCES OF OBLIGATION
23 UNDER THIS SUBTITLE AND BY WAY OF RENTALS, RATES, FARES, FEES, AND OTHER
24 CHARGES AND REVENUES DERIVED FROM ANY RAILROAD FACILITIES PROJECT OR
25 COMBINATION OF PROJECTS AND THAT IS DESIGNATED BY ANY AUTHORIZING
26 RESOLUTION OR TRUST AGREEMENT AS SECURITY FOR THE BONDS, NOTES, OR
27 OTHER EVIDENCES OF OBLIGATION SHALL BE DEEMED TO BE TRUST FUNDS TO BE
28 HELD AND APPLIED ONLY AS PROVIDED IN THIS SUBTITLE.

29 **9-316.**

30 EXCEPT TO THE EXTENT RESTRICTED BY THE TRUST AGREEMENT, THE
31 TRUSTEE OR ANY HOLDER OF REVENUE BONDS ISSUED UNDER THIS SUBTITLE OR
32 OF ANY OF THE COUPONS APPERTAINING TO THE BONDS MAY:

33 (1) BRING A SUIT, AN ACTION, A MANDAMUS, OR ANY OTHER
34 PROCEEDING AT LAW OR IN EQUITY TO PROTECT AND ENFORCE ANY RIGHT UNDER

1 THE LAWS OF THE STATE OR UNDER THE BOND AUTHORIZING RESOLUTION OR
2 TRUST AGREEMENT; AND

3 (2) ENFORCE AND COMPEL THE PERFORMANCE OF ALL DUTIES
4 REQUIRED BY THIS SUBTITLE OR BY THE TRUST AGREEMENT TO BE PERFORMED BY
5 THE RAIL AUTHORITY OR BY ANY OF ITS OFFICERS, INCLUDING THE FIXING,
6 CHARGING, AND COLLECTING OF RENTALS, RATES, FARES, FEES, AND OTHER
7 CHARGES AND REVENUES.

8 9-317.

9 (A) ALL PUBLIC OFFICERS AND PUBLIC AGENCIES OF THE STATE AND ITS
10 POLITICAL SUBDIVISIONS, ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN
11 ASSOCIATIONS, INVESTMENT COMPANIES, AND OTHERS CARRYING ON A BANKING
12 BUSINESS, ALL INSURANCE COMPANIES, INSURANCE ASSOCIATIONS, AND OTHERS
13 CARRYING ON AN INSURANCE BUSINESS, ALL PERSONAL REPRESENTATIVES,
14 GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES, AND ALL OTHER PERSONS MAY
15 LEGALLY AND PROPERLY INVEST FUNDS, INCLUDING CAPITAL IN THEIR CONTROL
16 OR BELONGING TO THEM, IN REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF
17 OBLIGATION ISSUED UNDER THIS SUBTITLE.

18 (B) THESE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION MAY
19 LEGALLY AND PROPERLY BE DEPOSITED WITH AND RECEIVED BY ANY STATE OR
20 MUNICIPAL OFFICER OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE
21 FOR ANY PURPOSE FOR WHICH THE DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF
22 THE STATE IS AUTHORIZED BY LAW.

23 9-318.

24 THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION
25 ISSUED UNDER THIS SUBTITLE, THEIR TRANSFER, THE INTEREST PAYABLE ON
26 THEM, AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT REALIZED
27 IN THEIR SALE OR EXCHANGE, SHALL BE EXEMPT AT ALL TIMES FROM EVERY KIND
28 AND NATURE OF TAXATION BY THE STATE OR BY ANY OF ITS POLITICAL
29 SUBDIVISIONS, OR PUBLIC AGENCIES OF ANY KIND.

30 9-319.

31 (A) THE REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION
32 ISSUED UNDER THIS SUBTITLE ARE NOT AND MAY NOT BE CONSIDERED TO
33 CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF
34 MARYLAND, BUT SHALL BE PAYABLE ONLY FROM THE FUNDS FROM OR REVENUES
35 PROVIDED BY THIS SUBTITLE FOR THAT PURPOSE.

