

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS METRO DEDICATED FUNDING UPDATE AND FORECAST

This Memo is a recap of legislative activity at both state and federal levels concerning dedicated funding for WMATA; it also presents a preliminary conjecture as to what is expected to occur during the 2007 legislative sessions. A more complete update, after bills are filed, texts reviewed, and sponsors identified, will be provided at the February Board meeting.

FEDERAL

2006

During the 109th Congress, U.S. Representative Tom Davis (R-Va), with the support of the entire National Capital Region's congressional delegation, introduced H.R. 3496 authorizing \$1.5 billion dollars in federal funding for capital improvements and maintenance needs of Metro to be incrementally distributed over 10 fiscal years beginning FY07. The legislation required a non-federal match from dedicated state and local funding sources and was the result of several studies conducted by the GAO, Brookings Institution, the National Capital Region Transportation Planning Board, and a Blue Ribbon Panel commissioned by the Metropolitan Washington Council of Governments, the Greater Washington Board of Trade, and the Federal City Council to analyze the financial situation and needs of WMATA.

The legislation passed the House, but the Senate failed to act before the 109th Congress adjourned.

2007

COG staff, together with representatives of WMATA and the Board of Trade have had preliminary conversations with regional House and Senate staff members, discussing proposals for 2007. It is expected that dedicated funding legislation will shortly be introduced during the 110th Congress, which convened on January 4.

DISTRICT OF COLUMBIA

2006

On April 21, 2006 the Council unanimously passed B16-569, "Washington Metropolitan Area Transit Authority Fund Act of 2006", dedicating one half of one percent of the existing District of Columbia retail sales tax to provide funding for WMATA, which is estimated to raise \$50 million annually. This funding is conditioned upon like adoption in Maryland, Virginia, and passage of H.R. 3496 or similar legislation by Congress.

MARYLAND

2006

The Maryland General Assembly introduced a number of bills during the 2006 legislative session that dedicated varying portions of the existing Maryland sales tax to WMATA. None of the dedicated funding legislation passed; however, one of the pieces of legislation was amended to require the Maryland Department of Transportation to conduct a financially unconstrained study of the operating and capital needs for transit in Maryland for the next 20 years. A steering committee was formed and has held 3 hearings; Michael Knapp presented testimony as Chair of the Transportation Planning Board. A preliminary report analyzes Maryland's current funding for

transit and reviews funding mechanisms of certain other transit systems, but makes no proposals or suggestions for General Assembly consideration. A final report is expected to be released this month.

2007

At this time, COG has received no information of any bills having been pre-filed or introduced relating to Metro dedicated funding.

VIRGINIA

2006

During the 2006 session of the Virginia General Assembly, both the House and Senate introduced legislation that increased the sales and use tax in the five jurisdictions supporting WMATA (Alexandria, Arlington, Fairfax City, Fairfax County, Falls Church). The legislation passed in the Senate and failed in the House. In an extended session, other legislation involving WMATA dedicated funding was introduced, as well as other transportation funding legislation; all failed in both the regular session and a special session called last fall.

2007

There appears to be current consensus for WMATA dedicated funding. However, Senator Mary Margaret Whipple (D, Arlington) has indicated that she will be reintroducing her ¼ cent sales and use tax bill. This legislation would impose an additional ¼ cent sales and use tax for the five jurisdictions if approved by ordinance by the governing bodies of those localities, and would be used solely for each locality's financial obligation to WMATA.

In addition, there will be a Northern Virginia Regional Transportation funding bill which proposes a variety of revenue enhancement measures, including a requirement that the first \$50 million be set aside for Metro dedicated funding.