SB 935_MTBMA_FAV.pdf
Uploaded by: Michael Sakata
Position: FAV

March 5th, 2025

Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Senator Pamela Beidle, Chair
Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 935 – FAVORABLE – Transportation – Regional Authorities – Established

Dear Chair Guzzone, Chair Beidle and Members of the Committees:

The Maryland Transportation Builders and Materials Association ("MTBMA") has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 935 would establish regional transportation authorities (RTAs) in three regions of Maryland—the Baltimore Region, the Capital Region, and the Southern Maryland Region to prepare and implement regional transportation plans for their respective regions and sets up the funding and taxing mechanisms for the authorities.

MTBMA strongly supports SB 935 because it addresses a critical need for funding regional and local transportation projects across all modes. Maryland is facing a transportation funding crisis and needs new sources of revenue to help fund transportation investments that enhance safety, reduce congestion, improve access and boost our economy. And this bill directly supports Governor Moore's Growth Agenda. We have seen RTAs as a proven model in ensuring regional transportation improvements. Virginia has used regional transportation authorities for many years, which have been very successful. The Northern Virginia Transportation Authority (NVTA) for example, contributes over $400 million in project funding annually. It meets a critical need to fund regional projects that are part of approved regional plans, with a portion of those funds going to localities to direct to local projects based on their needs. NVTA is funded through a local Grantor's Tax (of $.15 per $100 of property sale price); a Transient Occupancy Tax (2% of room charges); and a local sales tax (of 0.7%). NVTA can also accept grants, issue debt and maintains a "AA" bond rating.

As the Committees are aware, Maryland is facing a budget shortfall within the transportation sector and it is widely recognized that the current pipeline of funding is not sufficient to meet Maryland's needs or keep transportation workers employed. Moreover, our reliance on federal funding or the potential lack thereof, creates even more of a reason to establish RTAs. In a recent poll conducted in September 2024 by Gonzales Research, 65% of Marylanders would be in favor of allowing local jurisdictions to fund projects using local tax dollars. Maryland is ripe for this funding mechanism and we hope the Committees will agree.

For the reasons stated, we respectfully ask for a **FAVORABLE** vote on SB 935.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

SB935- ACEC_MD- Support .pdf
Uploaded by: Rory Murray
Position: FAV

March 5, 2025

The Honorable Guy Guzzone, Chairman
Senate Budget and Taxation Committee

The Honorable Pam Beidle
Senate Finance Committee

Re: Senate Bill 935 - Transportation - Regional Transportation Authorities

Position: ***Support***

Chairman Korman & Committee Members:

The American Council of Engineering Companies/Maryland (ACEC/MD) is the engineering industry's business association representing 90 companies that employ approximately 7,000 employees statewide. Many of our members are engaged in the design of public water and wastewater systems, bridges, highways, building structures and environmental projects. On behalf of the association, I am writing to express our ***support*** for Senate Bill 935.

Transportation infrastructure is critical to ensuring the state's economic competitiveness and quality of life for residents. In recent years, securing adequate funding for transportation has been increasingly difficult at the local level due to budgetary constraints and rising costs due to inflation. Senate Bill 935 addresses local governments' challenges to accessing transportation funding by establishing regional transportation authorities and designated funds, and authorizing the authorities to develop transportation plans and impose surcharges on certain transactions to finance their efforts.

By creating regional authorities and empowering them to develop transportation plans, this bill expedites progress in improving local transportation infrastructure, as regional authorities are more acutely aware of the transportation needs and constraints in their area, and can make decisions quicker than those made at state-level. Additionally, by creating funds designated for regional transportation and authorizing the authorities to impose surcharges, this bill creates novel and significant revenue streams to address the gap in funding for local transportation infrastructure. Furthermore, the revenue streams proposed under this legislation would increase a region's financial autonomy in addressing its transportation needs, potentially creating savings to the state in the context of a difficult budgetary landscape.

The degree to which a region's transportation infrastructure is safe and reliable is one of the most important considerations when deciding whether to move one's business or family to an area. By creating regional transportation authorities and empowering them to create transportation plans and raise funds, local transportation improvements can be made faster, ensuring the state remains attractive for businesses and families alike.

We would like to see more clarity on how these transportation authorities would procure services and interact with the Maryland Department of Transportation and the overlapping Metropolitan Planning Organizations. Transportation differs per region, but still needs to be looked at from a statewide perspective. Notwithstanding our minor concerns, we support this bill and request a favorable report on Senate Bill 935.

Respectfully Submitted,

Maria Donovan
mdonovan@acecmd.org

SB 935_MAA_FAV.pdf
Uploaded by: Tim Smith
Position: FAV

MARYLAND ASPHALT ASSOCIATION

SINCE 1954

March 5th, 2025

Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Senator Pamela Beidle, Chair
Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 935 – FAVORABLE – Transportation – Regional Authorities – Established

Dear Chair Guzzone, Chair Beidle and Members of the Committees:

The Maryland Asphalt Association (MAA) represents approximately 120 members, including 20 material producers and 100 contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

Senate Bill 935 would establish Regional Transportation Authorities (RTA) in three regions of Maryland—the Baltimore Region, the Capital Region, and the Southern Maryland Region to prepare and implement regional transportation plans for their respective regions and sets up the funding and taxing mechanisms for the authorities.

MAA strongly supports SB 935 , as it addresses a critical need for funding regional and local transportation projects across all modes. We appreciate the sponsor's leadership in introducing this bill—an approach we have long advocated for in Maryland. RTAs have proven highly effective in ensuring dedicated investment in transportation infrastructure. Virginia, for example, has successfully utilized RTAs for years. The Northern Virginia Transportation Authority alone provides over $400 million annually for projects, funding improvements aligned with regional plans while allowing localities to allocate a portion of funds to their specific needs.

The potential impact for Maryland is significant. If modeled after Virginia's success, an RTA could generate $2.4 billion over a six-year capital budget cycle—just for one region. Like this bill proposes, Virginia operates three regional transportation authorities, demonstrating their effectiveness.

Importantly, RTAs do not replace existing funding mechanisms; rather, they supplement them, establishing dedicated funding sources to ensure steady, region-specific infrastructure investment. As you know, Maryland's current transportation funding streams are insufficient to meet demand or sustain our transportation workforce. HB 1370 offers a forward-looking solution—reducing reliance on the Motor Fuel Tax and other limited revenue sources while enabling expanded investment that would ease commutes and create tens of thousands of construction jobs.

Given Maryland's diverse landscape, an RTA framework would ensure that transportation funding is allocated where it is needed most, rather than placing the financial burden on residents who may not benefit from certain projects. This bill would provide a more equitable and targeted approach to transportation investment—benefiting communities, workers, and the state's economic growth.

For the reasons stated, we respectfully ask for a **FAVORABLE** vote on SB 935.

Sincerely,

Tim Smith

Tim Smith. P.E.
President
Maryland Asphalt Association

SB 935 - MML - FWA.pdf
Uploaded by: Bill Jorch
Position: FWA

TESTIMONY

March 5, 2025

Committee: Senate Budget and Taxation Committee

Bill: SB 935 - Transportation - Regional Authorities - Established

Position: Favorable with Amendments

Reason for Position:

The Maryland Municipal League (MML) supports Senate Bill 935, with amendment. The bill establishes three regional transportation authorities and additional transportation funding mechanisms. The MML amendments would divert a portion of the revenue from the new funding mechanisms to the local government from where the revenue was generated and allow for additional regional authorities to be created.

Transportation infrastructure is critical to moving people and goods in an efficient manner. However, prioritizing projects, cohesive planning, and adequate funding are challenging. Particularly in the current fiscal climate, transportation infrastructure needs are high, but funding is struggling to keep pace. Municipal governments maintain almost 10% of the lane miles in the State, so the responsibility at the local level is significant.

The framework and funding in SB 935 fundamentally alter transportation policy in a unique and potentially beneficial manner. The funding piece brings in additional revenue for transportation related projects in that region, but none of the new revenue is returned to local governments that bear the brunt of much of the transportation responsibilities. Even with the municipal portion of highway user revenue (HUR) returning to levels near what was provided for the decades preceding the historic HUR cuts in 2009, municipal governments still have a backlog of projects and current transportation funding gaps.

MML Proposed Amendments:

1. For paragraphs 2-7 on page 4 alter the distribution to 70% to the regional transportation fund and 30% to the local government where the transaction that generated the revenue took place.

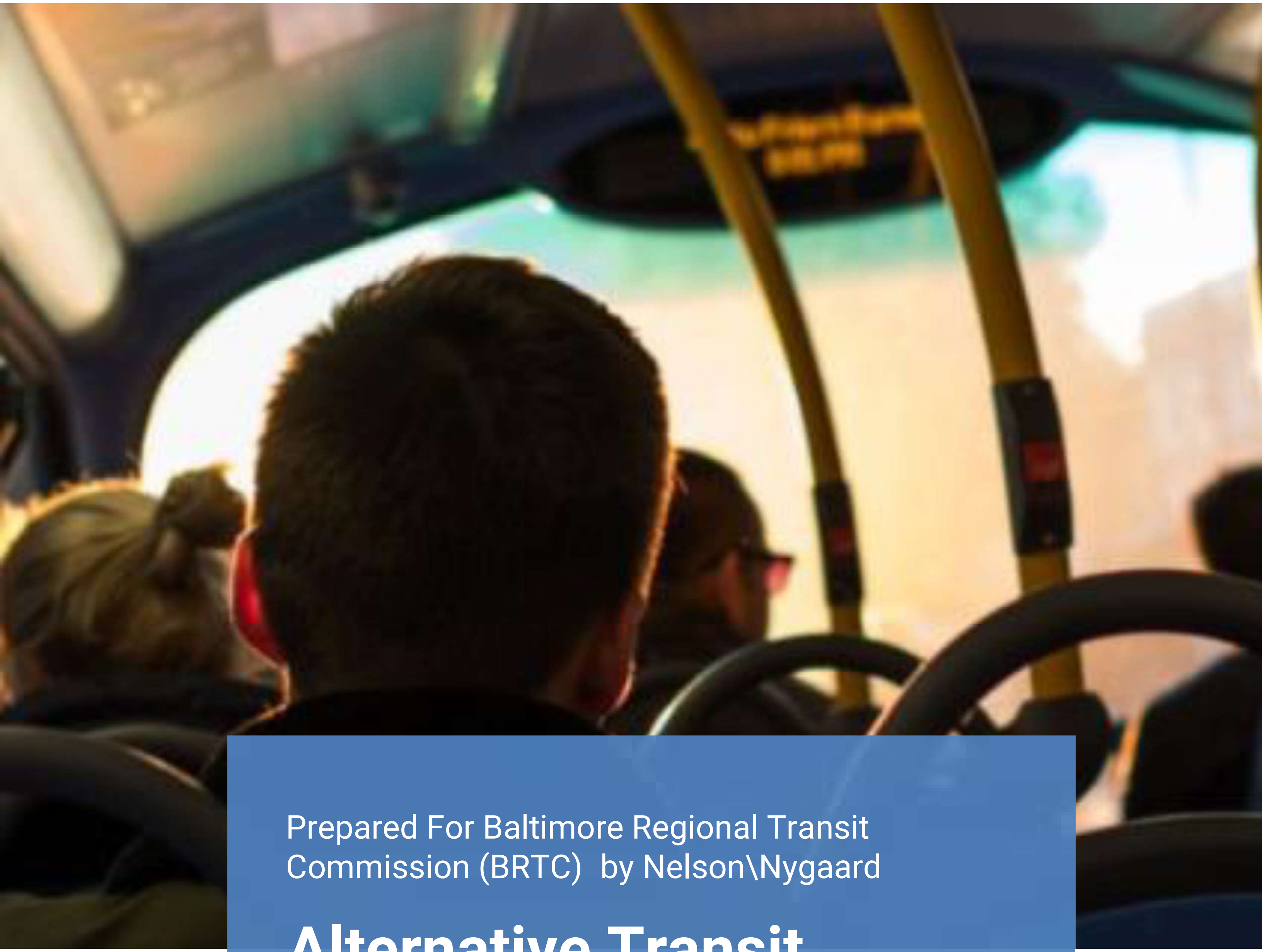
2. "A group of three or more counties not already a member of a regional authority created under this section may petition the General Assembly to be created as a regional authority under this section if a majority of the counties and municipalities in those counties sign the petition."

