

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB1586

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Watts

3. Committee: Transportation

4. Title: Washington Metropolitan Area Transit Authority; allocation of funds.

5. Summary: Provides that increases in service approved by the Washington Metropolitan Area Transit Authority (WMATA) Board shall not be included in the calculation of the annual increase in total operating expenses included in an approved WMATA budget

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

8. Fiscal Implications: The Commonwealth Transportation Board is required to withhold 35 percent of the operating and capital funding provided to WMATA through the Department of Rail and Public Transportation (DRPT) in any year where the annual increase in the approved WMATA budget exceeds three percent. Current statute exempts certain amounts within WMATA's budget from the calculation when determining if the annual increase exceeds three percent. Those items include: any service, equipment, or facility that is required by any applicable law, rule, or regulation; any capital project approved by the WMATA Board; and any payments or related to legal disputes that involve WMATA. This bill would add an exemption for service increases approved by the WMATA Board when calculating if the annual increase exceeds three percent. For reference, the amount of funding allocated for WMATA in FY 2020 under the DRPT is \$159,017,605; 35 percent of that amount would be \$55,656,161.

Without this legislation, service increases approved by the WMATA Board would be included in the determination of the increase in WMATA's budget. Given the financial penalty for exceeding a three percent increase, this could limit the ability for WMATA to provide increases in service. The extent to which this legislation would allow for WMATA to approve greater increases in service, and any resulting costs to the Commonwealth, is indeterminate.

9. Specific Agency or Political Subdivisions Affected: Department of Rail and Public Transportation; Commonwealth Transportation Board

10. Technical Amendment Necessary: No.

11. Other Comments: None.