

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 947

(Senator McCray)

Finance and Budget and Taxation

Environment and Transportation

Maryland Transit Administration Reform Act

This bill (1) repeals the Baltimore Regional Transit Commission (BRTC) established by Chapter 504 of 2023 and, instead, establishes two new oversight boards (for Baltimore area transit and commuter service, respectively) with similar duties and responsibilities; (2) establishes minimum staffing requirements for the two new oversight boards; (3) requires the Maryland Transportation Commission (MTC) to make qualification and compensation determinations for certain Maryland Transit Administration (MTA) employees; and (4) requires MTA to contract with the Baltimore Metropolitan Council (BMC) to complete a technical study by December 1, 2026, regarding the creation of a rail authority, as specified.

Fiscal Summary

State Effect: Known Transportation Trust Fund (TTF) expenditures for staffing and study costs increase by a net of \$319,500 in FY 2027; future year net increases range from \$210,500 in FY 2028 to \$310,100 in FY 2031. TTF expenditures likely increase further, potentially by as much as several hundred thousand dollars annually, depending on the compensation determinations made by MTC, as discussed below. Revenues are not affected.

Local Effect: Local government operations and finances are not directly affected.

Small Business Effect: Minimal or none.

Analysis

Bill Summary

Baltimore Regional Transit Commission Repeal and New Oversight Boards

The bill repeals BRTC and, instead, establishes the Board of Directors for Baltimore Core Transit Service and the Commuter Services Advisory Board, both in MTA, to generally oversee the transit services provided by MTA. The duties and responsibilities of BRTC are generally covered by the new duties and responsibilities established for the two boards. A more thorough discussion of each board's duties and responsibilities is included below; however, for both boards, MTA must:

- reallocate its staff to ensure sufficient support for the boards; and
- at a minimum, establish (1) a separate deputy administrator and an analyst for each board and (2) a support officer to be shared between the boards.

Board of Directors for Baltimore Core Transit Service

The Board of Directors for Baltimore Core Transit Service is established in MTA; "Baltimore Core Transit Service" means MTA's Baltimore-area local bus, light rail, metro-subway, and paratransit. The Maryland Department of Transportation (MDOT) and MTA must provide staff for the board, including a deputy administrator who must serve as the Executive Director and report directly to the MTA Administrator. MTA must provide office space for the board. A member of the board may not receive compensation as a member but is entitled to reimbursement for expenses. The bill establishes various duties, responsibilities, and administrative requirements for the board, including that the board must:

- approve major service plans, policies, and initiatives for Baltimore Core Transit Service and provide advice on major project initiatives, as determined by the board and MTA on a reasonable basis;
- review and approve MTA's operating and capital budget requests for Baltimore Core Transit Service and establish, in consultation with MDOT and MTA, a timeline for review and approval that meets specified requirements;
- have approval authority over specified decisions related to federal grant funding;
- provide input and engage in advocacy for Baltimore Core Transit Service;
- request, review, and evaluate specified performance data and information from MTA, and issue related written recommendations;
- review and/or approve various reports, plans, and services, as specified;
- organize, establish, and adopt various administrative policies and procedures;

- submit an annual report on system performance, trends, major projects, and other activities to specified committees of the General Assembly, make the report available to the general public, and ensure that the report is readily available on MTA’s website;
- discuss certain issues at least once each year, as specified; and
- meet at a time and place designated by the chair and meet as often as its duties require, but not less than quarterly.

Commuter Services Advisory Board

The Commuter Services Advisory Board is also established in MTA; “commuter service” means MARC train service and MTA’s commuter bus service. MDOT and MTA must provide staff for the board, including a deputy administrator who must serve as Executive Director and report directly to the MTA Administrator. MTA must provide office space for the board. A member of the board may not receive compensation as a member but is entitled to reimbursement for expenses. The board must:

- provide advice and guidance on MARC and commuter bus plans and policies;
- review and comment on major MARC and commuter bus service plans and updates;
- provide advice and guidance on the hiring and removal of the deputy administrator;
- review and comment on MTA’s operating and capital budget requests for MARC and commuter bus service and establish, in consultation with MDOT and MTA, a timeline for review and comment that meets specified requirements;
- submit an annual report on system performance, trends, major projects, and other activities to specified committees of the General Assembly, make the report available to the general public, and ensure that the report is readily available on MTA’s website; and
- meet at a time and place designated by the chair and meet as often as its duties require, but not less than quarterly.