Maryland Municipal League

The Association of Maryland's Cities and Towns

For these reasons, the Maryland Municipal League respectfully requests a favorable report with the above amendments on Senate Bill 935. For more information, please contact Bill Jorch, Director, Public Policy and Research at billj@mdmunicipal.org. Thank you in advance for your consideration.

BRTC Alternative-Trans-Gov Fund-Structures FINAL R
Uploaded by: Eric Norton
Position: FWA



Prepared For Baltimore Regional Transit Commission (BRTC) by Nelson\Nygaard

Alternative Transit Governance and Funding Structures for the Baltimore Region

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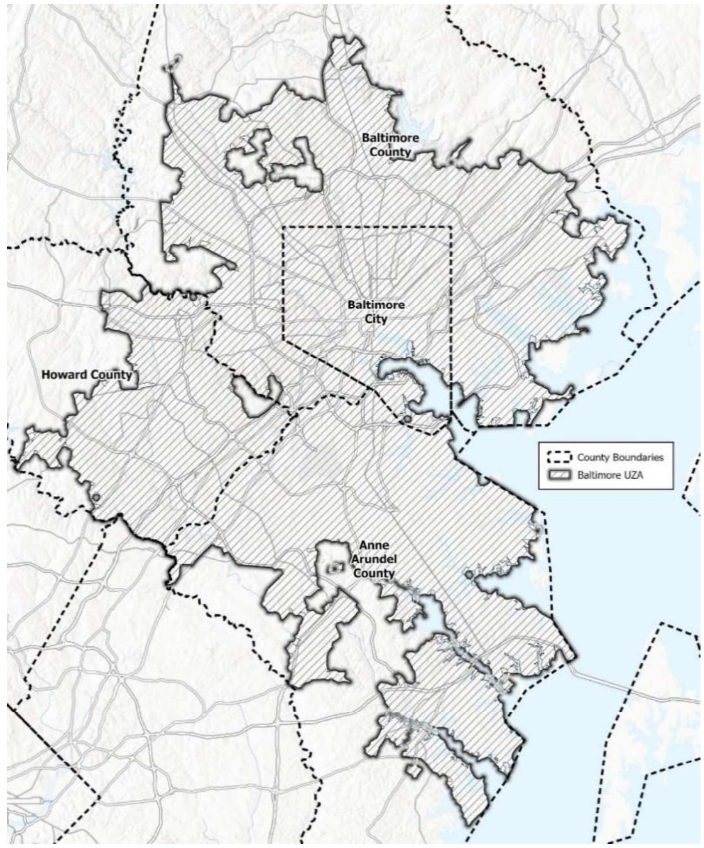
CHAPTER 1: Introduction



This report, commissioned by the Baltimore Regional Transit Commission (BRTC), addresses a key recommendation made by the Baltimore Metropolitan Council's Transit Governance and Funding Workgroup. Formed in 2022, the Transit Funding and Governance Workgroup identified options to reform transit governance and funding in the Baltimore region. Among its five recommendations was a detailed study of the creation of a transit authority for the Baltimore region. This recommendation stems from ongoing discussions in the region about improving MTA's current model, which is operated by a state agency without an independent governance board, by creating an independently governed transit authority.

While the idea of an independent transit authority has long been advocated for by some stakeholders, the Workgroup found that the complexities of such a change required detailed analysis. The current system has some advantages, and any transition to a new authority would present questions on issues including governance, funding, asset management, labor agreements, and compliance with federal, state and local law.

The purpose of this report is to advance the Workgroup's recommendation in a substantive and thoughtful way. The report identifies three models for a new transit authority and provides a roadmap for the development of each. Additionally, the report explores the funding paradigm and outlines options for additional revenue.

The BRTC's intent is for this report to serve as a resource to decision-makers, including the Governor, the Maryland General Assembly, the Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission) and the Baltimore Metropolitan Council.

Key Findings

The current model for transit governance in the Baltimore region has three key challenges:

1. The lack of formal coordination between MTA and local government
2. MTA's lack of autonomy makes long-term planning difficult and limits effective advocacy to address the needs of the system and its riders
3. MTA lacks the resources to effectively serve both the Baltimore core and statewide services

There are three viable options for a transit authority in the Baltimore Region:

1. Independent Regional Transit Authority
2. A State-Controlled Regional Transit Authority
3. A State-Controlled Regional Transit Authority *plus an Empowered* Baltimore Regional Transit Commission

The baseline requirements of any new authority are:

- An independent and empowered board of directors
- A reliable and sufficient dedicated funding source for transit in the region

CHAPTER 2: Transit Governance and Funding in the Baltimore Region

GOVERNANCE

The Maryland Transit Administration (MTA) operates nearly all of the statewide and local public transit service in the Baltimore region. Local service is operated in the Baltimore Core service area, which includes all of Baltimore City, large portions of Baltimore County, and the northern portion of Anne Arundel County and is defined in State law, COMAR Transportation Article §7–301.1. The core services include local buses, light rail, metro subway and complementary paratransit service. Collectively, these services make MTA one of the 15 largest transit agencies in the United States in terms of annual passenger trips. MTA also manages statewide transit programs and services, such as the Maryland Area Regional Commuter (MARC) rail service, and commuter bus service. Additionally, MTA provides financial and technical support to the Locally Operated Transit System (LOTS) owned and operated by the local governments across Maryland. There are eight LOTS systems providing targeted transit service in the Baltimore metro area. MTA plays a significant role in system expansion. MTA has been responsible for the planning and construction of the Purple Line, a new light rail service in Prince George's and Montgomery Counties, and it is leading the planning efforts for the reimagined Baltimore Red Line in Baltimore City and Baltimore County.

MTA is led by an Administrator appointed by the Secretary of Transportation with the approval of the Governor. MTA does not have an independent board of directors and decision-making authority lies entirely with the Administrator and Secretary.

The Administrator serves at the pleasure of, and reports to, the Secretary and is responsible for budget oversight and policy development for all MTA services in and outside of the Baltimore Core service area.

In 2023 the Maryland General Assembly created the Baltimore Regional Transit Commission (BRTC). The purpose of the BRTC is to provide updates to the Central

Maryland Transportation Plan and various annual reports, and to perform oversight and advocacy duties related to Baltimore region transit services. The 16-member commission includes state and local government appointees, along with a non-voting appointee from organized labor. While the BRTC is required to comment on MTA's budget request and allocation in the CTP, it does not have direct authority over MTA's budget.

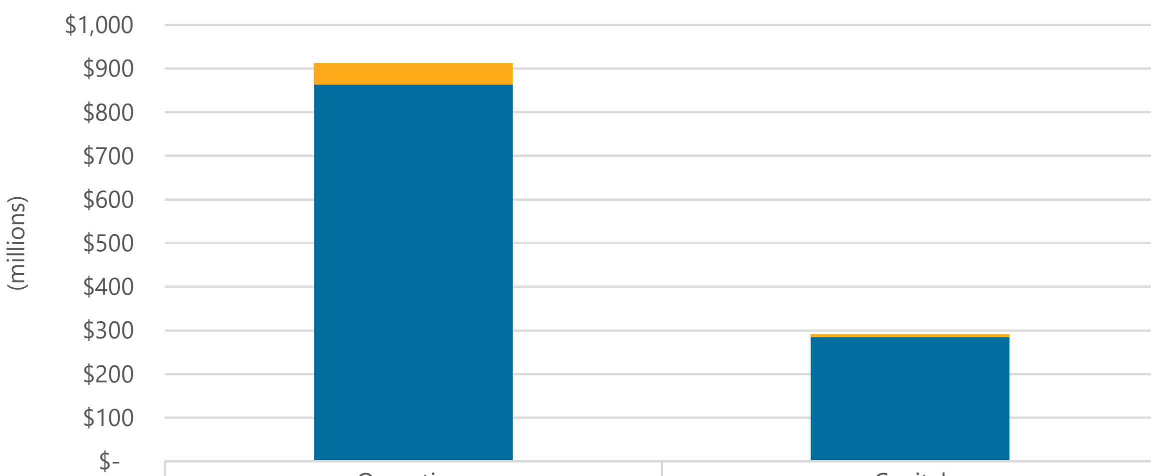
Funding

MTA receives its capital and operating funding from MDOT. MTA submits an annual budget request and receives a budget allocation from MDOT, which manages the Transportation Trust Fund (TTF). MTA's budget includes operating and capital funds for each of MTA's modes as well as the LOTS across the State. MTA's operating and capital programs are not broken down by jurisdiction or region, which makes it difficult to identify a specific budget for the Baltimore Core service area. The study team has used available information to develop Baltimore Core service budget figures for this report.

Current Transit Funding

In FY 2025, MTA's budget for Baltimore core services was $1.2 billion, inclusive of $1.1 billion from federal grants and state revenues, plus $55 million of allocated funding for the LOTS program (see Figure 1).

Figure 1 – Baltimore Region Transit Investment (MTA and LOTS) FY 2025



	Operating	Capital
Local	$48	$6
MDOT	$864	$285

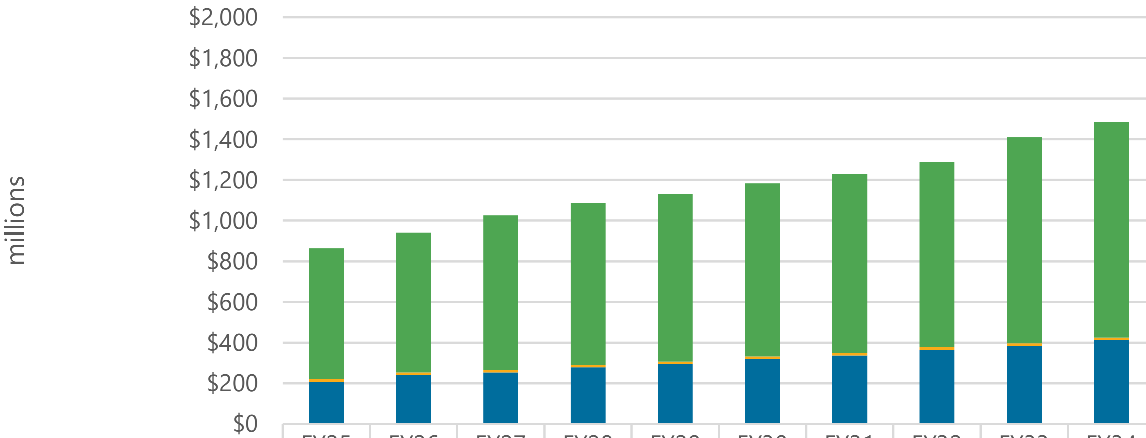
Source: MTA adapted by Nelson\Nygaard

A further breakdown of MTA's budget for Baltimore transit services by operating and capital programs follows. This includes estimates of federal, state, and local spending to operate and maintain transit systems in the Baltimore region only, and how much of current and project funding needs apply to the "core" services of the Baltimore region only.

