

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1080 (Delegate Mangione, *et al.*)

Appropriations and Environment and
Transportation

Transportation Investment Program - County Referendum - Authorization

This proposed constitutional amendment, if approved by the voters in the next general election, authorizes the General Assembly to, by law, authorize a county referendum on a transportation investment program. A transportation investment program submitted to referendum pursuant to this authority must, among other things, be submitted to the qualified voters of the appropriate county for their adoption or rejection.

Fiscal Summary

State Effect: No direct effect; however, if the constitutional amendment is approved, to the extent the General Assembly passes future legislation to authorize a county referendum, future transportation projects across the State – and, as a result, State finances and operations – may be significantly affected, as discussed below.

Local Effect: No direct effect; however, if the constitutional amendment is approved, to the extent the General Assembly passes future legislation to authorize a county referendum, future transportation projects across the State – and, as a result, local finances and operations in affected jurisdictions – may be significantly affected, as discussed below.

Small Business Effect: None; adoption of the constitutional amendment has no direct effect. However, to the extent that approval of the constitutional amendment and subsequent legislation ultimately result in the cancellation or delay of any future transportation projects, small businesses involved with those projects may be meaningfully affected, as discussed below.

Analysis

Bill Summary: A transportation investment program submitted to referendum under the bill:

- must include a list of proposed transportation projects that each have a cost of at least \$20.0 million and would be located in or serve a particular county;
- may include a source of revenue that may be used solely to fully or partially finance the projects identified in the transportation investment program;
- may authorize the issuance of bonds specifically to finance the projects identified in the transportation investment program; and
- must be submitted to the qualified voters of the appropriate county for their adoption or rejection.

A transportation investment program submitted to referendum must become law after approval by a majority of the qualified voters in the county voting on the question in a general election, at a time specified by the General Assembly in the law authorizing the referendum.

Current Law: Long-term transportation planning in the State is a collaborative process designed to consider input from the public, local jurisdictions, metropolitan planning organizations, and elected officials. Among the numerous reports, meetings, and discussions that take place, two important documents are developed to guide transportation planning in the State: the [Consolidated Transportation Program \(CTP\)](#) and the [Maryland Transportation Plan \(MTP\)](#).

The CTP, which is issued annually to the General Assembly, local elected officials, and interested citizens, provides a description of projects proposed by the Maryland Department of Transportation (MDOT) for development and evaluation or construction over the next six-year period. The MTP is a 20-year forecast of State transportation needs based on MDOT's anticipated financial resources during that 20-year period. It must be revised every five years through an inclusive public participation process. Furthermore, it must be expressed in terms of goals and objectives and include a summary of the types of projects and programs that are proposed to accomplish the goals and objectives, using a multimodal approach when feasible. The MTP was last updated in 2019.

State/Local Fiscal Effect: Referendums for transportation investment programs (which typically include authorizations for major transportation projects and funding for those projects) are relatively common in other states but are not used in Maryland. Instead, MDOT uses the CTP and MTP processes discussed above for transportation planning and has broad, general authority to issue debt to fund major transportation projects. While the

bill does not explicitly define “transportation investment program,” it is assumed, based on other language in the bill, that the authorization to hold a county referendum applies to any proposed transportation project that has an estimated cost of at least \$20.0 million. Additionally, although unclear, the bill can likely be interpreted to apply to both State and local transportation projects that meet that threshold.

Adoption of the constitutional amendment has no *direct* effect on State or local government operations or finances. However, if the constitutional amendment is adopted *and* the General Assembly passes future legislation to authorize a county referendum on a transportation investment program, there may be a significant operational effect on MDOT as it modifies the CTP and MTP planning process to account for the county referendum process. Further, both State and local finances may be significantly affected to the extent the county referendum process results in the delay or cancellation of a project that otherwise would be implemented. For example, planning activities for major transportation projects can often be time-consuming and costly endeavors, and some basic planning activities would likely need to take place before a project is submitted to county referendum. If the project is then canceled due to a failed vote, MDOT or the affected local government would need to restart the planning process for an alternative project or abandon the project completely. Additionally, federal funding is often available for major transportation projects, both at the planning and implementation stages, and a delayed or cancelled project may forego hundreds of thousands or millions of dollars in federal funds for such a project.

Small Business Effect: The delay or cancellation of any future transportation project could significantly affect any small business involved in the planning or implementation of such a project. For example, MDOT routinely engages small business consultant companies when planning major projects and small business construction companies for the construction of such projects.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Baltimore City; Harford, Montgomery, and Wicomico counties; Maryland Association of Counties; Department of Legislative Services

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