

# SENATE BILL 281

R2, B1

6lr1360  
CF 6lr1359

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By: **Senators Augustine and Feldman**

Introduced and read first time: January 20, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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; requiring the Department to  
11 withhold certain grants for any fiscal year in which the Authority invests in a rail  
12 signaling system without reaching certain collective bargaining agreements; making  
13 this Act contingent on enactment of certain legislation by the Commonwealth of  
14 Virginia and the District of Columbia; and generally relating to funding for the  
15 Washington Metropolitan Area Transit Authority.

16 BY repealing and reenacting, with amendments,  
17 Article – Transportation  
18 Section 10–205(f) and (g)  
19 Annotated Code of Maryland  
20 (2020 Replacement Volume and 2025 Supplement)

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

23 **Article – Transportation**

24 10–205.

25 (f) (1) Except as provided in paragraph (2) of this subsection, the Governor  
26 shall include an appropriation in the annual budget of at least the amount specified in

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

1. Performance and condition assessments and reports regarding:

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

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

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

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

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

2. The Washington Metropolitan Area Transit Authority's:

A. Annual budget;

B. Annual independent financial audit;

C. Annual National Transit Database profile; and

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

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

(iii) 1. The Governor shall withhold 35% of the appropriation 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 subsubparagraph 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.     ON OR BEFORE JULY 1, 2028, THE BOARD OF**  
17 **DIRECTORS OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**  
18 **SHALL APPROVE A RAIL SIGNALING AND AUTOMATION WORKFORCE TRANSITION**  
19 **PLAN, DEVELOPED IN CONSULTATION WITH AFFECTED COLLECTIVE BARGAINING**  
20 **UNITS.**

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

24                  **A.     THE REQUIREMENT OF SUBSUBPARAGRAPH 3 OF**  
25 **THIS SUBPARAGRAPH IS NOT MET; OR**

26                  **B.     A RAIL OR BUS OPERATOR EMPLOYED BY THE**  
27 **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY ON OR AFTER JULY 1,**  
28 **2028, IS TERMINATED DUE TO A REDUCTION IN FORCE CAUSED BY THE AUTOMATION**  
29 **OF THE RAIL SYSTEM.**

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

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

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

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

9                       **(II) FOR FISCAL YEAR 2029 AND EACH FISCAL YEAR**  
10 **THEREAFTER, FROM THE REVENUES AVAILABLE FOR THE STATE CAPITAL**  
11 **PROGRAM, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN**  
12 **APPROPRIATION FOR THE PURPOSES SPECIFIED UNDER PARAGRAPH (4) OF THIS**  
13 **SUBSECTION EQUAL TO THE AMOUNT AS ADJUSTED UNDER PARAGRAPH (5) OF THIS**  
14 **SUBSECTION.**

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

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

21           (4)   **(I) FOR FISCAL YEAR 2029 AND EACH FISCAL YEAR**  
22 **THEREAFTER, THE DEPARTMENT SHALL PROVIDE AN ANNUAL GRANT OF AT LEAST**  
23 **\$150,000,000 ADJUSTED AS REQUIRED UNDER SUBPARAGRAPH (II) OF THIS**  
24 **PARAGRAPH FOR THE STATE'S PROPORTIONATE SHARE OF THE METRORAIL**  
25 **OPERATING SUBSIDY ALLOCATION FORMULA.**

26                       **(II) FOR EACH FISCAL YEAR AFTER FISCAL YEAR 2029, THE**  
27 **APPROPRIATION UNDER THIS PARAGRAPH SHALL BE EQUAL TO THE AMOUNT OF**  
28 **THE APPROPRIATION FOR THE IMMEDIATELY PRECEDING FISCAL YEAR INCREASED**  
29 **BY 3%.**

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

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

32           (1)   the Commonwealth of Virginia enacting legislation that provides  
33 dedicated capital funding for the Washington Metropolitan Area Transit Authority that  
34 includes:

1 (i) a mandatory appropriation for the Commonwealth of Virginia's  
2 proportionate share of the Metrorail Operating Subsidy Allocation Formula; and

3 (ii) an annual 3% increase to the mandatory appropriation; and

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

6 (i) a mandatory appropriation for the District of Columbia's  
7 proportionate share of the Metrorail Operating Subsidy Allocation Formula; and

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

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

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

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