Operating Costs

According to information provided by MTA, the FY 2025 operating budget for Baltimore Core services is $864.3 million. This includes MTA-operated services and Baltimore region LOTS. It does not include the cost to operate MARC trains, commuter bus service, or LOTS outside the Baltimore region. MTA's planning and budgeting documents include a service expansion by roughly 8% per year between FY 2025 and FY 2034. The planned service expansion would increase MTA's budget to $1.5 billion by FY 2034 (see Figure 2).

Figure 2 – MTA Baltimore Core Services and Baltimore Region LOTS – 10-Year Operating Funding Program



	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Core Baltimore Service	$643.4	$689.0	$759.5	$795.4	$824.9	$852.3	$881.1	$909.8	$1,015.	$1,059.
LOTS	$12.3	$12.3	$12.3	$12.3	$12.3	$12.3	$12.4	$12.4	$12.4	$12.4
Mobility	$207.8	$240.2	$253.7	$278.4	$293.4	$319.4	$336.2	$364.5	$383.3	$412.9

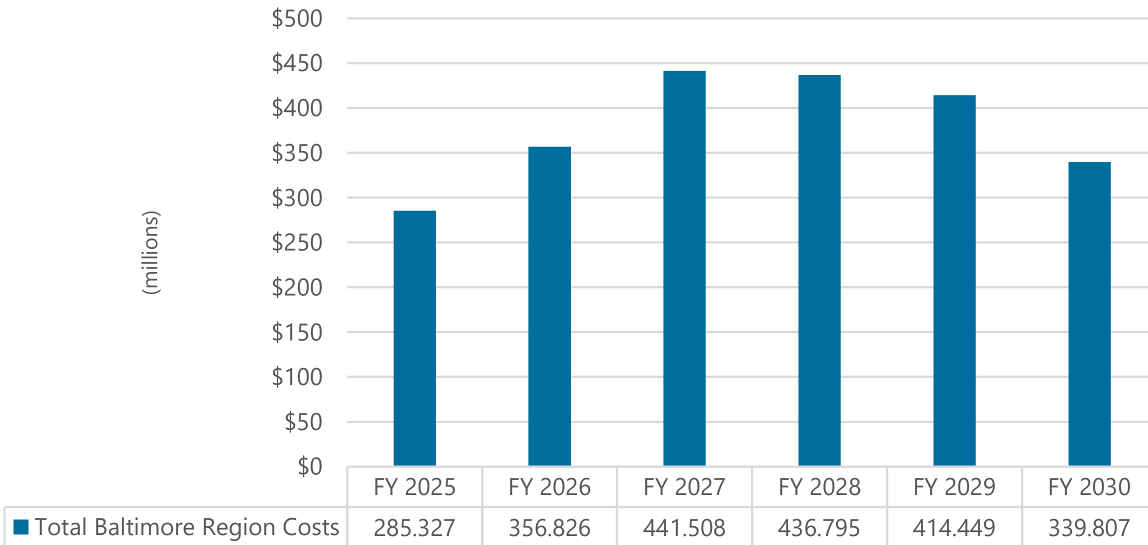
Fiscal Years

Source: MTA data adapted by Nelson\Nygaard Consulting Associates

Capital Costs

Capital budgets and investments vary year-by-year; MDOT and MTA prepare a six-year Consolidated Transportation Program (CTP) and update this plan annually. In FY 2025, MTA's state-wide capital investment in transit projects is $622.2 million, of which $285.3 million is the investment associated with Baltimore Core services and LOTS. The remaining $336.9 million is allocated to the Purple Line, as well as MARC, Commuter Bus and LOTS projects outside of the Baltimore Core-service area. Budget constraints in FY 2025 mean several projects are postponed and capital investment for FY 2025 is the lowest for the current six-year period (see Figure 3).

Figure 3 – MTA Consolidated Transportation Program: Baltimore Core Services and Regional LOTS – (FY 2025- FY 2030)



Source: MTA data adapted by Nelson\Nygaard Consulting Associates

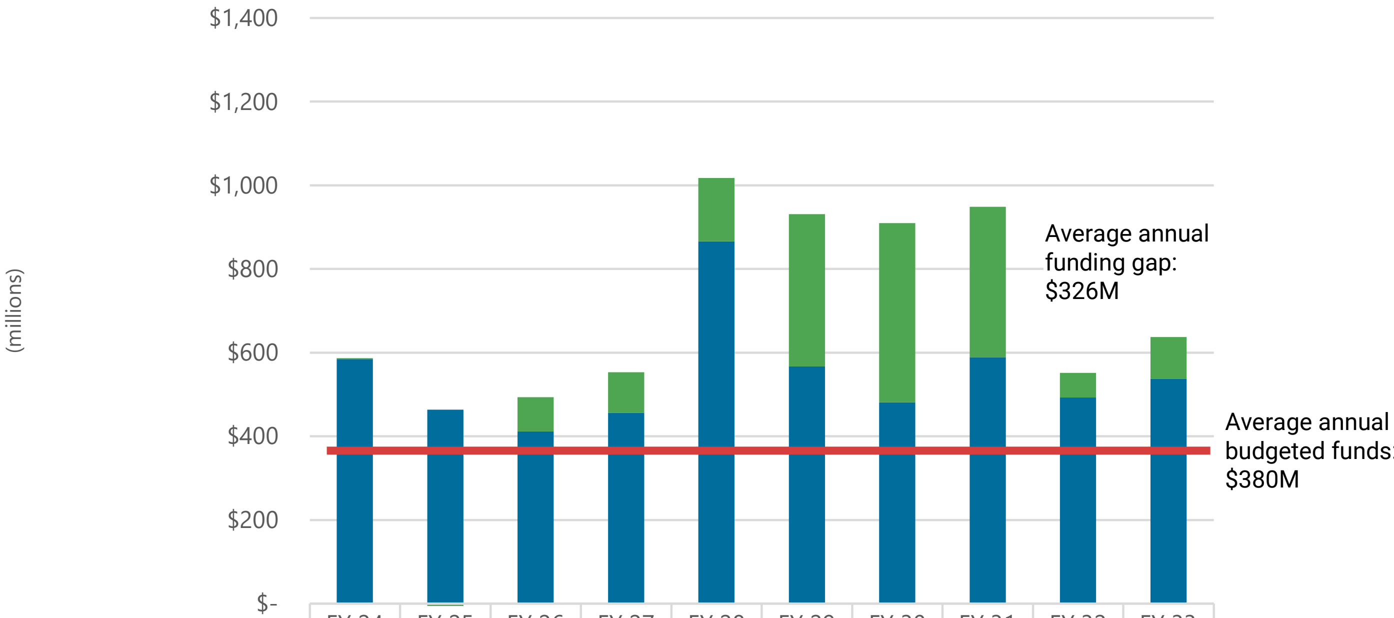
Ongoing Capital Needs

MTA's capital needs are updated at least once every three years in its Capital Needs Inventory (CNI). The CNI anticipates MTA's capital needs for two types of programs over a 10-year period, these are:

- The **State of Good Repair (SGR)** that include needed investments to maintain the system's physical assets (train cars, train tracks, signals, and maintenance facilities, etc.); and
- **System Enhancements**, which includes technology investments (fareboxes, system controls, and clean fuel vehicles, etc.) and projects to expand the system (vehicles, new bus stops, etc.).

While the CTP includes investments in both SGR and system enhancement, there are projects and needs identified in the CNI that are not funded in the CTP. These projects represent MTA's unfunded needs. These additional needs – on average – include another $326 million per year of capital projects over the next ten years (see Figure 4).

Figure 4 – MTA 10-Year State of Good Repair and System Enhancement (Modernization) Program*



	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Modernization Subtotal	2,500,0	(27,987	81,792,	97,221,	151,447	364,559	428,057	360,054	58,705,	100,487
TERMLite SGR Subtotal	584,121	463,326	411,549	455,774	865,885	566,639	481,198	588,859	493,054	537,105

Source: MTA data adapted by Nelson\Nygaard Consulting Associates

* Agency-wide needs allocated to the Baltimore region based on revenue hours by mode. Does not include MARC, commuter bus, Red Line, or 5th bus division.

CHAPTER 3: Issues and Challenges

The **Maryland Transit Administration (MTA)** faces several challenges that impede the effectiveness of the region's transit system.

Coordination between State and Local Government

One of the most significant issues facing MTA is the disconnect between state and local level decision-making. The absence of a formal process for integrating local input into MTA’s planning and decision-making poses a significant problem for both the agency and the local governments. Local governments are essential partners in shaping land use, housing development, and economic growth—key factors that directly influence the effectiveness and success of a transit system. Without a structured approach for collaboration, both local government and MTA risk missing critical opportunities to align its initiatives with regional priorities and needs. The BRTC has been helpful, but its limited authority also limits the local voice in decision-making.

An empowered board of directors with both state and local representation would significantly enhance MTA’s capacity to work with local government in a mutually beneficial way. Regular meetings, responsive reporting, meaningful public involvement and publicly-made decisions would ensure stakeholders the opportunity to help shape the system.

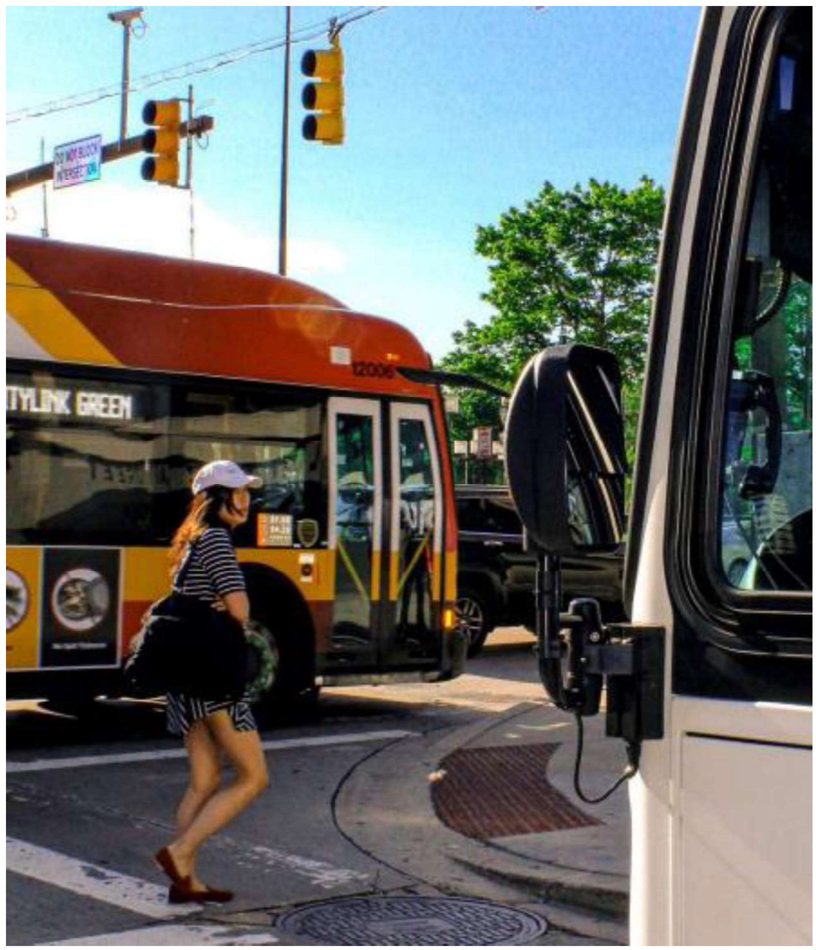
Effective Autonomy

MDOT’s role as a single decision-making body for MTA simplifies budgeting and decision-making, but the lack of an empowered oversight board presents several challenges for MTA and transit in the Baltimore region. A system as large and complex as MTA requires coordination, long-term planning and stable oversight. Every change in gubernatorial administration has the potential to drastically shift MTA’s focus, making long term planning extremely difficult. Major transit projects take years of planning and engineering before construction begins. It is not uncommon for major projects to remain in the planning stages for at least a decade, meaning projects like the Red Line must endure the shifting priorities of two or more Governors before funding is even secured. An oversight board whose rotating terms overlapped administrations would promote consistency and guardrails against such drastic swings.

