

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

Committee Report: Favorable

House action: Adopted

Read second time: March 8, 2025

CHAPTER _____

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

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 paragraph (4) of this subsection for the sole purpose of providing grants to the Washington
2 Suburban Transit District to pay the capital costs of the Washington Metropolitan Area
3 Transit Authority.

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

8 1. Performance and condition assessments and reports
9 regarding:

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

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

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

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

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

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

22 A. Annual budget;

23 B. Annual independent financial audit;

24 C. Annual National Transit Database profile; and

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

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

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

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

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

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

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

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

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

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

36 (2) The Department shall provide an annual grant of at least
37 **[\$167,000,000] THE AMOUNT THAT THE GOVERNOR IS REQUIRED TO INCLUDE IN THE**
38 **STATE BUDGET UNDER PARAGRAPH (1) OF THIS SUBSECTION** to the Washington

1 Suburban Transit District to be used only to pay the capital costs of the Washington
2 Metropolitan Area Transit Authority.

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

5 (4) **THE BASE AMOUNT OF \$500,000,000 USED TO CALCULATE THE**
6 **APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EQUAL**
7 **TO AN AMOUNT ADJUSTED FOR INFLATION, AS MEASURED BY THE CONSUMER PRICE**
8 **INDEX (ALL URBAN CONSUMERS), BEGINNING WITH FISCAL YEAR 2019 AND**
9 **ENDING WITH THE FISCAL YEAR THAT SECTION 1 OF CHAPTER ___ (H.B. 467) OF**
10 **THE ACTS OF THE GENERAL ASSEMBLY OF 2025 TAKES EFFECT.**

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

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

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

17 (1) the Commonwealth of Virginia enacting legislation that provides
18 dedicated capital funding for the Washington Metropolitan Area Transit Authority that
19 includes:

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

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

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

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

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

33 2. a base amount of capital funding equal to \$500,000,000
34 adjusted for inflation, as measured by the Consumer Price Index (All Urban Consumers),

1 beginning with fiscal year 2019 and ending the fiscal year that the legislation is enacted;
2 and

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.