

HOUSE BILL 467

R2, B1

5lr1734
CF SB 384

By: **Delegates Korman, J. Lewis, Palakovich Carr, and Williams**

Introduced and read first time: January 20, 2025

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Metro Funding Modification Act of 2025**

3 FOR the purpose of altering the calculation of the amount that the Governor is required to
4 include in the annual State budget each year to provide grants to the Washington
5 Suburban Transit District to pay the capital costs of the Washington Metropolitan
6 Area Transit Authority; making this Act contingent on enactment of certain
7 legislation by the Commonwealth of Virginia and the District of Columbia; and
8 generally relating to funding for the Washington Metropolitan Area Transit
9 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 2024 Supplement)

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

17 **Article – Transportation**

18 10–205.

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

24 (2) (i) The Governor is not required to make the appropriation under
25 paragraph (1) of this subsection in a fiscal year unless the Department certifies to the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Governor in writing before the beginning of the immediately preceding fiscal year that the
2 Washington Metropolitan Area Transit Authority has submitted to the Department:

3 1. Performance and condition assessments and reports
4 regarding:

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

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

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

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

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

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

17 A. Annual budget;

18 B. Annual independent financial audit;

19 C. Annual National Transit Database profile; and

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

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

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

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

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

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

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

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

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

23 (g) (1) **[The] SUBJECT TO PARAGRAPHS (4) AND (5) OF THIS**
24 **SUBSECTION, FOR EACH FISCAL YEAR, FROM THE REVENUES AVAILABLE FOR THE**
25 **STATE CAPITAL PROGRAM IN THE TRANSPORTATION TRUST FUND, THE** Governor
26 shall include in the State budget an appropriation for the purposes specified under
27 paragraph (2) of this subsection [of \$167,000,000 from the revenues available for the State
28 capital program in the Transportation Trust Fund] **IN AN AMOUNT EQUAL TO THE**
29 **STATE'S PROPORTIONATE SHARE OF \$500,000,000 CALCULATED USING THE**
30 **METRORAIL OPERATING SUBSIDY ALLOCATION FORMULA ADJUSTED AS REQUIRED**
31 **UNDER PARAGRAPHS (4) AND (5) OF THIS SUBSECTION.**

32 (2) The Department shall provide an annual grant of at least
33 **[\$167,000,000] THE AMOUNT THAT THE GOVERNOR IS REQUIRED TO INCLUDE IN THE**
34 **STATE BUDGET UNDER PARAGRAPH (1) OF THIS SUBSECTION** to the Washington
35 Suburban Transit District to be used only to pay the capital costs of the Washington
36 Metropolitan Area Transit Authority.

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

1 **(4) THE BASE AMOUNT OF \$500,000,000 USED TO CALCULATE THE**
2 **APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL**
3 **TO AN AMOUNT ADJUSTED FOR INFLATION, AS MEASURED BY THE CONSUMER PRICE**
4 **INDEX (ALL URBAN CONSUMERS), BEGINNING WITH FISCAL YEAR 2019 AND**
5 **ENDING WITH THE FISCAL YEAR THAT SECTION 1 OF CHAPTER __ (H.B. __)**
6 **(5LR1734) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2025 TAKES EFFECT.**

7 **(5) FOR EACH FISCAL YEAR, THE \$500,000,000 BASE AMOUNT USED**
8 **TO CALCULATE THE APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF THIS**
9 **SUBSECTION, AS ADJUSTED FOR INFLATION UNDER PARAGRAPH (4) OF THIS**
10 **SUBSECTION, SHALL BE INCREASED BY 3%.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That:

12 (a) Section 1 of this Act is contingent on:

13 (1) the Commonwealth of Virginia enacting legislation that provides
14 dedicated capital funding for the Washington Metropolitan Area Transit Authority that
15 includes:

16 (i) 1. a calculation of each jurisdiction's proportionate share of a
17 base amount of capital funding calculated using the Metrorail Operating Subsidy
18 Allocation Formula; and

19 2. a base amount of capital funding equal to \$500,000,000
20 adjusted for inflation, as measured by the Consumer Price Index (All Urban Consumers),
21 beginning with fiscal year 2019 and ending the fiscal year that the legislation is enacted;
22 and

23 (ii) an annual 3% increase to the base amount of capital funding; and

24 (2) the District of Columbia enacting legislation that provides dedicated
25 capital funding for the Washington Metropolitan Area Transit Authority that includes:

26 (i) 1. a calculation of each jurisdiction's proportionate share of a
27 base amount of capital funding calculated using the Metrorail Operating Subsidy
28 Allocation Formula; and

29 2. a base amount of capital funding equal to \$500,000,000
30 adjusted for inflation, as measured by the Consumer Price Index (All Urban Consumers),
31 beginning with fiscal year 2019 and ending the fiscal year that the legislation is enacted;
32 and

33 (ii) an annual 3% increase to the base amount of capital funding.

1 (b) The Department of Transportation shall notify the Department of Legislative
2 Services in writing within 5 days after both the Commonwealth of Virginia and the District
3 of Columbia have enacted legislation that meets the requirements of subsection (a) of this
4 section.

5 (c) Section 1 of this Act shall take effect on the date that the Department of
6 Legislative Services receives notice under subsection (b) of this section.

7 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this
8 Act, this Act shall take effect June 1, 2025.