MTA’s position within MDOT’s governance structure also limits its ability to effectively advocate and compete for the needs of the system beyond the priorities the Governor and Secretary. Other modal administrations within MDOT, including the State Highway Administration, Port Administration, and Aviation Administration benefit from strong and influential support by the business community and other allies to advance their respective needs. Despite its size and importance to the Baltimore region, MTA lacks these natural champions and has historically been asked to defer needed investments and make due with less. This dynamic has contributed to the significant backlog of state of good repair needs facing MTA today.

Limited Resources for an Expanded Mission

Originally designed to serve the Baltimore region, MTA has gradually taken on significant statewide responsibilities, including commuter bus services and MARC service. However, this expansion of MTA's mission has not been matched by adequate increases in internal staffing capacity or the fiscal resources to manage these additional responsibilities effectively. As a result, MTA's resources are stretched thin across the state. While the agency continues to oversee major projects, such as the Purple Line in Prince George's and Montgomery Counties, it has struggled to maintain and improve core services in the Baltimore region.



The current structure and resources allocated to MTA are insufficient to meet the growing demands of both the Baltimore region and the state as a whole. Bridging the gap between state-level decision-making and local input, increasing transparency, and ensuring MTA is properly resourced to manage its expanding mission are essential steps toward creating a more effective and responsive transit system for Maryland.

CHAPTER 4: Transit Funding and Governance - National Models and Peer Examples

While no two transit agencies have an identical structure, a review of transit agencies nationally shows there are four primary models for organization and governance. These models are:

1. **Department Within an Existing Government Agency**

   Examples include Montgomery County Department of Transportation (Ride On) in Montgomery County, Maryland and King County Metro in Seattle, Washington.

   Overview: These transit services are be managed and operated as a department within a larger city, county, regional, or state government.

   Funding: Funding is typically provided through a combination of dedicated government transit funds or general funding.

   Governance: Transit agencies housed within a larger government may have an advisory board that reviews policy decisions but elected officials (i.e., city council, county commissioners, state legislature, etc.) are the governing body for the service.

2. **Independent Regional Transit Authority (RTA)**

   Examples include the Regional Transit District (RTD) in Denver, Colorado, the Valley Metro Regional Public Transportation District (Valley Metro) in Phoenix, Arizona, and Capital Metropolitan Transportation Authority (CapMetro) in Austin, Texas.

   Overview: RTAs are transit services managed and operated by an independent agency with authority to operate service and manage capital projects. RTAs typically serve multiple jurisdictions and have full control over their budgets. Independent RTAs have dedicated funding streams and a clear and transparent charter that details their mission to taxpayers.

   Funding: Funding sources vary; some RTAs collect taxes directly and others assess local governments for contributions.

   Governance: In almost all cases, RTAs are governed by an independent board that may be elected or appointed.

3. **RTA With Strong Ties to State Government**

   Examples include the Southeastern Pennsylvania Public Transit Authority (SEPTA) in Philadelphia, Pennsylvania, the Massachusetts Bay Transportation Authority (MBTA) in Boston, and the Chicago Transit Authority (CTA).

Overview: These agencies are structured like independent RTAs, with the important distinction that their governance reflects close fiscal and administrative ties to State government.

Funding: These agencies receive a significant portion of their revenue from state government(s). In most cases, local or regional governments also contribute funds to the budget.

Governance: Typically, these RTAs have independent boards with some board seats appointed by the governor and/or the legislature. Board structures among peers vary from an entirely state-appointed board, to a few examples where local or regional government has a majority of the seats.

4. **Regional Transit Planning and Funding Agency**

   Examples include the Northern Virginia Transportation Commission and the Wake Transit Plan (Raleigh, NC).

   Overview: These entities may be advisory boards or they can manage and allocate funding to transit operators. These entities are not operators of transit.

   Funding: Regional Transit Planning and Funding Agencies typically raise funds through local or regional tax structures and are eligible for federal grants or formula-based funding from agencies like the Federal Transit Administration (FTA) to support capital projects or operating costs. In some cases, these agencies play a role in the distribution of state funds.

   Governance: The governance structure is a board that represents the member jurisdictions and/or funding entities.

MTA PEER EXAMPLES

MTA's structure as a State-run agency without a board of directors is unique and has no equivalent among large metro areas. On paper, MTA most resembles a Department within an existing government agency. However, most transit systems embedded within a larger agency are smaller entities like Maryland's LOTS programs. The size and scope of MTA's operation are much more aligned to an RTA with strong ties to State government with the clear distinction that RTAs have boards of directors with budget and fiduciary authority.

The table below identifies peer systems. These peers were selected based on factors including system size, governance model (including two state-run transit), system attributes (e.g. multimodal transit including heavy rail) and regional demographics.

These RTAs include several of the largest transit agencies in the United States, which are legacy systems that operate in dense, aging urban areas. Figure 5 below provides an overview of their funding sources and governance models. The selected peers are: Washington, DC (WMATA), Philadelphia (SEPTA), Boston (MBTA), Chicago (CTA), New Jersey (NJ Transit) and Rhode Island (RIPTA). *Please note that the 36% local share of*

	Maryland MTA	WMATA	SEPTA	MBTA	CTA	NJ Transit	RIPTA
Funding	**State = 81%** **Local = 0%** **Federal = 2%** **Fares = 16%**	**State = 23%** **Local = 36%** **Federal = 3%** **Fares = 38%**	**State = 50%** **Local = 7%** **Federal = 6%** **Fares = 37%**	**State = 44%** **Local = 9%** **Federal = 0%** **Fares = 47%**	**State = 21%** **Local = 35%** **Federal = 1%** **Fares = 43%**	**State = 36%** **Local = 0%** **Federal = 17%** **Fares = 47%**	**State = 56%** **Local = 0%** **Federal = 17%** **Fares = 23%**
Funding Source	Transportation Trust Fund (TTF) includes a portion of the state's tax and fee revenue. Federal formula funds No local match/regional funding is required	Federal formula funds Operating funding is paid by local jurisdictions where WMATA operates. Local/State match set by a formula that includes population density, ridership, and system size. Dedicated funding for capital investments.	Federal formula funds Ongoing local match of 7% public transportation trust fund Distributed on four operating statistics: total passengers, revenue vehicle miles and vehicle hours	Federal Formula Funds State funds – sales tax revenue dedicated to MBTA Local assessment paid by municipalities (weighted % of the total population of the authority)	Federal Formula Funds Passenger Fares State motor fuels tax Local sales tax and portion of real estate transfer tax	Federal formula funds Passenger fares State contribution provided via dedicated funding through transportation trust fund and NJ Turnpike	Federal formula funds Fare revenue State funds including portion of gas Local funding of capital projects (less than 5%)
Service Area Population	7,811,145	6,304,975	3,475,337	4,367,000	3,224,995	10,594,013	1,048,310
Governance	16-member BRTC - advisory capacity only. Administrative and funding decisions made by State.	8-member board Maryland: 2 seats WDC: 2 seats Federal Gov't: 2 seats Virginia: 2 seats	15-member board Region: 10 seats State: 5 seats City of Philadelphia: 2 seats and veto power.	9-member board State: 6 seats City of Boston: 1 seat Advisory Board: 1 seat Mass. State Labor Council: 1 seat	7-member board Mayor: 4 seats Governor: 3 seats	13-member board (11 voting members) State controls all seats 8 of 13 members must be public members	9-member board State: 8 seats Director of the Department of Transportation: 1 seat and serves as chair

Figure 5 - Operating Funding and Governance Models: RTAs with Close Ties to State Government (2019)

Source: Nelson\Nygaard adapted from NTD Transit Agency data profiles, agency webpages and other sources. NTD 2019 Operating Funding Sources by Agency.* Notes: Service area population from NTD 2023

*NTD Funding data from 2019 reflects pre-pandemic levels of federal assistance that does not include additional/surplus federal, and state operating assistance received during the COVID-19 pandemic (CARES)

CHAPTER 5: Potential Governance Models for the Baltimore Region

The study team has identified three potential governance models to address the issues and challenges identified and maximize the benefits of transit for the residents of the Baltimore region. All models require MDOT to undergo significant restructuring and for the State to continue to fund transit at current levels at a minimum and commit to dedicating these funds toward transit service in the region. Because the State would continue to be a major funder in each model, MDOT would continue to have a significant role in transit decision-making and governance. Each of these models would require legislative changes to both MDOT and the Transportation Trust Fund (TTF) and for the State to support the new entity at current funding levels.

A brief summary of the three proposed models are:

1. **Independent RTA:** A new, independent agency responsible for operating and managing transit service in the Baltimore region. The RTA would be governed by an independent board, with board members appointed regionally and by local governments in the region and the State of Maryland. This model assumes the State of Maryland would dedicate funding for transit based on current levels, at least; the RTA would also be supported by federal grants, passenger fares and other revenues and a new funding source raised regionally.
2. **State-controlled RTA:** This model would separate MTA's Baltimore Core services from other MDOT responsibilities to form an independent authority within State government for operating and managing transit services in the Baltimore region. The new State-controlled RTA would be governed by a board of directors, shared between the State of Maryland and the Baltimore region with majority appointments by the state. The State-controlled RTA would also have a dedicated funding source using the TTF and other state funds. The authority would also receive funding from federal grants, passenger fares and other sources. A State-controlled RTA would be able to receive funding from local or regional sources.
3. **Enhanced Regional Transit Commission (RTC) plus a State-controlled RTA:** In this option, the State-controlled RTA exists as described above, in option 2. As a supplement to the State-controlled-RTA, governments in the Baltimore region would form an enhanced Baltimore Regional Transit Commission with authority to distribute and manage locally raised regional transit funds. The enhanced RTC would also have responsibility for regional transit planning and have seats on the State-controlled RTA board to ensure continuity of planning.

The following section provides an outline of how each governance model could work, including:

- Organizational structure and oversight

- Relationship to MDOT and local governments
- Relationship to the Federal Transit Administration

Independent Regional Transit Authority

An independent RTA would be a new, independent agency with responsibility for operating Baltimore Core services, including local bus, light rail, subway, and paratransit services. The RTA would also include LOTS services operating in the Baltimore region. The independent RTA would be governed by a board of directors with representation from the State of Maryland and the Baltimore region.

