



## **Metro Dedicated Funding Update**

The Metropolitan Washington Council of Governments (COG), the Greater Washington Board of Trade and the Federal City Council jointly convened a special panel in 2004 to examine ways to establish dedicated funding for Metro, which is one of the few major transit systems in the nation without some significant source of dedicate funding.

The panel issued its report in January 2005 and was endorsed by both the COG Board of Directors and the National Capital Region Transportation Planning Board (TPB). It found that the transit system's stretched resources and capital funding shortages threaten WMATA's ability to sustain its existing aging system and support enhancement projects to meet growing demand and the lack of a dedicated source of revenue limits the region's ability to subsidize the system. In addition to recommending a regional dedicated revenue source, the panel determined that there should be Federal financial participation in addition to the existing funding provisions for capital extensions of the system.

In late 2005, legislation was introduced by Representative Tom Davis (R-VA) authorizing federal funding for capital improvements and maintenance needs of Metro. H.R. 3496 which would authorize \$1.5 billion dollars to be distributed over 10 fiscal years beginning in FY07 came with several caveats; the jurisdictions within the WMATA compact must regionally agree upon a source of matching dedicated funding from state and local governments, there must be a creation of an Inspector General to oversee and independently review and audit the operations of WMATA, and the appointment two additional Directors, selected by the Administrator of General Services, to the WMATA board. This legislation has been reported to the House and was placed on the Union Calendar.

The District of Columbia and the states of Maryland and Virginia have introduced legislation into their respective governing bodies.

### **DISTRICT OF COLUMBIA**

- **B16-569 "Washington Metropolitan Area Transit Authority Fund Act of 2006"**

The bill establishes a nonlapsing, dedicated fund, to be funded by .05% of retail sales tax revenue, to provide additional funding for maintaining and improving the transportation system of WMATA. This funding is conditioned upon like adoption in Maryland and Virginia and the federal passage of HR 3496. Language was modified such that now only an "equivalent amount of revenue" from Maryland and Virginia is required not an "equivalent amount of sales tax" as it was originally stated.

The legislation was passed by the Council and was signed by the Mayor on April 21<sup>st</sup>; it was transmitted for Congressional review on April 27, 2006 and has a projected DC Law Date of June 15, 2006.

## **MARYLAND**

- **HB 1345 "Transportation Funding - Mass Transit - Funding Study"**

Several bills specifically creating dedicated funding sources for WMATA were defeated or not acted upon. Instead, the Legislature required the Maryland Department of Transportation to conduct an analysis of operating and capital needs funding needs for transit in the State over a twenty year period; to review how transit services across the country are funded; and to identify State funding strategies to take advantage of potential new federal funding for WMATA.

This legislation was passed by the General Assembly on April 6<sup>th</sup>.

## **VIRGINIA**

There are several transportation funding line items and options currently included in the State's budget negotiations which would significantly impact transportation in Northern Virginia, and hence, the National Capital Region. Although the ultimate outcome of these negotiations is unclear, all the State Senate proposals relating to transportation, acknowledge in some fashion the need for dedicated funding for WMATA, and provide approximately \$50 million annually as reserved or identified for that purpose.