

# HOUSE BILL 386

R2, B1

6lr1359  
CF SB 281

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By: **Delegates Korman, Acevero, Alston, Bagnall, Barnes, Bartlett, Boaf, Charkoudian, Coley, Crutchfield, Cullison, Edelson, Fair, Fennell, Foley, Fraser-Hidalgo, Harrison, Healey, Holmes, Ivey, Kaiser, Kaufman, Lehman, J. Long, Lopez, Martinez, Mireku-North, Moon, Odom, Palakovich Carr, Patterson, Pena-Melnyk, Qi, Queen, Roberson, Roberts, Shetty, Simmons, Solomon, Spiegel, Stewart, Taveras, Taylor, Toles, Turner, Valderrama, Vogel, Wilkins, Williams, Wims, Wolek, Woods, Woorman, Wu, and Ziegler**

Introduced and read first time: January 21, 2026

Assigned to: Environment and Transportation and Appropriations

Reassigned: Appropriations and Environment and Transportation, February 2, 2026

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 23, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Metro Funding Modification Act of 2026**

3 FOR the purpose of requiring the Governor to withhold a certain percentage of the annual  
4 appropriation for grants to the Washington Suburban Transit District under certain  
5 circumstances; altering the calculation of the amount that the Governor is required  
6 to include in the annual State budget each year to provide grants to the Washington  
7 Suburban Transit District to pay the capital costs of the Washington Metropolitan  
8 Area Transit Authority; requiring the Governor to include an appropriation in the  
9 annual State budget bill for the purpose of paying the State's proportionate share of  
10 ~~the Metrorail Operating Subsidy Allocation Formula~~ funding required under a  
11 certain agreement; requiring the Department to withhold certain grants for any  
12 fiscal year in which the Authority invests in a rail signaling system without reaching  
13 certain collective bargaining agreements; making this Act contingent on enactment  
14 of certain legislation by the Commonwealth of Virginia and the District of Columbia;  
15 and generally relating to funding for the Washington Metropolitan Area Transit  
16 Authority.

17 BY repealing and reenacting, with amendments,

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### 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 Article – Transportation  
2 Section 10–205(f) and (g)  
3 Annotated Code of Maryland  
4 (2020 Replacement Volume and 2025 Supplement)

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

7 **Article – Transportation**

8 10–205.

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

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

18 1. Performance and condition assessments and reports  
19 regarding:

20 A. The safety and reliability of rapid heavy rail and bus  
21 systems;

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

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

27 D. Strategies to reduce costs and improve the Washington  
28 Metropolitan Area Transit Authority’s operational efficiency; and

29 E. The comparison of annual capital investments and  
30 approved budgets; and

31 2. The Washington Metropolitan Area Transit Authority’s:

32 A. Annual budget;

33 B. Annual independent financial audit;

1 C. Annual National Transit Database profile; and

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

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

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

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

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

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

26 **3. ON OR BEFORE JULY 1, 2028, THE BOARD OF**  
27 **DIRECTORS OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**  
28 **SHALL APPROVE A RAIL SIGNALING AND AUTOMATION WORKFORCE TRANSITION**  
29 **PLAN, DEVELOPED IN CONSULTATION WITH AFFECTED COLLECTIVE BARGAINING**  
30 **UNITS.**

31 **4. THE GOVERNOR SHALL WITHHOLD 35% OF THE**  
32 **APPROPRIATION UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR ANY FISCAL**  
33 **YEAR IN WHICH:**

34 **A. THE REQUIREMENT OF SUBSUBPARAGRAPH 3 OF**  
35 **THIS SUBPARAGRAPH IS NOT MET; OR**

1                   **B. A RAIL OR BUS OPERATOR EMPLOYED BY THE**  
 2 **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY ON OR AFTER JULY 1,**  
 3 **2028, IS TERMINATED DUE TO A REDUCTION IN FORCE CAUSED BY THE AUTOMATION**  
 4 **OF THE RAIL SYSTEM.**

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

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

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

16           (g) (1) (I) The Governor shall include in the State budget an appropriation  
 17 for the purposes specified under [paragraph (2) of this subsection of \$167,000,000]  
 18 **PARAGRAPHS (2) AND (4) OF THIS SUBSECTION** from the revenues available for the  
 19 State capital program in the Transportation Trust Fund.