This model would improve on the existing transit funding and governance model by involving both the state of Maryland and local government in decision making, establishing a board accountable to riders and taxpayers and clearly focusing MTA's efforts on the Baltimore region

Governance Structure, Transit Operations and Funding

An independent RTA would be led by a general manager (or chief executive officer) and governed by an independent board of directors. Based on an analysis of national peers, the board of directors would likely be comprised of nine or 11 individuals, including representatives from each of the jurisdictions in the Baltimore region plus individuals appointed by the Governor and/or MDOT Secretary. A pre-condition of a truly independent RTA would be a dedicated source of local or regional funds.

Because of the contribution of local funds, the makeup of the board of directors would likely be weighted towards local government. While the final details of governance would be negotiated as part of forming the RTA, at least half of the directors would be appointed by Baltimore region jurisdictions, and no more than half of the representatives would be appointed by the state (see Figure 6 below).

Given the cost required to operate and maintain the Baltimore region's existing transit service ($1.2 billion in FY 2025), current funding provided through the State of Maryland and FTA must be available to the RTA. The Baltimore region would also need to have authority to raise new revenues to support transit. These sources—grants from FTA and the State of Maryland's TTF, plus new funds raised regionally combined with passenger fares—would fund the RTA operating and capital program.

Potential challenges associated with the new RTA include:

Dedicated State Funding for a Regional Transit Authority – Confirming and identifying MDOT's role in maintaining funding for Baltimore region services will be challenging. MTA does not currently have a consistent and predictable budget. Instead, transportation investments are made across multiple MDOT programs and negotiated annually. However, for the RTA to operate independently either internal or external to MDOT, it must have a dedicated funding stream guaranteed by state law. The funding formula may be a guarantee of a set amount of money (like the annual dedicated capital funding provided to WMATA) or a formal commitment to fund a portion of the transit funding (i.e., funding the net deficit of transit operations, also consistent with WMATA's funding).

Legislative Authority for RTAs - Maryland's General Assembly would need to pass legislation to enable regions within the state to form regional transit authorities. This legislation would also spell out specific powers and authorities granted to a new regional entity or the local governments that make up its membership. These new powers and authorities would include the ability to levy taxes and fees to support operations. Similar legislative action could also be required at the local level.

Transfer of Labor Agreements - MTA currently holds labor agreements with several classifications of employees, including transit operators, security staff, and maintenance staff. MTA would transfer these contracts to the new RTA, so contracts could continue to be honored by the new organization. Typically, existing agreements contain language to deal with succession or assignment. These clauses can mitigate, but not eliminate, challenges with amending a labor agreement.

Policing, Security and Enforcement – use of MTA's police powers and services is governed by a passenger code of conduct that is enforceable by MTA Police. Similar or new authorities and responsibilities would need to be transferred to the new RTA.

Transfer of Contracts and Responsibilities – while the RTA would be an independent agency, it should be designated as a governmental unit so it could continue to participate in some of the state programs and resources available to local and regional governments.

Insurance and Liability – the State of Maryland administers commercial insurance policies for state-maintained transportation infrastructure, including MTA. Ideally, the RTA would have access to these insurance policies as a governmental unit in perpetuity, or at least during an interim period.

Pension Funds and Liabilities – As state employees, MTA staff participate in the Maryland State Retirement and Pension System (MSRA). Ideally, the RTA can join the MSRA, so its employees are able to participate in the program, similar to how other governmental units (county governments, school districts, libraries, etc.) in Maryland participate in the system.

Transfer of Capital Assets – a new RTA would need to assume responsibility for MTA's existing capital assets, including guideway systems (tracks, signals, etc.), vehicles (rail cars and buses), maintenance facilities, and passenger facilities, like bus stops and rail stations. MTA has identified a $512 million per year annual State of Good Repair reinvestment need in its 2022 Capital Needs Inventory. As stated earlier in this report, it is estimated from MTA information that for the Baltimore Core service area that gap is approximately

$326 million per year of that need over the next ten years. Any transfer of these capital assets would, in essence, be a transfer of these liabilities. Transferring such assets and liabilities may also be complicated in cases where there is shared ownership or authority.

Coordination with Locally Operated Transit Systems (LOTS) –Operations and management of the LOTS could be transferred to the RTA; this would create a more seamless and integrated transit network but introduce challenges including employee wages and benefits into the RTA formation. Currently LOTS staff generally are not unionized and have lower cost structures, so integrating them brings challenges, including increased cost of labor.

State-controlled Regional Transit Authority

A State-controlled RTA would be a new, autonomous authority within State government with responsibility for operating and managing public transportation services in the Baltimore region, including local bus, light rail, metro subway, and mobility services. LOTS services would continue to operate as part of their local jurisdiction. The State-controlled RTA would be governed by an independent board of directors with representation from both the State of Maryland and local governments from Baltimore region.

The model would improve on the existing transit funding and governance model by creating an independent board with state and regional representation to govern and manage the authority. The State-controlled RTA would also be an improvement over the current model because it would operate with predictable and dedicated funding.

Governance Structure, Transit Operations and Funding

A State-controlled RTA would be led by a general manager (or chief executive officer) and governed by an autonomous board of directors. The board of directors would be comprised of nine or 11 individuals, with representatives appointed by Maryland's Governor and/or MDOT's Secretary of Transportation and jurisdictions in the Baltimore region. For the purposes of this report, the Study Team assumes there would be no local funding for this model. While the final details will be negotiated as part of forming the RTA, at least half of the directors would be appointed by the state, and no more than half of the representatives would be appointed by jurisdictions in the Baltimore region (see Figure 7 below).

The State-controlled RTA requires MDOT to maintain funding for the RTA's operating and capital program at a minimum of the current level, which is $1.2 billion in FY 2025. Creating a dedicated funding source for transit service in the Baltimore region requires administrative and legislative changes to MDOT and the TTF.

Like the independent RTA, this State-controlled RTA would be a new authority. However, this model would not require the challenging transition of assets, work force, contracts, and operations. Potential challenges associated with a State-controlled RTA include:

Dedicated State Funding for a Regional Transit Authority - MTA does not currently have a consistent and predictable budget. Instead, MDOT allocates transportation money across multiple MDOT programs and these are negotiated annually. However, for the RTA to operate independently within MDOT, it must have a dedicated funding stream guaranteed by state law. The funding formula may be a guarantee of a set amount of money (like the annual dedicated capital funding provided to WMATA) or a promise to fund a portion of the transit funding (i.e., funding the net deficit of transit operations, also consistent with WMATA's funding).

Coordination with Locally Operated Transit Systems (LOTS) – there are five LOTS currently operating in the Baltimore region. It is assumed that these systems would continue to operate under their current funding program, with potential for the RTA to distribute funds directly to the LOTS. Operations and management of the LOTS could be transferred to the RTA; this would create a more seamless and integrated transit network but introduce inequities across employee wages and benefits into the RTA.

Enhanced Regional Transit Commission plus an State-controlled RTA

A third option is to establish a State-controlled RTA and enhance Baltimore's existing Regional Transit Commission (RTC), by enabling it to manage and distribute a new fund. The enhanced RTC would also have responsibility to lead regional transit planning efforts, initiate regional projects and participate in state run projects and programs.

The enhanced RTC would operate separate from, but in close cooperation with, the State-controlled RTA. An important distinction with this model, however, is that the Baltimore region—through the enhanced RTC—would have the ability to raise and invest regional funds in transit.

This model provides the benefits of the State-controlled RTA and it gives local governments a formal role in the decision-making process for transit development and operation in the region.

Governance Structure, Transit Operations and Funding

The RTC would be managed by an executive director and governed by a board of directors, all of whom would be appointed regionally. The RTC would also be able to appoint at least one member to MTA Board of Directors.

The enhanced RTC would not operate or manage transit service. Instead, its functions would be to raise and invest funds in regional transit programs and participate in important planning processes, such as MTA's annual operating and capital budgets, the Capital Needs Plan, and the Central Maryland Regional Transit Plan.

The powers and authorities of this type of RTC would be similar to the Washington Suburban Transit Commission (WSTC), which can plan, develop and oversee mass transportation systems and function as a financial conduit for the funding of mass transit projects[1].

Under the RTC model, both the state-controlled RTA and LOTS services would continue to be funded and supported through a combination of federal grants, the Maryland's TTF, user fees and other revenues. The RTC would also manage new funds to support transit and distribute these funds to MTA and LOTS as may become available.

Potential challenges specific to the enhanced RTC include:

- **Legislative Authority for the RTC –** the Maryland General Assembly would need to expand or adjust existing legislation to create an RTC that is vested with the powers and authorities envisioned in this alternative. Recent legislation that established the Baltimore Regional Transit Commission[2] did not include fiscal authority and powers to develop and oversee mass transit systems. The legislation that established the WSTC has expanded authority but is specific to Montgomery and Prince George's counties. Either provision in law could be adjusted to allow local governments in regions in the State of Maryland to have additional authority to levy taxes and fees in support of public transit services. It would also need to specify the relationship between the RTC, MDOT and MTA.
- **Coordination with Locally Operated Transit Systems (LOTS) –** coordination between the RTC and the five LOTS currently operating in the Baltimore region may be complicated in an RTC model, especially with regards to how the LOTS receive funding from the RTC. While the RTC should have authority to distribute funds directly to the LOTS, it will need to balance needs with services provided by the state controlled RTA. An early step for the RTC would be to discuss this concern and agree to an approach to share costs. The RTC could coordinate with the LOTS on potential transit needs and use new funds to encourage specific projects, programs, and services.
- **Enhanced RTC authority and power** - While an RTC would have some clear, direct responsibilities for Baltimore's service, such as planning and participating in decision-making, it would not have responsibility for operations. Being in this position means the RTC executive director and board would need to be active and intentional about developing and using the authority it will have. Examples

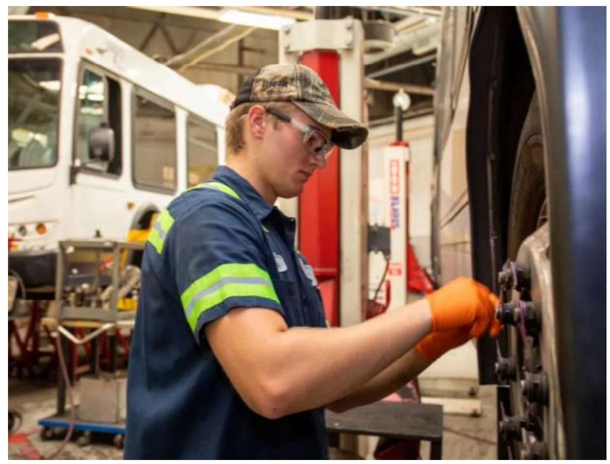
[1] WSTC's authorizing legislation Chapter 870, Acts of 1965: https://wstcmaryland.org/wp-content/uploads/2021/04/Acts_of_1965_CH870.pdf
[2] BRTC's authorizing legislation, Chapter 504, Acts of 2023: https://mgaleg.maryland.gov/2023RS/chapters_noln/Ch_504_hb0794E.pdf

include being clear about goals and working towards those priorities through strong participation on the MTA Board and by unifying the region around shared objectives. This could be accomplished through a formal processes like the development of an annual funding allocation program.

