

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1238 (Delegates Williams and Valentino-Smith)
Environment and Transportation

Transportation - Magnetic Levitation Projects - Requirements

This bill generally prohibits (1) a privately owned transportation project that includes the construction of a railroad powered by a magnetic levitation (Maglev) propulsion system from being constructed in the State and (2) the State from authorizing the use of or access to a State right-of-way or State property for such a project, unless the project owner (1) provides the affected counties with a complete list of any private property that will need to be condemned as part of the project and (2) receives express consent for the project from a majority of the affected counties. The bill also requires the project owner to provide a bond to each affected county that meets specified requirements. **The bill takes effect June 1, 2020.**

Fiscal Summary

State Effect: No immediate effect. However, the bill could have an effect on any future Maglev project. For example, the bill could result in the delay or cancellation of the proposed Baltimore-Washington Superconducting Magnetic Levitation (SCMAGLEV) Project, as discussed below.

Local Effect: No immediate effect, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary: The project owner of a Maglev system must provide a bond to each governing body of a county affected by the project that is:

- payable to the county;
- issued by an approved surety;
- in a form determined by the affected county; and
- conditioned on the project owner covering any liability for damages to land or infrastructure that is directly caused by the construction or operation of the project or related to project failure; and
- in an amount based on an independent analysis commissioned by the affected county of the potential cost of the liability for damages required to be covered, as specified.

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

State Fiscal Effect: The bill likely affects the proposed SCMAGLEV project. The current [project study area](#) includes Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George’s counties. The project is likely to affect some or all of these counties and, under the bill, a majority of the affected counties must approve of the project in order for the project to move forward.

Any potential impact on the State cannot be reliably estimated at this time because it depends on numerous unknown factors, including (1) to what extent the project moves forward even in the absence of the bill; (2) to what extent the State is involved with the project in future years; (3) where the SCMAGLEV project ultimately takes place; and (4) whether the affected counties give consent for the project.

For example, if, under the bill, the affected counties give consent for the project, the bill may have no direct effect on State finances. On the other hand, if a majority of affected counties do not give consent for the project, State expenditures may decrease if the State would otherwise assist with the construction of the project in any way, and State revenues may decrease if the State would otherwise lease State-owned rights-of-way or property for use by the project.

Local Fiscal Effect: As previously discussed, the SCMAGLEV project is in the study and planning stages. Similar to the effect on the State, any potential impact of the bill on local governments cannot be reliably estimated at this time.

Even so, the bill could potentially impact local finances in a number of ways. For example, if the project is disapproved by a majority of local governments, local revenues from the leasing of locally owned rights-of-way or property may be forgone. If the project is approved, revenues may increase if project construction causes damages and a local government is reimbursed from the bonds required by the bill.

Additional Information

Prior Introductions: HB 765 of 2019, a similar bill, received a hearing in the House Environment and Transportation Committee, but no further action was taken. Its cross file, SB 914, was referred to the Senate Rules Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): Baltimore City; Anne Arundel, Baltimore, Montgomery, and Prince George's counties; Maryland Association of Counties; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2020
an/lgc

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Appendix –Magnetic Levitation Transit 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.

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; however, the analysis has been [paused by FRA](#). Additional information about the project can be found on the [Baltimore-Washington SCMAGLEV Project website](#).