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Appropriations Committee

Subcommittees

Public Safety and Administration

Oversight Committee on Pensions



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Transportation – Regional Transportation Authorities (HB 924)
Testimony of Delegate Ryan Spiegel – Favorable

Thank you Mr. Chairman, Madam Vice Chair, and members of both committees.

The striking and unfortunate reality is that there is currently no viable path to funding the large transportation projects in Maryland that have been on the books for many years and which are critical to serving millions of our residents and to unlocking access and economic opportunity.

While the Administration's supplemental budget for FY2025 offers much-needed and welcome stopgaps to avoid the need for draconian cuts to important programs like Highway User Revenues (HUR), Locally Operated Transit Systems (LOTS), WMATA, and other critical transportation funding for FY 2025 – cuts that were proposed in the original draft CTP late last year – the supplemental provides only a one-year reprieve. And that's mostly just operating funds and local disbursements, without advancing the construction of major transportation projects. We are going to be right back at the precipice of this Fiscal Cliff in FY2026 if we don't explore bold alternatives to fund our extensive transportation needs.

One such alternative that has proven successful in places like Northern Virginia is the establishment of regional transportation authorities. You'll hear more from our panel testimony about how the Northern Virginia Transportation Authority (NVTA) works, and how it has generated hundreds of millions of dollars annually, both for overall regional transportation projects and for individual jurisdictions within the region.

HB 924 reflects an effort to address Maryland's massive longer-term shortfall in funding for the State's Consolidated Transportation Program (CTP), which is currently projected to exceed \$3 billion in the next five or six years.

The bill identifies and defines three regions for establishing transportation authorities – a Baltimore region, a Capital Region in the suburbs of DC, and also a Southern Maryland region in light of the Southern Maryland Rapid Transit Project. The idea was to focus on those counties where large-scale transportation project investment has been identified and planned for, and would serve the largest number of people as we project future growth and needs—and where the current state transportation funding model has left us with no resources to construct these much-needed projects.

We also endeavored to ensure broad and varied representation on the authority boards, including state, county, and municipal representatives in each region—which promotes regional choice and allows authorities to address unique needs in the different regions. And I'll note that HB 924 has co-sponsors from Baltimore City and Frederick and Prince George's Counties, and has been cross-filed by Senator Nancy King.

Notably, HB 924 does not define or mandate any particular revenue source. Rather, it directs MDOT and the Comptroller's Office, working together, to study and recommend funding sources and mechanisms for these regional authorities.

I see this as the first step in a multi-phased effort. We start by establishing the existence of the authorities and the governance structure, and that's really all that the bill does at this point, because we recognize that this is a significant change to the way Maryland's state and local governments have handled the funding and construction of major transportation projects. By comparison, Virginia also took a number of legislative sessions to build their NVTAs in steps—first establishing the authority, and then over time implementing revenue generation models with multiple parts, and including ways to fairly and objectively prioritize projects for funding. HB 924 gets the ball rolling.

I also want to be clear that whatever revenue system may ultimately be established for these authorities down the road, the intent is that jurisdictions outside of the authority areas will not be subject to any potential taxes used to support the transportation project investments by authorities in their respective regions. Instead, this approach has the added benefit of avoiding situations where residents and businesses far outside of a region that would benefit from these investments are concerned about subsidizing them with statewide taxes. Instead, as in Northern Virginia, those *within* the regions that benefit from these investments would ultimately be the ones making it possible for these transportation projects to proceed. So, for example, folks in Western Maryland or the Eastern Shore aren't paying to fund a large transportation project advanced by the authority in the Baltimore region.

HB 924 also has language that prevents the state from relying on the investment of funds into or by regional authorities to offset or redirect allocations under existing formulas in state law, such as HUR. We need to maintain equity in the way that state resources are allocated. And the whole point of creating these regional authorities is to generate and use additional resources – to grow the pie for those regions that desperately need major transportation project funding – not merely to move the limited existing State funds from one pot to another.

Also important to note is that this bill does not encroach upon the authority of other state agencies or local governments when it comes to planning and constructing road and transit projects, environmental regulation, permitting, and other land use authority. We have the freedom to develop the operational details of these authorities in a way that is best for Maryland, borrowing best practices from other states where it makes sense, and customizing some aspects as needed. In Northern Virginia, their authority receives funds collected by the state under a set formula, allocates some of those funds directly to local jurisdictions under another set formula, and then uses objective processes to rank larger regional projects and provide funding for them.

Nor do these regional authorities encroach upon the purview of other transportation-related bodies that focus on planning, like the Transportation Planning Board (TPB) of the Metropolitan Washington Council of Governments (MWCOC) and the Baltimore Metropolitan Council (MPC), or those that focus on advocacy, like the Baltimore Regional Transit Commission (BRTC). We are not interested in reinventing the wheel. These regional authorities serve a different purpose—one which planning organizations and advocacy groups should be supporting, namely, to *deliver* funding for the implementation and construction of transportation projects. I would be open to potential amendments that call for the regional authorities to coordinate and consult with other bodies that have developed comprehensive plans for transportation management. Because I see

this as a multi-year effort, we welcome the opportunity to work with all stakeholders to flesh out the other aspects of these authorities as we go forward. I also appreciate that the TRAIN Commission continues its work to finalize its recommendations, and my hope is that this concept will also be seriously considered by the Commission.

If we want to be able to make long-term investments in transit and congestion relief in our densest and most rapidly growing regions, in order to unlock the potential for more jobs, housing, access to services, and quality of life in many of the economic engines for our state—not to mention the environmental benefits of reducing the number of cars idling in traffic and expanding reliable transit options—then we need to be genuine and serious about long term, sustainable solutions for transportation funding—and not just hope for the best from one year to the next.

The \$3 Billion shortfall in our existing state transportation funding model is, quite frankly, not sustainable. We all know that the funding formula for the Transportation Trust Fund (TTF), with its disproportionate reliance on gasoline tax revenue, is facing a bleak future as more drivers choose EVs and fuel-efficient vehicles and more workers are going remote.

So, thank you for your willingness to have this important discussion about the way forward to ensure our state can find a way to continue investing in the key transportation needs of Marylanders, for these regions and for the benefit of the entire state. I urge a favorable report, and I would be happy to take questions.