CHAPTER 6: Transit Funding Options

In response to the recommendation of the Baltimore Regional Transit Governance and Funding Workgroup, the study team has outlined options for locally raised transit revenue. This chapter presents a high level overview of these funding options for informational purposes only. The figures and assumptions in this chapter are based on publicly available revenue information and the experience of peer regions.

It must be clearly stated that Maryland's transportation funding paradigm was not designed with significant local contribution in mind. Local governments in the Baltimore region have never borne the responsibility of funding transportation; especially transit. Any shift in that direction would require sweeping changes to Maryland Law and an active decision by local governments to raise revenue specifically for transit. Introducing any new regional funding for transit however should be contingent on the State of Maryland – at a minimum - maintaining its current commitment to transit funding, with annual adjustments for inflation.



As detailed in Chapter 2 of this report, transit service in the Baltimore region is facing a significant shortfall in the next decade, most critically in dollars for state of good repair. Outside of Baltimore's transit needs, MDOT is facing equally challenging circumstances as it balances competing priorities across modes and metropolitan regions. Like most states, Maryland's transportation funding is heavily reliant on the state gas tax and motor vehicle registrations, which are expected to offer diminishing returns as vehicles become more reliable, efficient and drivers' transition to electric vehicles. Maryland's gas tax is indexed to inflation and registration and titling fees were increased in 2024. The appetite for additional increases is unknown.

Leaders across Maryland are aware of these challenges, and are giving due consideration to a range of options. MDOT, Metropolitan Planning Organizations, policy advocates and economic development organizations are all engaged in the discussion of how to solidify transportation funding moving forward. The Maryland Commission on Transportation Revenue and Infrastructure Needs (the TRAIN Commission) was established by Chapter 455, Acts of 2023, to review, evaluate, and make recommendations on the prioritization and funding of transportation projects. The TRAIN Commission was restructured in the 2024 legislative session and a final report has not been submitted at the time of this writing.

Should the local governments in the Baltimore region contribute locally raised funds to transit, a reasonable target would be between 5% and 10% of the Baltimore Core service area's annual operating budget. Over the next ten years, this range would require an average of $60 million and $120 million in new revenue per year. The study team arrived at this range by examining the contributions of peer systems and the impact of the potential revenue.

- **The experience of regional peers**. In Southeastern Pennsylvania, the City of Philadelphia, and surrounding counties (Bucks, Chester, Delaware, and Montgomery) contribute approximately 7% of SEPTA's annual operating costs and are actively involved in transit decision-making. Likewise, the City of Boston contributes an estimated 9% of the MBTA's annual operating budget.
- **Impact of potential revenue.** New funding on the order of $60 million to $120 million would have a significant impact on regional transit investment by leveraging federal grants for capital projects and/or increasing funding for service operations.

REVENUE OPTIONS FOR TRANSIT FUNDING

In 2020, the Baltimore Regional Transportation Board's study of Transit Governance and Funding explored a host of transit funding options for the State at large and for the jurisdictions in the Baltimore region. That report estimated potential revenue for the full gamut of options. A summary of the taxing mechanisms and fees used across the Unites States is detailed in figure 6 below.

Figure 6 – Inventory of Potential Transit Funding Measures

Traditional Taxes	Transportation-Related Revenue Sources	Transportation User Fees	Excise Taxes and Lottery	Financing Mechanisms
Property Tax Income Tax (Corporate*, Personal) Sales Tax Payroll Tax	Local Assessments Transportation Climate Initiative (Carbon Taxes) Transportation Utility Fee Developer Impact Fee	Tolls** Fuel Taxes* Rideshare Tax** Vehicle Registration Fee* Vehicle Miles Travel Fee Mobility / Congestion Pricing Parking Taxes Micro-mobility tax (scooters, etc.) Fares**	Alcohol Tax Cigarette Tax Cannabis Tax Lottery Revenue Lodging Tax Real Estate Transfer Tax Rental Car Tax**	General Revenue Funds** Land Value Capture TIFIA

Source: Nelson\Nygaard

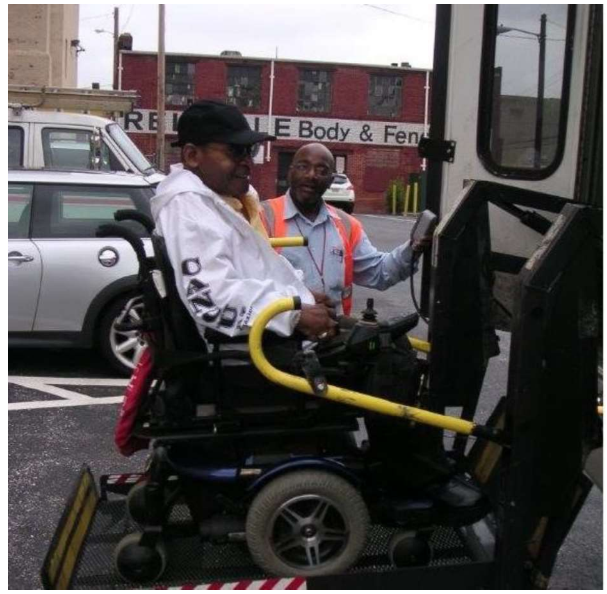
Notes: * Denotes funding source already used by Maryland Transportation Trust Fund

** Denotes funding already used in Central Maryland

Several of these measures are already used by the TTF. Others are difficult in the Baltimore region because existing tax rates are high (i.e., property tax, vehicle licensing fees) or don't have the revenue potential needed to raise $60 million to $120 million annually (i.e., alcohol tax, cigarette tax, parking taxes). Other funding measures – like a tax on vehicle miles travelled or carbon taxes – have not yet been widely implemented in the United States, so are viewed as not feasible in the short-term.

For the purposes of this report, the study team broadly evaluated four measures – increased passenger fares, increased sales tax, a premium on tolls in Central Maryland and a new payroll tax – to show how the region could raise revenue to support transit (see also **Figure** 7). The options are presented in alphabetical order.

Passenger Fares



Increasing passenger fares is the least complicated way to raise revenue from the perspective of a transit operator. The decision is largely administrative and it does not require state or local legislation. However, increased transit fees are also the most immediate burden on transit riders, many of whom are dependent on transit due to reasons of disability and economic hardship. Importantly, moderate increases to MTA's fares would raise only a small portion of the revenue target.

In 2023, MTA earns approximately 16% of its revenue from fares paid by riders. The rate is lower than previous levels, as MTA, like transit agencies nationally, continues to recover from ridership losses resulting from changing travel patterns in the wake of the pandemic. A planning level estimate of the potential revenue that could be raised through fare increases is about $17 million per year. This estimate does not account for ridership losses likely to result from higher fares, or account for bulk discounts and fare programs available from riders. The estimate considers:

- MTA currently charges $2.00 for one-way adult cash fare. The fare is slightly lower than its two closest peers, WMATA ($2.25 for a bus ride[3]) and SEPTA ($2.50 for bus or rail), but higher than other large Maryland based transit systems like the Charm city Circulator (free), Montgomery County RideOn ($1.00) and Prince George's The Bus ($1.00).
- In 2023, MTA provided approximately 69.4 million rides, inclusive of all modes.
- If every rider paid an additional $0.25 per trip, MTA's revenue would increase – on the high end – by $17.1 million. An additional $0.50 would raise up to $34m (on the high end). This estimate does not factor in elasticity rates for transit cost increases which would likely lower these estimates.
- Funds raised from this source would not meet the target of 5% and 10% of MTA's current operating budget discussed above.

Sales Taxes

Sales taxes are used by many of the nation's largest transit systems, including in Boston, Los Angeles, and San Antonio. Historically, dedicating some sales tax revenues to transit is popular; data suggests that approximately 70% of transit funding initiatives are approved by voters.[4] In the 2024 election cycle, voters approved 24 of 33 transit ballot measures, including initiatives in Columbus, Ohio, Nashville, Tennessee and Phoenix, Arizona.

A *planning level estimate* of the potential revenue from a transit-dedicated sales tax of 0.25% is approximately $112 million per year. This does not account for revenue losses that could result from reduced consumer spending (i.e., buying less or purchasing more goods in other nearby states or regions). The estimate is based on the following data and estimates:

- At the current 6% rate, Maryland's existing sales tax revenues of $6.7 billion per year.
- The Baltimore region accounts for roughly 40%, or $2.68 billion of the State's sales tax revenue.
- A 0.25% sales tax increase in the Baltimore region could raise roughly $112 million per year.

While the revenue potential is strong and well within the target goal, there are challenges with sales taxes, including that they are vulnerable to economic recessions and downturns. Sales taxes are also regressive and disproportionately impact lower income residents. Another challenge is Maryland's current sales tax of 6% on taxable purchases[5] is already higher than Virginia (5.30%) and Delaware (0%), and equal to the rate in Washington D.C, West Virginia, and Pennsylvania.[6] In Maryland, only the state can levy sales taxes; counties and municipalities are not currently legislatively enabled to do so.

Tolls

Toll revenues are used to fund transit in Northern Virginia, San Francisco, and New York City, among other places. Maryland's toll revenues are collected by the Maryland Transportation Authority (MDTA) to fund construction, operating, maintenance and law-enforcement costs on bridges and crossings plus debt service. Tolls are a relatively stable source of funding and generally considered equitable because they charge drivers for the impacts associated with congestion, emissions, and roadway costs.

A *planning level estimate* of the potential revenue that could be raised through higher tolls is between $26 million and $104 million, depending on the amount of the increase. This estimate does not account for behavioral changes as some consumers adjust to higher costs (i.e., taking a different, longer route).

[4] American Public Transportation Association
[5] https://www.marylandtaxes.gov/business/sales-use/index.php
[6] Sales tax rates in West Virginia and Pennsylvania may exceed Maryland's in some localities, as those states have legislatively enabled localities to raise their own sales taxes in addition to the statewide rate.

The estimate is based on:

- There are five tolled bridge crossings in Central Maryland (JFK/I-95, Hatem Bridge, Bay Bridge, Harbor Tunnel and Fort McHenry Tunnel).
- Toll rates vary by crossing, so a transit fee could increase the toll by as little as $0.25 per crossing, or as much as $1.00 per crossing.
- Revenue potential for the Central Maryland region only, ranges from $26 million per year ($0.25 increase per crossing) or $104 million per year ($1.00 increase per crossing).

In Maryland, tolls are controlled and managed by MDTA and set to manage and maintain their facilities. By law, MDTA dollars <u>may not</u> be spent on projects not owned by the authority. Toll rates have not increased in a nearly a decade. In 2024, legislation raising toll rates to fund the MDTA and supplement the TTF passed the House of Delegates, but was unsuccessful in the Maryland Senate.[7]

The collapse of the Key Bridge complicates the conversation both because the bridge accounted for nearly 8% of MDTA's revenues and more toll revenues may be required to help rebuild that facility.[8] In addition, the MDTA recently (Fall 2024) announced it is considering replacing the Chesapeake Bay Bridge at significant cost. Given the loss of MDTA revenue due to the collapse of the Key Bridge, and the immense challenge ahead of the MDTA in replacing both the Key Bridge and Chesapeake Bay Bridge, the use of toll funds to support transit may face insurmountable challenges, .

Payroll Taxes

Payroll taxes are imposed on employers based on the amount of their payroll. The employer is responsible for withholding, reporting, and remitting the tax. Payroll taxes are different from income taxes because they are paid by employers; in the United States, payroll taxes are generally used to fund public programs, like Social Security and Medicare.

