

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1206 (Montgomery County Delegation)
 Appropriations

Montgomery County - Silver Spring Purple Line Construction Zone Parking
 Improvement Grant Program
 MC 16-25

This bill establishes the Silver Spring Purple Line Construction Zone Parking Improvement Grant Program to provide funds to business associations to improve parking in Downtown Silver Spring necessitated by the construction of the Purple Line. For fiscal 2026 and 2027, the Governor must include in the annual budget bill an appropriation of at least \$50,000 to the Maryland Department of Transportation (MDOT) for the grant program. MDOT must distribute funds appropriated for the grant program to Montgomery County, and Montgomery County must implement a process to award grants to business associations to be used to improve parking in Downtown Silver Spring. **The bill takes effect July 1, 2025, and terminates June 30, 2027.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by at least \$50,000 in both FY 2026 and 2027, although funding in FY 2026 is discretionary. Revenues are not affected. **This bill establishes a mandated appropriation for FY 2027.**

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	50,000	50,000	0	0	0
Net Effect	(\$50,000)	(\$50,000)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Montgomery County revenues and expenditures increase by at least \$50,000 in both FY 2026 and 2027, as discussed below.

Small Business Effect: Minimal.

Analysis

Current Law: The Maryland Transit Administration (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, Maryland Area Rail Commuter trains, and mobility/paratransit vehicles. Except for the Washington Metropolitan Area Transit Authority, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State, including the Purple Line.

The Purple Line is a 16-mile light rail line that will connect Prince George's and Montgomery counties, offering a direct link to other public transit services. The Purple Line is tentatively scheduled to begin operations in late calendar 2027 (fiscal 2028). More information about the Purple Line can be found on the project website: <https://www.purplelinemd.com/>.

State Expenditures: The bill does not specify a funding source for the grant program. This analysis assumes that TTF funding is used to fund the grant program because the bill requires MDOT to distribute funds appropriated to the program to Montgomery County, and MDOT is almost entirely funded by TTF. However, the bill does not preclude another source of funding, such as general funds, from being used instead.

Although the bill requires the Governor to include in the annual budget bill an appropriation of at least \$50,000 to MDOT for the grant program in both fiscal 2026 and 2027, the General Assembly cannot mandate funding in the budget for the upcoming fiscal year. Accordingly, the mandated appropriation only applies for fiscal 2027. Even so, although funding for the grant program is discretionary in fiscal 2026, this analysis assumes that funding is provided in that year as well, given the limited duration of the grant program. Thus, TTF expenditures increase by at least \$50,000 in both fiscal 2026 and 2027 to provide funding for the grant program.

MDOT can distribute funding to Montgomery County using existing staff.

Local Fiscal Effect: Local revenues and expenditures for Montgomery County increase by at least \$50,000 in both fiscal 2026 and 2027 as the county receives funding from MDOT and awards grants to businesses to be used to improve parking in Downtown Silver Spring, as required by the bill.

Montgomery County advises that it plans to use a portion of the funding it receives under the bill each year for administrative costs it incurs to administer the grant program. A preliminary analysis by the county estimates administrative costs totaling \$44,400 in

fiscal 2026 and \$34,400 in fiscal 2027. Assuming the county receives \$50,000 each year from MDOT, this leaves an estimated \$5,600 in fiscal 2026 and \$15,600 in fiscal 2027 available for grant awards. The Department of Legislative Services advises, however, that given the relatively small amount of funding anticipated to be provided to the grant program, the county should be able to administer the program using existing resources.

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; Department of Budget and Management; Montgomery County; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2025
caw/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510