20                   **(II) FOR FISCAL YEAR 2029 AND EACH FISCAL YEAR**  
 21 **THEREAFTER, FROM THE REVENUES AVAILABLE FOR THE STATE CAPITAL**  
 22 **PROGRAM, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN**  
 23 **APPROPRIATION FOR THE PURPOSES SPECIFIED UNDER PARAGRAPH (4) OF THIS**  
 24 **SUBSECTION EQUAL TO THE AMOUNT AS ADJUSTED UNDER PARAGRAPH (5) OF THIS**  
 25 **SUBSECTION.**

26           (2) The Department shall provide an annual grant of at least \$167,000,000  
 27 to the Washington Suburban Transit District to be used only to pay the capital costs of the  
 28 Washington Metropolitan Area Transit Authority.

29           (3) The [grant] **GRANTS** required under [paragraph (2)] **PARAGRAPHS**  
 30 **(2) AND (4)** of this subsection [is] **ARE** in addition to the appropriation required under  
 31 subsection (f)(1) of this section.

32           (4) (I) **FOR FISCAL YEAR 2029 AND EACH FISCAL YEAR**  
 33 **THEREAFTER, THE DEPARTMENT SHALL PROVIDE AN ANNUAL CAPITAL GRANT OF**  
 34 **AT LEAST \$150,000,000 ADJUSTED AS REQUIRED UNDER SUBPARAGRAPH (II) OF**  
 35 **THIS PARAGRAPH FOR THE STATE'S PROPORTIONATE SHARE OF THE ~~METRO RAIL~~**  
 36 **~~OPERATING SUBSIDY ALLOCATION FORMULA DEDICATED FUNDING REQUIRED BY~~**

1 THE CAPITAL FUNDING AGREEMENT SUBSIDY ALLOCATION FORMULA, OR ANY  
2 SUCCESSOR AGREEMENT.

3 (II) FOR EACH FISCAL YEAR AFTER FISCAL YEAR 2029, THE  
4 APPROPRIATION UNDER THIS PARAGRAPH SHALL BE EQUAL TO THE AMOUNT OF  
5 THE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR INCREASED  
6 BY 3%.

7 (III) IF THE U.S. CONGRESS APPROPRIATES MORE THAN  
8 \$150,000,000 IN A FISCAL YEAR FOR WASHINGTON METROPOLITAN AREA TRANSIT  
9 AUTHORITY INFRASTRUCTURE IMPROVEMENTS UNDER THE AUTHORITY OF § 601(F)  
10 OF THE PASSENGER RAIL INVESTMENT AND IMPROVEMENT ACT OF 2008, THE  
11 GRANT REQUIRED UNDER THIS PARAGRAPH SHALL BE DEEMED TO BE THE STATE'S  
12 MATCHING CONTRIBUTION TO THE FEDERALLY APPROPRIATED FUNDS IN EXCESS  
13 OF \$150,000,000.

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

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

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

19 (i) a mandatory appropriation for the Commonwealth of Virginia's  
20 proportionate share of the ~~Metrorail Operating Subsidy Allocation Formula~~ dedicated  
21 funding required by the Capital Funding Agreement Subsidy Allocation Formula, or any  
22 successor agreement; and

23 (ii) an annual 3% increase to the mandatory appropriation; 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) a mandatory appropriation for the District of Columbia's  
27 proportionate share of the ~~Metrorail Operating Subsidy Allocation Formula~~ dedicated  
28 funding required by the Capital Funding Agreement Subsidy Allocation Formula, or any  
29 successor agreement; and

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

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

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

3 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this  
4 Act, this Act shall take effect June 1, 2026.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.