The State of Oregon uses payroll taxes to fund transit. The state has set a base tax of 0.1% from each employee's gross pay for transit. The idea is that a small tax on a large base (wages) generates a large amount of revenue. In the case of Oregon, the statewide tax is $1.00 per $1,000 of income, so an employer paying their employee $50,000

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[7] Maryland House Ok's higher MTA tolls: Senate must still give approval, WYPR Baltimore, March 18, 2024.
[8] Collapse of Key Bridge reduces tolls by $141 million, hastens likely toll increase, Maryland Matters, July 1, 2024.

annually, would be taxed $50. Two other Oregon transit districts, Lane County (Eugene) and TriMet (Portland) add onto that rate to raise revenues for their systems.

A *planning level estimate* of the potential revenue that could be raised through a payroll tax is $100 million annually. The estimate is based on the following estimates and assumptions:

- The Baltimore-Columbia-Towson Metropolitan area, which is broadly consistent with the Baltimore region defined by this study, had annual wages on the order of $100 billion.[9]
- If wages are taxed at 0.1%, the region would raise approximately $100 million annually.

Maryland collects payroll taxes for unemployment insurance, which is technically a joint state and federal program. The state also has an income tax, which is paid by the employee, rather than a payroll tax, which is designed to be paid by the employer. Payroll taxes technically would be a new tax, although it is likely the Maryland General Assembly has considered this source previously. Initiating a new tax would be challenging, but potentially less challenging than adding to an existing tax. Also, as described, this tax is designed to be a small amount (0.1%) and therefore, more likely to be acceptable. Asking employers to pay for transit has some logic, given employment is concentrated in urbanized areas and employers benefit from the increased access, and thus larger labor pool, provided by transit.

Figure 7 – Summary of Transit Funding Measures for Baltimore Region and Potential Revenue

	Sales Tax	Tolls	Payroll Taxes	Fares
Proposed Tax Rate	0.025% levied in Baltimore region only	+ $1.00 per crossing in Baltimore region	0.1% of wages in Baltimore region	$0.25 (to $2.25) and $0.50 (to $2.50)
Estimated Annual Revenues	~ $112 million	~ $103 million	~ $100 million	$34 million
Challenges	Requires state approval	Not viable in current climate	New state created tax	Limited benefit and negative impact on riders

Source: Nelson\Nygaard Consulting Associates

[9] Federal Reserve Bank of St. Louis, Federal Reserve Economic Data

CHAPTER 7: Conclusion

This report presents, to the BRTC and other stakeholders, three models for transit governance in the Baltimore region. The three models are:

- Independent Regional Transit Authority
- State-Controlled Regional Transit Authority
- State-Controlled Regional Transit Authority plus an enhanced Regional Transit Commission.

Each model has its own benefits and challenges, but all three are designed to address the same core issues and optimize the effectiveness of the region's transit network. All three models share three key objectives intended to address the same core issues and optimize the effectiveness of the region's transit network. The three objectives are:

1. **Local Government Participation:** Any structural change to transit governance in the Baltimore region should allow for the direct participation of local governments in decision-making.

2. **Increased Autonomy:** The new governance structure must have the freedom to make transparent decisions and advocate for state and federal funds needed for system preservation and expansion. Additionally, the new governance structure should allow long-term planning and capital investment to survive the shifting priorities of gubernatorial administrations.

3. **Focus on the Baltimore-Core Service Area:** A transit system the size and complexity of Baltimore's merits the dedicated attention of its operator. Similarly, MTA's statewide programs have expanded such that that they too would benefit from focused attention and oversight.

The existing structure of Baltimore's transit system was established nearly fifty years ago to meet the needs of the time. This framework helped build a fast-growing system that was, at one point, considered a national model of modern and effective transit and urban renewal. However, since the turn of the century, that growth has stagnated. Long planned projects like the Red Line and the State Center redevelopment have been abruptly cancelled without replacement. Essential maintenance projects are routinely deferred, allowing them to grow in both expense and severity. These challenges have been long in the making and will not be easily or quickly resolved.

A crucial first step toward addressing these challenges is a thoughtful modernization of the governance of Baltimore's transit system. This report is submitted in the hope that it will be a useful tool in that process.

SB0935 FWA_CMTA.pdf

Uploaded by: Eric Norton

Position: FWA

Transportation Alliance

March 5, 2025

Testimony on SB 935 –
Transportation – Regional Transportation Authorities –
Budget & Taxation Committee

Position: Favorable With Amendments

For years leaders in the Greater Baltimore region have been seeking to reform the way its local public transportation is governed and financed. Structural challenges in the current centralized governance structure of the Maryland Transit Administration (MTA) make maintaining and improving transit performance difficult. The result is an unreliable public transportation system that further disadvantages many users already negatively impacted by poverty and structural racism, discourages ridership growth, and puts the region at a competitive disadvantage compared to other metropolitan areas with robust, reliable public transit.

Moreover, the lack of local participation in planning and funding decisions has been a contributing factor to ongoing maintenance problems and lack of significant expansion or improvement. Of the 50 largest transit agencies in the country, the MTA is the only one that is part of a state department of transportation without a board of directors and where decision-making lies solely with a governor. In recent years the General Assembly has taken a step toward reform through legislation that established a Baltimore Regional Transit Commission (BRTC).

The BRTC has been a huge improvement in terms of having an official body that is providing some measure of transparency to MTA's operations, plans and budget. However, it is largely an advisory body that lacks the full power of a regional transportation authority. That's why we are encouraged that the General Assembly is considering bills such as SB 935 that seek to go beyond advisory commissions by establishing Baltimore Region, Capital Region, and Southern Maryland Region transportation authorities.

While we support the general intent of SB 935, we urge the committee to review and consider a recent study from the BRTC that outlines some potential models for how to structure a regional authority for the Baltimore region. Of the models outlined in the report, the Transportation Alliance supports a fully independent authority. We respectfully request that the committee amend SB 935 to create a new, independent agency responsible for operating and managing transit service in the Baltimore region. Because this model assumes the State would continue its commitment to Baltimore-area transit service, SB 935 should also be amended to dedicate state funding for the new authority based on current levels at a minimum.

We encourage a FAVORABLE WITH AMENDMENTS report for Senate Bill 935.

Maureen Wambui -Testimony in Support of Senate Bil

Uploaded by: Maureen Wambui

Position: FWA

Maureen Wambui

7827 Rolling View Ave, Nottingham, MD, 21236

Maureen.w.m.2030@gmail.com

03/03/2025

The Honorable Members of the Seante Committee

Maryland General Assembly, Annapolis, MD 21401

Testimony in Support of Senate Bill 935 (SB0935) with Amendments - Transportation - Regional Transportation Authorities Established

Hearing Date: March 05, 2025

Chairperson and Esteemed Members of the Committee,

My name is Maureen Wambui, and I am a proud Immigrant, parent, Community advocate and resident of Legislative District 8 in Maryland. I am here today to express my **support** for Senate Bill 935, which seeks to establish regional transportation authorities to improve infrastructure and transit across Maryland. However, I urge the committee to consider **amendments** that mitigate the financial burden on everyday consumers.

SB0881 is a well-intended bill that recognizes the urgent need for better roads, public transit, and transportation planning. Creating dedicated regional transportation authorities ensures that each area's specific transit needs are addressed, leading to more effective and responsive solutions. Additionally, the establishment of regional transportation funds provides a sustainable financial model for infrastructure investment.

However, as currently written, the bill places a heavy burden on consumers and small businesses through its proposed sales tax, hotel surcharge, and property transfer tax increases. These funding mechanisms, while effective, disproportionately impact working-class families, renters, homebuyers, and local businesses. Instead of relying on broad-based consumer tax increases, I propose the following amendments:

Proposed Amendments:

1. **Reduce or Cap the Sales Tax Surcharge** – Instead of applying a flat surcharge across all purchases, consider a **tiered tax system** that exempts essential goods (e.g., groceries, medicine, childcare services) to protect low-income households.
2. **Alternative Revenue from High-Income or Large Businesses** – Implement a **corporate transportation impact fee** that applies only to **large corporations** benefiting from improved infrastructure, rather than increasing general consumer costs.

3. **Adjust the Hotel Tax to Focus on Luxury and High-End Lodging** – Instead of a **blanket** hotel tax increase, apply higher surcharges to **luxury accommodations**, while exempting budget-friendly hotels to avoid discouraging tourism for middle-income travelers.
4. **Modify the Property Transfer Tax to Reduce Burden on First-Time Homebuyers** – Implement **exemptions or reductions** for first-time homebuyers and primary residence transactions while maintaining higher rates on commercial property transfers and investment sales.

These amendments ensure that regional transportation improvements move forward without disproportionately impacting everyday Marylanders. The goal of SB0935 should be to create a sustainable funding structure that balances economic fairness with infrastructure investment.

I urge the committee to adopt these modifications and pass SB0935 in a way that supports transportation development without creating unnecessary financial strain on working families.

Thank you for your time and consideration.

Respectfully submitted,

Maureen Wambui

MBIA Letter of Oppositon SB 935.pdf
Uploaded by: Lori Graf
Position: UNF

MARYLAND BUILDING INDUSTRY ASSOCIATION
11825 West Market Place | Fulton, MD 20759 | 301-776-6242

March 5, 2025

The Honorable Guy Guzzone
Chairman, Budget and Taxation Committee
3 Miller West Senate Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition SB935 - Transportation - Regional Authorities - Established

Dear Chair Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding SB935 - Transportation - Regional Authorities - Established. MBIA **Opposes** the Act in its current version.

This bill establishes three new regional transportation authorities for the Baltimore Region, Capital Region, and Southern Maryland Region, each covering specific counties. These authorities will be responsible for developing and implementing regional transportation plans, overseeing transportation programs, and advocating for transportation needs.

The bill also allows counties in these regions to impose additional sales tax surcharges (up to 1%), hotel surcharges (up to 2%), and property transfer tax surcharges (up to 0.15%) to fund transportation projects. The concern from the industry is how the transportation funds in the proposed bill will be financed, which calls for new surcharges, specifically a property transfer tax surcharge. In the last two years, both Anne Arundel and Montgomery County have increased their recordation and transfer taxes. This comes at a time when we are facing a housing crisis from both an inventory and affordability standpoint. Adding surcharges at a time when goods are skyrocketing is not going to incentivize consumers to spend more.

These surcharges will only add to the bottom-line costs of goods, regulation and high cost are synonymous with the state of Maryland. Economic development should be the focus, looking at ways to create new commercial tax bases as opposed to adding to the cost of an already high state to live and conduct business in.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget and Taxation Committee

BRTC Testimony -- Senate BandT - SB 935 - March 5
Uploaded by: Jon Laria
Position: INFO

BALTIMORE REGIONAL TRANSIT COMMISSION

Letter of Information to the Senate Budget & Taxation Committee

Hearing Date – March 5, 2025

Senate Bill 935: Transportation – Regional Transportation Authorities

Chair Guzzone, Vice-Chair Rosapepe, and members of the Committee, I am Jon Laria, Chair of the Baltimore Regional Transit Commission (BRTC), submitting this Letter of Information as to SB 935 on behalf of the BRTC.

