

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1463  
Appropriations

(Delegate Edelson, *et al.*)

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Transportation - Maryland Transit Administration - Funding (Transit Safety  
and Investment Act of 2025)

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This bill requires the Governor to include an appropriation of \$550.0 million annually in the State budget from fiscal 2030 through 2039 for the state of good repair needs of the Maryland Transit Administration (MTA); the appropriation must be made from the revenues available for the State capital program in the Transportation Trust Fund (TTF). The bill also extends – by 10 years – an existing mandated appropriation that requires the Governor, for fiscal 2023 through 2029, to include in the State budget an appropriation from TTF for the operation of MTA that may not be less than the fiscal 2022 appropriation for this purpose; under the bill, the mandated appropriation applies through fiscal 2039. **The bill takes effect June 1, 2025.**

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Fiscal Summary

**State Effect:** No effect in FY 2025 through 2029. Based on the Maryland Department of Transportation’s (MDOT) current financial plan, the bill is also not anticipated to affect MDOT’s operations or finances in FY 2030, as discussed below. However, by establishing mandated minimum funding levels for MTA that continue through FY 2039, the bill reduces MDOT’s flexibility to balance its budget in future years, as discussed below. Revenues are not directly affected. **This bill establishes a new mandated appropriation and extends an existing mandated appropriation for FY 2030 through 2039.**

**Local Effect:** The bill does not directly affect local government operations or finances.

**Small Business Effect:** Minimal or none.

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## Analysis

**Current Law:** MTA is a modal unit within MDOT, and it operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services, such as the light rail, Baltimore Metro subway, commuter buses, MARC trains, and mobility/paratransit vehicles. Aside from the District of Columbia transit system, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State.

Among various other requirements related to transit funding in the State, Chapters 11 and 20 of the 2021 special session established minimum mandated funding levels for MTA's operating and capital programs for fiscal 2023 through 2029.

With respect to MTA's operating funding, for fiscal 2023 through 2029, the Acts require the Governor to include in the State budget an appropriation from TTF for MTA's operations that may not be less than the fiscal 2022 appropriation for MTA's operations (which was approximately \$975.0 million).

With respect to MTA's capital funding, the Acts require the Governor to include in the State budget an appropriation for the state of good repair needs of MTA in the following amounts from the revenues available for the State capital program in TTF:

- at least \$402,037,183 in fiscal 2023;
- at least \$502,081,501 in fiscal 2024;
- at least \$450,000,000 annually for fiscal 2025 through 2028; and
- at least \$318,558,000 in fiscal 2029.

An appropriation for MTA's state of good repair needs may be reduced if the total appropriation for state of good repair needs in a prior fiscal year exceeded the amount mandated that fiscal year. Such a reduction may only be applied to one fiscal year and may not exceed the difference between what is mandated and what was appropriated in the preceding fiscal year. These mandated appropriations (1) may not supplant any other capital funding otherwise available for MTA and (2) must be in addition to any funds appropriated for the capital planning, engineering, right-of-way acquisition, or construction of the Purple Line in Montgomery and Prince George's counties.

**State Expenditures:** As the mandated appropriations established and extended by the bill do not apply until fiscal 2030, the bill has no effect from fiscal 2025 through 2029.

For budgetary planning purposes, MDOT is required to prepare a six-year financial plan. MDOT's current financial plan (which covers fiscal 2025 through 2030) already includes

funding levels for MTA in fiscal 2030 – the first year that the bill’s mandated appropriations apply – that exceed the minimum funding levels mandated by the bill. Accordingly, based on the current financial plan, the bill is not anticipated to affect MDOT’s operations or finances in fiscal 2030. However, MDOT advises that its current financial plan assumes the enactment of legislation that has been introduced during the 2025 session to increase TTF revenues; that legislation not yet been passed by the General Assembly. To the extent that TTF revenues in fiscal 2030 are not sufficient to support the current financial plan, MDOT may need to make reductions to its operating and/or capital programs in order to meet the bill’s minimum mandated funding levels and maintain a balanced budget.

Because there is no financial plan for fiscal 2031 through 2039, the bill’s impact on MDOT’s operations and finances in those years cannot be predicted. Nevertheless, through fiscal 2039, the bill reduces MDOT’s flexibility to balance its budget should it experience financial difficulties or need to reprioritize funding to address newly prioritized needs.

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### **Additional Information**

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

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Transportation; Maryland Municipal League; Department of Legislative Services

**Fiscal Note History:** First Reader - February 23, 2025  
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