

May 28, 2021

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, Maryland 21401

Dear Mr. President and Madam Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have vetoed House Bill 114 and Senate Bill 199 – *Transportation – Maryland Transit Administration Funding and MARC Rail Extension Study (Transit Safety and Investment Act)*.

Nearly every revenue source for Maryland's Transportation Trust Fund (TTF) has been adversely impacted by the COVID-19 pandemic. These revenue declines have underscored the imperative that MDOT retain the flexibility to respond to changing economic conditions. Since its inception in 1971, one of the greatest strengths of the TTF is that it provides one consolidated fund for all transportation revenues and expenses. As such, the TTF provides the MDOT Maryland Transit Administration (MDOT MTA), as well as all business units of MDOT, a diverse set of revenue sources to better weather economic downturns. It is due to this flexibility that MDOT was equipped to avoid some of the drastic impacts, such as layoffs of State employees and additional project delays, felt by transportation departments and transit agencies across the country during the pandemic. Had this legislation been in place as the pandemic hit, MDOT would not have had the flexibility to shift funds and would have been forced to lay off valuable employees and/or further delay and even cancel critical projects across the State.

MDOT has, and continues to, prioritize statewide transit access, recognizing the state of good repair needs of the MDOT MTA. MDOT is planning to continue developing a robust transit system, as evidenced by the recently released Central Maryland Regional Transit Plan and Capital Needs Inventory, and MDOT is even now developing a Statewide Transit Plan and State Rail Plan. The 2021-2026 Consolidated Transportation Program (CTP) has outlined \$3.1 billion in funding for

the MDOT MTA and, despite the COVID-19 impacts, more dollars have been put towards transit in future years than in any previous year. To recognize and support the needs of MDOT MTA, MDOT has already appropriated the funding in the CTP for FY 23 and FY 24 as identified in House Bill 114 and Senate Bill 199. As this legislation spans beyond the current CTP, mandating appropriations from FY 23 – FY 29, this legislation has an even larger impact as MDOT, and the State, works to recover from unprecedented revenue impacts of the pandemic. Transitions such as this one, which would occur over one CTP development cycle, would have a detrimental impact on the progress MDOT has made towards significantly recovering the budget.

Furthermore, House Bill 114 and Senate Bill 199 prescribe detailed actions to complete a study of a Western Maryland Rail Extension, a requirement that is duplicative of on-going efforts, as well as requires more onerous and costly tasks for unknown purposes, wasting taxpayer dollars in the process. As noted in the Department of Legislative Service's fiscal note for House Bill 114 and Senate Bill 199, the estimated cost of a Rail Extension Study is as much as \$1 million in both FY 2022 and FY 2023, and there is no clear path to accomplish the stated goals of House Bill 114 and Senate Bill 199 without expending significant resources in the future. This \$1 million is not currently budgeted in MDOT MTA's capital program for either FY 2022 or FY 2023.

No governor in the history of the state has invested more in transit. While our approach has been successful, it has never been clearer that funding mandates lead to bureaucratic paralysis and jeopardizes the ability of an agency to effectively protect and serve the public. Given the current state of the TTF and the loss of revenues due to the pandemic, MDOT must focus on maintaining the integrity of the State's transit system, roads, bridges, port, airports, and motor vehicles services. Considering these expenses, the current circumstances surrounding the State and MDOT budgets, and the loss of critical revenues, implementation of House Bill 114 and Senate Bill 199 is not feasible at this time.

For these reasons, I have vetoed House Bill 114 and Senate Bill 199.

Sincerely,

Lawrence J. Hogan Jr.
Governor