The BRTC was created by the Maryland General Assembly to provide oversight and advocacy for the Baltimore regional transit system, operated by the Maryland Transit Administration (MTA), and to ensure that diverse stakeholder perspectives are represented in agency decisions. The BRTC includes representatives from local government, transportation, industry, business, transit riders, transit advocates, labor, and the Moore-Miller Administration.

In the context of SB 935, I am writing today to draw your attention to a study recently conducted for the BRTC titled "**Alternative Transit Governance and Funding Structures for the Baltimore Region"**. The BRTC commissioned this study because of increasing statewide interest in the viability of regional transit authorities, including by the 2022 Baltimore Metropolitan Council's Transit Governance and Funding Workgroup and the State's Transportation Revenue and Infrastructure Needs (TRAIN) Commission. The study is intended to provide a resource to decision-makers, including the Governor and General Assembly, as the State continues to evaluate alternative structures for transit governance and funding.

The BRTC-commissioned study is focused on the Baltimore regional transit system, whose current structure is highly unusual nationally, with MTA's status as a modal administration entirely within the Maryland Department of Transportation (MDOT). The MTA has no budget or operating independence, and also no governing board. Although the BRTC has been statutorily charged since 2023 with providing advocacy for MTA and limited oversight of the agency, it has no independent powers or direct authority over MTA's budget.

The BRTC-commissioned study identifies three alternative models for a new Baltimore regional transit authority and assesses the basic advantages and potential disadvantages of each. The study is necessarily a first step and not the final word on the merits of a new structure for delivery of transit services, let alone one for all regional transportation assets including but not limited to transit. As you know, SB 935 would immediately enact a bold new governing structure by creating three regional transportation authorities, for each of the Baltimore, Capital, and Southern Maryland regions. The BRTC believes this extremely complicated issue -- how we should fund and run major transportation and transit assets -- requires detailed and deliberate study. Therefore, it respectfully cautions against major restructuring without such prior study to identify and address myriad issues which need to be addressed.

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@BaltoMetroCo @Baltimore-Metropolitan-Council

Accordingly, the BRTC respectfully suggests that given the ongoing and intensifying interest in this topic, a formal workgroup should be formed to fully assess the potential for the bill's proposed restructure, before making the type of major structural changes it would effect.

Nonetheless, we strongly commend the sponsors for the introduction of a bill which puts this overdue issue squarely on the General Assembly's agenda, and especially for including potential additional sources of revenue for a badly-underfunded transportation system. Whether these mechanisms or alternatives are ultimately adopted, we applaud and appreciate the opportunity for a full and actionable discussion of a governance and funding structure other than our current one.

The BRTC welcomes the more comprehensive discussion that SB 935 is sure to provoke and provide, and hopes the BRTC-commissioned study can contribute to that discussion.

SB0935-BT_MACo_LOI.pdf
Uploaded by: Kevin Kinnally
Position: INFO

Senate Bill 935

Transportation - Regional Authorities - Established

MACo Position:

LETTER OF INFORMATION

To: Budget and Taxation and Finance Committees

Date: March 5, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) takes no position on SB 935 but urges the Committee to consider critical policy concerns. This bill proposes Regional Transportation Authorities and new transportation-related surcharges to support transportation infrastructure. While regional collaboration benefits long-term planning, this framework requires significant revision to ensure that local governments — who own and maintain 83% of Maryland's roadways — play a direct role in decision-making.

Counties are prohibited from levying local-option transportation revenues and instead rely entirely on State-levied funds. Despite multiple transportation revenue increases, the State has failed to restore Highway User Revenues (HUR) to sustainable levels. The proposed fiscal 2026 budget still falls far short of pre-recession funding, leaving counties struggling to maintain existing infrastructure, much less invest in broader regional initiatives.

Any discussion of new transportation revenue mechanisms must first acknowledge the State's long-standing obligation to support local infrastructure. Local roads make up most of Maryland's transportation network, yet they remain chronically underfunded. Without a meaningful reinvestment in HUR, counties cannot sustain safe and reliable roadways, let alone take on additional regional funding obligations.

This bill raises concerns regarding governance, fiscal accountability, and funding distribution. New tax surcharges and bonding mechanisms require careful oversight to ensure equitable and transparent fund allocation. Without a clear governance structure that includes county leadership, this framework risks diverting resources away from local needs and further fragmenting an already complex funding system.

Maryland must address its transportation funding shortfall in a way that remains both sustainable and equitable. If regional transportation authorities move forward, counties must play a direct role in governance, revenue allocation, and project prioritization — rather than serving merely as funding sources without a voice. MACo remains committed to working with the General Assembly to refine this framework and ensure that local transportation priorities receive full consideration.

SB0935 - LOI - Transportation - Regional Authoriti
Uploaded by: Matt Mickler
Position: INFO

MARYLAND DEPARTMENT OF TRANSPORTATION

Wes Moore
Governor

Aruna Miller
Lieutenant Governor

Paul J. Wiedefeld
Secretary

March 5, 2025

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

RE: Letter of Information – Senate Bill 935 – Transportation – Regional Authorities - Established

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 935 and offers the following information for the Committee's consideration.

SB 935 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. Unlike other bills introduced this Session,[1] SB 935 does not direct funds to local governments, but rather the bill authorizes a county in the region subject to the regional authority to impose, by law, a surcharge on retail sales, hotel lodgings, and the use of tangible personal property, a digital code, a digital product, or a taxable service within the county, subject to certain limitations.[2] 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 regional authorities to develop transportation plans and to fund priority projects and permits the regional authorities to construct the facilities in the plan. The authorities are further directed to make recommendations to MDOT regarding transportation funding and financing issues.

SB 935 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

[1] Notably, Senate Bill 881 and its cross file, House Bill 1370.
[2] Further, these bills differ in how transfer taxes for the transfer of real property may be collected and applied by the regional authorities or participant counties.

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

SB 935 authorizes the regional authorities to 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 the regional authorities not be included as one of the parties responsible for the ongoing implementation and operation of transportation facilities.

Finally, SB 935 should consider evaluation and prioritization of projects. 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 935.

Respectfully submitted,

Joe McAndrew
Assistant Secretary for
Planning and Project Delivery
Maryland Department of Transportation
410-863-1395

Matthew Mickler
Director of Government Affairs
Maryland Department of Transportation
410-865-1090

Local 1300 Position Statement on Regional Transpor

Uploaded by: Michael McMillan

Position: INFO

Amalgamated Transit Union Local 1300

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Proudly representing the transit workers of the MTA!

2025 Legislative Position on All Regional Transportation Authority Bills

HB 1370 - Transportation - Regional Transportation Authorities
SB 881 - Transportation - Regional Transportation Authorities
SB 935 - Transportation - Regional Authorities - Established

INFORMATIONAL
March 4th, 2025

ATU Local 1300 represents over 3,000 transit workers at the Maryland Transit Administration (MTA). This includes bus operators, bus mechanics, rail operators, rail maintenance workers, and more. Our members keep Maryland moving every day.

ATU Local 1300 strongly supports efforts at finding additional revenue that could help support the transportation operations and infrastructure of Maryland. It is an urgent need that can not be ignored. With that in mind, we applaud the multiple bills introduced in 2025 that seek to expand the taxing authority of different regions to fund additional transportation projects and services.

Unfortunately, we have concerns that pursuing these approaches may pit regions against each other and undermine the collective bargaining power of existing and future transit workers.We hope to explain some of those concerns below.

Are These Authorities Operators?
HB 1370 / SB 881 seems to emphasize that these entities are for financing the construction of transit projects and advice, but we have concerns with the broad language around entering into contracts or creating and being members of corporations that could leave the door open for these transportation authorities to one day become transit operators themselves. For example, 10.5-206 (A)(9) states that the authority may, “fix and collect rates, rentals, fees, royalties, and charges for services and resources it provides or makes available.” This may be bog standard authority language, but it leaves open possibilities we are concerned about.

The nation’s capital region had a fully unified bus system in 1972, just fifty years later there are more than a dozen transit operators working and often competing with each other in the same region. We must oppose any possibility that these transportation authorities could be new entities that actually operate and maintain or contract with entities to operate and maintain transit service until there has been enough time to understand the long term consequences of this approach.

We believe that a simple fix to this problem is to explicitly add language barring the transportation authorities from operating or maintaining transportation service, or entering into contracts to do the same. In short, we believe that Maryland suffers from a lack of frequent and reliable transit service, not from a shortage of independent transit operations authorities.

Are the Workers at these Authorities Able to Unionize?
As it is written, these transportation authorities are bodies politic and corporate and are instrumentalities of the state. Yet, because they were not named in the state's Public Employees Relations Act (PERA) of 2023 and are excluded from the National Labor Relations Act, these workers employed by these Authorities would have no rights to unionize. Maryland already has too many workers excluded from these basic rights. We encourage you to correct this oversight, by applying the PERA article to them as well.

How Does This Interact with Section 13C Urban Mass Transportation Act Protections?
13C Overview from the Federal Department of Labor:

> *"When federal funds are used to acquire, improve, or operate a mass transit system (public transportation), federal law requires arrangements to protect the interests of mass transit employees. 49 U.S.C. § 5333(b) (formerly Section 13(c) of the Urban Mass Transportation Act). Section 5333(b) specifies that these protective arrangements must provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, the continuation of collective bargaining rights, the protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs. 49 U.S.C. § 5333(b)(2). The Department of Labor (DOL) must certify that protective arrangements are in place and meet the above requirements for all grants of assistance under of the Federal Transit Law before the Department of Transportation's Federal Transit Administration (FTA) can release funds."*

If these new transportation authorities are created how would it impact the existing transit workforces protected by these Federally mandated arrangements?

Why Does It Explicitly Allow for Recommending Public Private Partnerships?
The language in HB 1370 / SB 881 explicitly states that the authorities can recommend "public-private transportation projects." After Maryland's disastrous experience with the purple line construction and delivery, it seems absurd to enshrine this type of approach in law.

How Would the Baltimore Regional Transportation Authority Envisioned in this Bill Interact with the Baltimore Regional Transit Commission and other Proposals for a Baltimore Regional Transit Authority?
For the last half decade, there have been multiple proposals for "regionalizing" the bus, light rail, and heavy rail transit in the greater Baltimore area. Calls typically propose creating a Baltimore Regional Transit Authority (or BRTA), akin to the Washington Metropolitan Area Transit Authority (WMATA). This would be an entity distinct from the Maryland Transit Administration (MTA). As part of the compromises towards granting Baltimore residents more control over their transportation service, a Baltimore Regional Transit Commission (BRTC) was formed to provide advice and input regarding transportation plans. How would the newly proposed authority in these bills interact with the existing BRTC? Both appear to be assigned conflicting planning oversight roles, but only the BRTA has direct revenue raising, bonding, and transit project funding ability.

ATU Local 1300 has a complicated relationship to regionalization. Our members used to work at the Baltimore Transit Company before it eventually became the Maryland Transit Administration. We have concerns about what regionalization might do to the state's pension liabilities. We also have concerns about maintaining our collective bargaining rights. That is part of the reason for years we have urged further study and answers to our questions before anyone moves forward with such approaches.

To address some of our concerns with past legislation, ATU Local 1300 was granted non-voting representation on the Baltimore Regional Transit Commission. If these powers and duties shift over to the BRTA proposed in these bills, we lose our representation and voice.

Conclusion

Thank you for your patience and understanding. We cannot emphasize enough how important the revenues that these entities could raise are to the future of transportation in Maryland. Unfortunately, before we could support such a proposal we need firm answers to our concerns.