

HOUSE BILL 438

R2, B1, B5

2lr0566
CF 2lr1405

By: **Delegate Korman**

Introduced and read first time: January 20, 2022

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Washington Metropolitan Area Transit Authority – Funding Formulas –**
3 **Alteration**
4 **(WMATA Dedicated Funding Amendment Act of 2022)**

5 FOR the purpose of altering the amount of a certain appropriation the Governor is required
6 to make for the Washington Suburban Transit District; repealing a requirement that
7 a certain mandated appropriation be increased by a certain percentage each year;
8 requiring, subject to a certain contingency, that a certain mandated appropriation
9 be increased by a certain percentage each year; and generally relating to funding for
10 the Washington Metropolitan Area Transit Authority.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 10–205(f) and (g)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2021 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Transportation**

19 10–205.

20 (f) (1) Except as provided in paragraph (2) of this subsection, the Governor
21 shall include an appropriation in the annual budget of at least the amount specified in
22 paragraph (4) of this subsection for the sole purpose of providing grants to the Washington
23 Suburban Transit District to pay the capital costs of the Washington Metropolitan Area
24 Transit Authority.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (i) The Governor is not required to make the appropriation under
2 paragraph (1) of this subsection in a fiscal year unless the Department certifies to the
3 Governor in writing before the beginning of the immediately preceding fiscal year that the
4 Washington Metropolitan Area Transit Authority has submitted to the Department:

5 1. Performance and condition assessments and reports
6 regarding:

7 A. The safety and reliability of rapid heavy rail and bus
8 systems;

9 B. The financial performance of the Washington
10 Metropolitan Area Transit Authority as it relates to rail and bus operations, including fare
11 box recovery, service per rider, and cost per service hour;

12 C. The monthly ridership of rail and bus systems broken
13 down by Metrorail station, Metrorail line, bus route, and bus line;

14 D. Strategies to reduce costs and improve the Washington
15 Metropolitan Area Transit Authority's operational efficiency; and

16 E. The comparison of annual capital investments and
17 approved budgets; and

18 2. The Washington Metropolitan Area Transit Authority's:

19 A. Annual budget;

20 B. Annual independent financial audit;

21 C. Annual National Transit Database profile; and

22 D. Single audit reports issued in accordance with the
23 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
24 Federal Awards under 2 C.F.R. Part 200.

25 (ii) If the Commonwealth of Virginia or the District of Columbia
26 reduce the amount of dedicated capital funding for the Washington Metropolitan Area
27 Transit Authority, the Governor may reduce the appropriation under paragraph (1) of this
28 subsection by a proportional amount.

29 (iii) 1. The Governor shall withhold 35% of the appropriation
30 under paragraph (1) of this subsection if:

31 A. The Washington Metropolitan Area Transit Authority has
32 received a modified audit opinion as a result of an annual independent audit conducted in

1 accordance with Article XVI, Section 70 of the Washington Metropolitan Area Transit
2 Authority Compact under § 10–204 of this subtitle; and

3 B. The Department has not certified to the Governor in
4 writing before the beginning of the immediately preceding fiscal year that the Washington
5 Metropolitan Area Transit Authority has submitted in writing to the board of directors of
6 the Washington Metropolitan Area Transit Authority and the Maryland General Assembly
7 a satisfactory corrective plan that addresses the reasons for the modified audit opinion.

8 2. The Governor shall release the portion of the
9 appropriation withheld under subparagraph 1 of this subparagraph if the Washington
10 Metropolitan Area Transit Authority submits in writing to the board of directors of the
11 Washington Metropolitan Area Transit Authority and, in accordance with § 2–1257 of the
12 State Government Article, the Maryland General Assembly a satisfactory corrective action
13 plan that addresses the reasons for the modified audit opinion.

14 (3) The Governor shall make the appropriation under paragraph (1) of this
15 subsection from the Transportation Trust Fund.

16 (4) [(i) For the first fiscal year in which the mandated appropriation
17 under this subsection applies, the] **THE** appropriation under paragraph (1) of this
18 subsection shall equal at least the amount appropriated in the fiscal year [2019] **2022** State
19 budget as enacted for the Washington Suburban Transit District to pay the capital costs of
20 the Washington Metropolitan Area Transit Authority.

21 [(ii) For each fiscal year after the first fiscal year in which the
22 mandated appropriation under this subsection applies, the appropriation under paragraph
23 (1) of this subsection shall be equal to the amount of the appropriation for the preceding
24 fiscal year increased by 3%.]

25 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
26 as follows:

27 Article – Transportation

28 10–205.

29 (g) (1) **(I)** [The] **FOR FISCAL YEAR 2024, THE** Governor shall include in
30 the State budget an appropriation for the purposes specified under paragraph (2) of this
31 subsection of \$167,000,000 from the revenues available for the State capital program in the
32 Transportation Trust Fund.

33 **(II) FOR FISCAL YEAR 2025 AND EACH FISCAL YEAR**
34 **THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AN**
35 **APPROPRIATION FOR THE PURPOSES SPECIFIED UNDER PARAGRAPH (2) OF THIS**

1 **SUBSECTION EQUAL TO THE AMOUNT OF THE APPROPRIATION FOR THE PRECEDING**
2 **FISCAL YEAR INCREASED BY 3%.**

3 (2) The Department shall provide an annual grant [of at least
4 \$167,000,000] **EQUAL TO THE APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF**
5 **THIS SUBSECTION** to the Washington Suburban Transit District to be used only to pay the
6 capital costs of the Washington Metropolitan Area Transit Authority.

7 (3) The grant required under paragraph (2) of this subsection is in addition
8 to the appropriation required under subsection (f)(1) of this section.

9 SECTION 3. AND BE IT FURTHER ENACTED, That:

10 (a) Section 2 of this Act may not take effect until similar Acts are passed by the
11 Commonwealth of Virginia and the District of Columbia.

12 (b) The Commonwealth of Virginia and the District of Columbia are requested to
13 concur in this Act of the General Assembly by the passage of substantially similar Acts.

14 (c) The Department of Legislative Services shall notify the appropriate officials
15 of the Commonwealth of Virginia, the District of Columbia, and the United States Congress
16 of the passage of this Act.

17 (d) On concurrence in this Act by the Commonwealth of Virginia, the District of
18 Columbia, and the United States Congress, the Governor of the State of Maryland shall
19 issue a proclamation declaring Section 2 of this Act valid and effective and shall forward a
20 copy of the proclamation to the Executive Director of the Department of Legislative
21 Services.

22 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this
23 Act, this Act shall take effect June 1, 2022.