

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 527 (Delegate Charkoudian, *et al.*)
Environment and Transportation and
Appropriations

**Maryland Transit Administration - Purple Line - Free Ridership and
Advertising**

This bill requires the Maryland Transit Administration (MTA) to develop and implement a program to provide (1) for the first three months after transit service on the Purple Line begins, ridership on Purple Line transit vehicles at no cost to individuals residing within a 0.25-mile radius of the Purple Line track and (2) advertising space on Purple Line transit vehicles and at Purple Line transit stations at no cost to businesses located within a 0.25-mile radius of the Purple Line track.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by at least \$225,000 in FY 2028 and potentially significantly annually thereafter, as discussed below. Expenditures are not anticipated to be materially affected.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Meaningful.

Analysis

Current Law: MTA is a modal unit within the Maryland Department of Transportation (MDOT), and it operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services, such as the light rail, Baltimore Metro subway, commuter buses, MARC trains, and mobility/paratransit vehicles. Except for the

Washington Metropolitan Area Transit Authority, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State, including the Purple Line.

The Purple Line is a 16-mile light rail line that will connect Prince George's and Montgomery counties, offering a direct link to other public transit services. The Purple Line is tentatively scheduled to begin operations in late calendar 2027 (fiscal 2028). More information about the Purple Line can be found on the project website: <https://www.purplelinemd.com/>.

State Revenues: The bill decreases TTF revenues for MTA in two ways: (1) due to foregone fare revenues in fiscal 2028 only; and (2) due to foregone advertising revenues annually beginning in fiscal 2028. These effects are discussed below.

The bill's requirement to provide free service to individuals living within a 0.25-mile radius of the Purple Line track for the first three months after transit service on the Purple Line begins decreases TTF revenues by an estimated \$225,000 (\$75,000 per month) in fiscal 2028 only. This estimate is based on information provided by MTA regarding its anticipated use patterns for the transit line during its initial operations period.

The bill also requires MTA to provide advertising space on Purple Line transit vehicles and at Purple Line transit stations at no cost to businesses located within a 0.25-mile radius of the Purple Line track; however, unlike the free ridership provision discussed above, this requirement is ongoing. Accordingly, TTF revenues from foregone advertising revenues decrease, potentially significantly, beginning in fiscal 2028. A reliable estimate of the loss in revenues cannot be made without actual experience under the bill, as the impact ultimately depends on the type of advertising used and the number of businesses that take advantage of the free advertising program. However, given the amount of advertising space anticipated to be available in Purple Line transit stations and on Purple Line transit vehicles, the revenue loss could be significant.

Small Business Effect: Small businesses within a 0.25-mile radius of the Purple Line track benefit from being able to advertise for free on Purple Line transit vehicles and at Purple Line transit stations under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

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caw/lgc

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