



# Montgomery County

## Office of Intergovernmental Relations

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**SB 126**

**DATE: January 24, 2024**

**SPONSOR: Senators Augustine and Feldman**

**ASSIGNED TO: Budget and Taxation**

**CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)**

**POSITION: Support (Montgomery County Department of Transportation)**

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### **Transportation – WMATA Operating Assistance – Alteration (Maryland Metro Funding Act of 2024)**

The Montgomery County Department of Transportation supports Senate Bill 126, the Maryland Metro Funding Act of 2024, which makes a necessary change to a provision in current law that would require a significant percentage of operating funds to be withheld from the Washington Suburban Transit District in FY 2026. Current law requires that if Maryland operating assistance increases year over year by greater than 3%, a provision requiring that 35% of the State's operating grant is withheld in the subsequent fiscal year is triggered. Absent enactment of the legislation, this will be the outcome in FY 2026, given the size of the FY 2025 State appropriation that is necessary to address Maryland's share of WMATA's substantial operating deficit in FY 2025.

A functioning Metro system is key to moving people in the greater Washington, D.C. metropolitan area and to economic growth in the region. Metro's financial woes, caused in large part from reduced revenue due to low ridership that has not yet recovered since the onset of the pandemic, have been well documented. Serious discussions have been underway since the summer among the funding jurisdictions to develop a plan that will address the immediate need and one that will establish a sustainable financing plan moving forward. That plan, once agreed upon, may necessitate the passage of other legislation by compact signatories (Maryland, Virginia, and D.C.). In the meantime, it is very important that Senate Bill 126 be passed this year to fix a problem that can be addressed now.

For these reasons, the Department urges expeditious passage of the Maryland Metro Funding Act of 2024.