1 **(B) ALL REVENUE BONDS, NOTES, AND OTHER EVIDENCES OF OBLIGATION**
2 **ISSUED UNDER THIS SUBTITLE SHALL CONTAIN A STATEMENT ON THEIR FACE TO**
3 **THE EFFECT THAT:**

4 **(1) THE STATE IS NOT OBLIGATED TO PAY THE PRINCIPAL OF OR THE**
5 **INTEREST ON THEM EXCEPT FROM REVENUES; AND**

6 **(2) NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF**
7 **THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST**
8 **ON THEM.**

9 **9-320.**

10 **IF THE RAIL AUTHORITY INTENDS TO PLEDGE ANY FUTURE FEDERAL AID**
11 **FROM ANY SOURCE TO SUPPORT REPAYMENT OF ANY DEBT INSTRUMENT ISSUED**
12 **UNDER THIS SUBTITLE:**

13 **(1) THE AGGREGATE PRINCIPAL AMOUNT OF DEBT ISSUED UNDER**
14 **THIS SUBTITLE OR TITLE 3, SUBTITLE 6 OF THIS ARTICLE THAT IS SECURED BY A**
15 **PLEDGE OF FUTURE FEDERAL AID MAY NOT EXCEED \$750,000,000;**

16 **(2) THE DATE OF MATURITY MAY NOT BE LATER THAN 12 YEARS**
17 **AFTER THE DATE OF ISSUE;**

18 **(3) NOTWITHSTANDING § 3-215(D) OF THIS ARTICLE, IF FUTURE**
19 **FEDERAL AID IS INSUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE**
20 **BONDS ISSUED UNDER THIS SUBTITLE WHEN DUE, THE TAX LEVIED UNDER § 3-215**
21 **OF THIS ARTICLE, TO THE EXTENT THE PROCEEDS OF SUCH TAX ARE NOT**
22 **NECESSARY TO PROVIDE THE SINKING FUND REQUIRED UNDER § 3-215(C) OF THIS**
23 **ARTICLE, IS IRREVOCABLY PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND**
24 **INTEREST ON THE BONDS ISSUED UNDER THIS SUBTITLE AS THEY BECOME DUE AND**
25 **PAYABLE;**

26 **(4) THE LIEN OF THE PLEDGE UNDER ITEM (3) OF THIS SECTION**
27 **SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THE PLEDGE OF SUCH TAX**
28 **UNDER § 3-215(D) OF THIS ARTICLE TO THE PAYMENT OF PRINCIPAL OF AND**
29 **INTEREST ON CONSOLIDATED TRANSPORTATION BONDS; AND**

30 **(5) NO PART OF THE TAX LEVIED UNDER § 3-215 OF THIS ARTICLE**
31 **MAY BE REPEALED, DIMINISHED, OR APPLIED TO ANY OTHER PURPOSE UNTIL:**

32 **(I) THE BONDS ISSUED UNDER THIS SUBTITLE AND INTEREST**

1 ON THEM HAVE BECOME DUE AND FULLY PAID; OR

2 (II) ADEQUATE AND COMPLETE PROVISION FOR PAYMENT OF
3 THE PRINCIPAL AND INTEREST HAS BEEN MADE.

4 9-321.

5 (A) THE RAIL AUTHORITY MAY ISSUE BOND ANTICIPATION NOTES SECURED
6 BY A PLEDGE OF A LINE OF CREDIT EXTENDED TO THE STATE UNDER THE FEDERAL
7 TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT.

8 (B) NOTES ISSUED UNDER THIS SECTION SHALL HAVE A MATURITY DATE OF
9 UP TO 3 YEARS AFTER THE DATE OF ISSUE.

10 (C) A PLEDGE OF A LINE OF CREDIT AS AUTHORIZED UNDER THIS SECTION
11 DOES NOT CONSTITUTE THE PLEDGE OF FUTURE FEDERAL REVENUES, AND NOTES
12 ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO § 3-601(D) OF THIS ARTICLE OR
13 § 9-320 OF THIS SUBTITLE.

14 SUBTITLE 4. MISCELLANEOUS PROVISIONS.

15 9-401.

16 IF THE RAIL AUTHORITY CONSIDERS IT NECESSARY OR DESIRABLE TO
17 ENSURE THE PROPER OPERATION AND MAINTENANCE OF ANY RAILROAD FACILITIES
18 PROJECT, IT MAY DESIGNATE, ESTABLISH, LIMIT, AND CONTROL THE ENTRANCES
19 AND EXITS OF THE PROJECT AND MAY PROHIBIT ENTRANCE OR EXIT FROM ANY
20 UNDESIGNATED POINT.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2022.