

March 5, 2025

The Honorable Guy Guzzone
Chair, Senate Budget & Taxation Committee
3 Miller Senate Office Building
Annapolis, MD 21401

RE: Letter of Information – Senate Bill 881 – Transportation – Regional Transportation Authorities

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 881 and offers the following information for the Committee's consideration.

SB 881 would create three regional transportation authorities in Maryland, one each for the Baltimore, Capital, and Southern Maryland regions of the State. Modeled after the approach taken in Virginia, these Authorities would each have their own specific fund, resourced from specific taxes outlined in the legislation. The authorities would distribute 70 percent of these regional revenues into a regional transportation fund, and the other 30 percent to counties and municipalities within the region for local transportation priorities. Additionally, the legislation creates a Board for each authority, with representation from local and State elected officials, alongside members of the public. The legislation directs the authorities to develop regional transportation plans and to fund regional priority projects and permits the Authorities to construct the facilities in the plan. The authorities are further directed to make recommendations to MDOT regarding transportation funding and financing issues.

Senate Bill 881 assigns substantial transportation planning functions to the new transportation authorities. Alongside MDOT, the State's Metropolitan Planning Organizations (MPOs) play a critical and federally mandated role in developing regional transportation plans. The Committee may wish to consider integrating MPOs into regional decision-making to avoid duplication and align with federal processes. Additionally, if authorities were transitioned toward more of a "financing authority" model, whose principal functions are to finance projects identified and implemented by others, then MDOT, MPOs, or Counties could identify priority projects, the authority would fund and finance them, and the project sponsor would build them.

Additionally, the successful completion of many major projects requires federal funding. MDOT serves as the direct recipient of federal funding from the Federal Highway Administration and the designated recipient from the Federal Transit Administration. Substantial

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coordination with MDOT will be required to successfully fund Authority projects, and additional consideration should be given to how the authorities and MDOT would work together to implement successful funding packages for projects.

SB 881, under proposed Transportation Article § 10.5-207, indicates that the authority may construct certain infrastructure. The State of Maryland has ample public agencies at the State and local level that are qualified to deliver major infrastructure projects. MDOT suggests that authorities not be included as one of the parties responsible for the ongoing implementation and operation of transportation facilities.

Finally, SB 881 should consider evaluation and prioritization of projects. As the Committee is aware, MDOT has proposed legislation to address the project prioritization process, known as Chapter 30. A new authority structure would benefit from making use of a reformed prioritization approach to ensure that projects funded by the authorities represent the projects with largest benefit for the region and the State.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 881.

Respectfully submitted,

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