

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 200 (Senators Pinsky and Peters)

Budget and Taxation and Education, Health,
and Environmental Affairs

State Finance and Procurement - Prohibited Appropriations - Magnetic
Levitation Transportation System

This bill prohibits the State (or any unit or instrumentality of the State) from using any appropriation for a magnetic levitation (Maglev) transportation system located or to be located in the State. The bill also prohibits a proposal for a Maglev system from including the use of any Amtrak or CSX Transportation right-of-way and prohibits a public or private entity that receives money from the State from authorizing a permit or giving any other form of approval for a Maglev system. **The bill takes effect June 1, 2019.**

Fiscal Summary

State Effect: No immediate effect. There are no current plans to appropriate funding for a Maglev system; however, the bill could have an effect on any future Maglev project. For example, the bill's requirements likely make the proposed Baltimore-Washington Superconducting Magnetic Levitation (SCMAGLEV) Project difficult or impossible to implement, as discussed below.

Local Effect: No immediate effect, as discussed below.

Small Business Effect: None.

Analysis

Current Law/Background: For information on the status of Maglev transportation projects in the State, please see **Appendix – Magnetic Levitation Systems in Maryland.**

In general, state regulatory authority over railroads is preempted by federal regulatory authority, because most remaining railroads in the United States are inherently a form of interstate transportation.

State/Local Fiscal Effect: While the bill does not directly prohibit the construction of a Maglev system in the State, it does establish restrictions that make the proposed SCMAGLEV Project difficult or impossible to implement. For example, under the bill, public funding from a State or local source is expressly prohibited for a Maglev system. In addition, public and private entities (which includes local governments) that receive money from the State are prohibited from issuing permits or other forms of approval for a Maglev project. It is unclear how any Maglev project could proceed under these and the other provisions of the bill. Thus, State and local finances are affected in future years to the extent that the project would have been constructed in the absence of the bill.

This analysis assumes that the Maryland Department of Transportation can continue to use federal funds to conduct the environmental impact study that is currently underway, as described in the Appendix.

Additional Information

Prior Introductions: SB 1003 of 2018, a bill with similar provisions, received a hearing in the Senate Finance Committee, but no further action was taken.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Anne Arundel County; Department of Budget and Management; Department of General Services; Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2019
mm/lgc

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Appendix – Magnetic Levitation Systems in Maryland

Magnetic Levitation Trains – Generally

Unlike traditional steel wheel trains that travel along rails, magnetic levitation (Maglev) trains use superconducting magnets to levitate train cars. Magnets attached to the train interact with magnets along rails within a concrete guideway to propel the train. The [U.S. Department of Energy](#) (DOE) reports that a Maglev train can travel at speeds of up to 375 miles per hour with very little turbulence compared to steel wheel trains. DOE also notes that Maglev trains are safer than traditional trains; for example, traditional train derailments that result from cornering too quickly are nearly impossible. Several countries have implemented Maglev train systems, including Germany, Japan, and South Korea, and many others have explored the prospects of doing so.

History of Maglev in Maryland

The federal Transportation Equity Act for the 21st Century (TEA-21), which was signed into law in 1998, authorized federal funding to implement a Maglev system in the United States. Funding through TEA-21 lapsed in 2003, and although the Act did not result in the implementation of a Maglev system, several states explored the costs and benefits of doing so. Maryland was particularly interested because a Maglev system could significantly reduce the travel time between Baltimore City and the District of Columbia.

The Maryland Department of Transportation (MDOT) began to devote funding to the development and evaluation of a Maglev system in fiscal 2001. At that time, the Federal Railroad Administration (FRA) and MDOT commenced the Environmental Impact Study (EIS) for the project, which is required by the National Environmental Policy Act (NEPA).

The final EIS was never published, however, because State legislation enacted in 2003 and 2004 prohibited the funding of a Maglev project following the final report of the Task Force to Evaluate the Development and Construction of a Magnetic Levitation Transportation System. In its final report, which was issued in 2003, the task force noted that, among other challenges, a significant amount of funding would be required to implement a Maglev system in Maryland. As a result, during the 2003 session, the General Assembly prohibited spending any State funds to study, develop, or construct a Maglev system and required the enactment of legislation prior to any agreement to construct or operate such a system. During the 2004 session, these provisions were modified to prohibit any State or federal funding for any phase of a Maglev project after

July 1, 2005. The Budget Reconciliation and Financing Act of 2011, however, repealed these prohibitions.

Current Status of Maglev in Maryland

The Baltimore-Washington Superconducting Magnetic Levitation (SCMAGLEV) Project, which has been proposed by a private company, is a proposed Maglev train system between Baltimore City and the District of Columbia, with an intermediate stop at the Baltimore/Washington International Thurgood Marshall Airport. In 2016, MDOT was awarded \$27.8 million by FRA to conduct the required EIS, and that analysis is currently underway. The *Consolidated Transportation Program* for fiscal 2019 through 2024 estimates that the EIS will be completed in fiscal 2020. Additional information about the project can be found on the [Baltimore-Washington SCMAGLEV Project website](#).