

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2596

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☒ Substitute ☐ Enrolled

2. Patron: Ebbin

3. Committee: Senate Privileges and Elections

4. Title: **Washington Metropolitan Area Transit Authority Compact.**

- 5. Summary:** In October 2008, a federal rail-safety improvement bill was passed that included funding authorization for the Metro operated by the Washington Metropolitan Area Transit Authority (WMATA). The legislation authorized \$150 million in federal funding per year for 10 years for WMATA to purchase Metro rail cars and buses, if the District of Columbia, Maryland, and Virginia each dedicate \$50 million per year to match the federal funding and certain federal oversight provisions that are added to the compact, including the addition of federally appointed members to the board of directors of WMATA. In order to be eligible for the funding, the three jurisdictions must amend the governance agreement on WMATA to reflect the new local commitment and oversight changes.

The proposed bill would amend the WMATA compact relating to board membership, officers, and payments, pursuant to the new federal law. The bill would require that all payments made for the purposes of matching federal funds for capital and preventative maintenance be derived from a source of funding that is dedicated or earmarked under state or local law to match such federal funds.

6. Fiscal Impact Estimates: Preliminary. See Item 8.

7. Budget Amendment Necessary: None.

- 8. Fiscal Implications:** The amendments to the compact are required in order for WMATA to be eligible for the federal funding authorized by the federal legislation. Should such federal funding be available, Virginia, Maryland, and the District of Columbia would need to match the \$150 million with \$50 million each.

The proposed legislation would require that the state make the matching payments from an earmarked funding source or a source required to be used to match federal appropriations.

9. Specific Agency or Political Subdivisions Affected: Department of Transportation,
Department of Rail and Public Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: This bill is similar to SB1511, but deviates in the approach to the addition of federally appointed members of the board of directors. As noted above, the federal legislation requires Virginia, Maryland and the District of Columbia to amend the governance agreement. A bill currently before the Maryland General Assembly is similar to SB 1511, in that the governance agreement awards voting powers to federally appointed members of the board of directors. The Senate substitute for HB 2596 is similar to a bill currently before the mayor of the District of Columbia, which grants voting powers to the federally appointed members only in years in which the federal government appropriates funding for Metro.

It is not clear what occurs to the federal funding and the required local match if the versions of the compact amendment passed by the three jurisdictions do not conform to one another.

In addition, the federal law requires a jurisdiction's funding match to be supplied from a dedicated funding source that is required under state or local law to be used to match the \$150 million annual payment. The Senate substitute for HB 2596 requires the funding match to be derived from a source of funding that is "earmarked or required under Virginia law to be used to match federal appropriations". The bill does not specifically link the source of funding to the \$150 million annual payment. As such, it is not clear if the bill's intent is that Virginia's match be provided from existing transportation funds and, if so, whether this will satisfy the federal requirement for a dedicated funding source for Metro.

Date: 2/19/2009 dpb/smc

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cc: Secretary of Transportation