

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 465

(Senator M. Washington)

Budget and Taxation

Rules and Executive Nominations

**Transportation – Commission to Study Establishing a Baltimore Regional
Transit Authority**

This bill establishes the Commission to Study Establishing a Baltimore Regional Transit Authority. The commission must conduct a comprehensive study of establishing a Baltimore Regional Transit Authority and submit a report of its findings and recommendations to the Governor and the General Assembly by October 31, 2024. **The bill takes effect July 1, 2023, and terminates June 30, 2025.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase significantly – likely by more than \$1.0 million over the two-year period (FY 2024 and 2025) – for the Maryland Department of Transportation (MDOT) to engage contractual assistance to staff the commission and complete the required study, as discussed below. Revenues are not affected.

Local Effect: Local governments can cooperate with the commission as necessary and appropriate using existing budgeted resources. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: The study must:

- define the purpose and goals of the transit authority, including how the transit authority would serve the needs of the community and support economic development;
- outline the specified powers and responsibilities of the transit authority, including the authority to acquire and operate transit systems, levy taxes or fees, and enter into contracts with other entities;
- specify the structure and governance of the transit authority, as specified;
- identify potential impacts to existing labor and service contracts with the Maryland Transit Administration (MTA) and locally operated transit systems;
- develop a workforce model and best practices to ensure staff well-being and expertise in delivering high quality service;
- identify potential funding sources for the transit authority, including eligibility for federal and State grants and the ability to be a direct recipient of Federal Transit Administration (FTA) funds;
- develop a funding model with recommendations on potential transit revenues, including taxes, fees, fares, and innovative revenue sources;
- obtain input from specified stakeholders to ensure the transit authority meets the needs of the community;
- consider any potential impacts on existing transit systems or agencies and offer strategies to minimize disruptions or negative impacts to those systems or agencies; and
- ensure compliance with relevant federal, State, and local laws and regulations by consulting with legal counsel to ensure the transit authority would be properly established and operated as a direct recipient of FTA funding.

Current Law: MTA operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore City and other services such as the light rail, Baltimore Metro subway, commuter buses, MARC trains, and mobility/paratransit vehicles. MTA is also responsible for hundreds of transit stations.

State Expenditures: Although the bill does not specify which agency must staff the commission, for purposes of this analysis, it is assumed that MDOT, as the State's transportation agency, must do so. It also assumes the Secretary of Transportation serves as chair of the commission. MDOT advises that it plans to use consultants to staff the commission and perform the extensive research and analysis required to complete the comprehensive study required by the bill. Given the complexity and broad requirements of

the study and the numerous meetings needed to receive stakeholder input, a significant number of consultant hours are anticipated. Therefore, TTF expenditures increase significantly over the two-year period covered by the bill (with most costs likely to occur in fiscal 2024). MDOT advises that the total cost could be as much as \$1.9 million over the two-year period. While the Department of Legislative Services is unable to independently verify that estimate at this time, the total cost is likely to exceed \$1.0 million over the two-year period.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 491 (Delegate Bridges, *et al.*) - Appropriations and Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2023
rh/lgc Third Reader - April 6, 2023

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