

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1344 (Delegate Young, *et al.*)
 Environment and Transportation

Maryland Transit Administration - Locally Operated Transit Systems - Study

This bill requires the Maryland Transit Administration (MTA) to study and make recommendations regarding the locally operated transit systems throughout the State. MTA must submit a report of its findings and recommendations to the Governor and specified committees of the General Assembly by December 1, 2026. **The bill takes effect June 1, 2026.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by an estimated \$10,000 in FY 2026 and by \$50,000 in FY 2027. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	10,000	50,000	0	0	0
Net Effect	(\$10,000)	(\$50,000)	\$0	\$0	\$0

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

Local Effect: Local governments can cooperate with MTA to complete the study using existing budgeted resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: In conducting the required study, MTA must:

- examine and evaluate for each locally operated transit system: (1) the current local and State cost shares; (2) the number of riders served; and (3) the year-over-year

increase in costs over the past 10 years and the resulting impact of those costs on system operations;

- identify and assess best practices from peer states regarding local transit funding models and governance structures; and
- consult with representatives from local jurisdictions, transit advocacy organizations, and other relevant stakeholders.

Current Law: MTA is a modal unit within the Maryland Department of Transportation (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 Regional Commuter 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.

Historically, MDOT has provided local governments with financial support for local transit systems through its Locally Operated Transit System Grant Program. The program was codified by Chapter 508 of 2023. The Act:

- required MDOT to provide funds to locally operated transit systems in the State;
- authorized a local transit system to use funds received through the program for capital expenses, operating expenses, planning expenses, and any other eligible expense, as determined by MDOT; and
- authorized MDOT to source funds for the program from specified federal transportation programs and State public transportation programs.

The grant program was further modified by Chapter 652 of 2024, which requires the Governor, for fiscal 2026 and each fiscal year thereafter, to include in the annual budget bill at least \$80,533,314 to the grant program.

State Expenditures: In the execution of its duties, MDOT and MTA often engage expert consultants to handle research, evaluations, studies, and staffing duties. In order to implement the bill, MTA anticipates engaging a consultant to conduct the required study. As a result, TTF expenditures increase by an estimated \$10,000 in fiscal 2026 and \$50,000 in fiscal 2027 to hire a consultant to conduct the required study.

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; Baltimore City; Harford, Montgomery, and Talbot counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2026
jg/lgc

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