Maryland Transportation Commission – Staffing Requirements

Notwithstanding any other provision of law, MTC must determine the qualifications and appointments, as well as compensation and leave, for up to 12 management personnel positions required by MTA to operate and administer all State-owned transit facilities. In making the determinations and appointments, MTC must consider the comparative status of employees serving in similar positions and discharging similar duties at comparable transit agencies, as specified. The bill establishes administrative processes for MTC to submit any salary increases to the Secretary of Budget and Management for review, as specified.

MTC employees appointed under the bill are State employees and must be entitled to participate in the retirement and pension systems for State employees.

Technical Study

MDOT must contract with BMC to complete a technical study by December 1, 2026, that:

- provides findings and considerations on the creation of a rail authority in Maryland, with the intent that this rail authority would be focused on financing for rail services;
- examines peer models that may provide insight for the findings and considerations, including models in the Commonwealth of Virginia and Austin, Texas;
- provides potential next steps to consider in the creation of a rail authority in Maryland; and
- ensures that current rail transit services remain under MTA and that funding options for a statewide rail authority do not undermine future financial support for Baltimore Core Transit Services.

BMC may consult with the Metropolitan Washington Council of Governments in completing the technical study.

Current Law:

Maryland Transit Administration – Reorganization

MTA is a modal unit within 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. Aside from the District of Columbia transit system, MDOT and MTA are generally the agencies responsible for the construction and operation of transit lines in the State.

Chapter 462 of 2025 established the Workgroup on the Reorganization of MTA to study the potential for reorganizing MDOT and MTA, including (1) options allowing MTA to continue providing local Baltimore City transit services, including light rail, subway, and bus services and the creation of a new unit or reorganization of the Office of the Secretary to provide statewide transit services; (2) the current contractual obligations and agreements of MTA and the necessary steps to transfer the obligations and agreements in the event of a reorganization of MDOT and MTA; and (3) the governance changes to MTA necessary to ensure that Baltimore City has the appropriate oversight and input into local Baltimore City transit service.

The bill implements several of the recommendations included in the workgroup's interim report, which can be found on [MTA's website](#). Chapter 462 requires the workgroup to submit a final report to the Governor and the General Assembly by December 1, 2026. By that same date, the workgroup must also submit to the Speaker of the House and the President of the Senate draft legislation to effectuate the workgroup's recommendations.

Maryland Transportation Commission

Established in 1971, MTC is comprised of 17 members: 10 members appointed by the Governor with the advice of the Secretary of Transportation and the 7 regional members of SRC who serve as *ex officio* members. MTC meets monthly; a summary of its meetings and activities can be found on [MDOT's website](#).

MTC must study the entire transportation system of the State and regularly discuss with the Secretary any matter relating to the State's transportation system. Each of the seven regional members of SRC must (1) conduct a continuing survey of the secondary highways in that member's region and (2) report on the highway needs and problems of that region to MTC. MTC may request from the Secretary any information relating to MDOT that is needed for MTC's studies, surveys, and deliberations. Further, MTC must advise and make recommendations to the Secretary and the heads of the units in MDOT on all matters that concern transportation policy formation and program execution.

The Baltimore Regional Transit Commission

Established by Chapter 504, BRTC must be staffed by BMC, and MTA must allocate funds for the operational expenses incurred by the commission, including funding for one senior planner and two junior planner staffing positions. BRTC must:

- provide input and engage in advocacy for the Baltimore region public transit systems maintained by MTA;
- request and review information from the Annual Attainment Report and MTA concerning the attainment of its goals, as specified, evaluate other performance measures, and issue related recommendations;
- review and comment on service change reports and major service change proposals on a quarterly basis;
- review and comment on MTA's annual operating and capital budget request for the Baltimore region, including bus, light rail, metro, commuter bus, MARC service, and paratransit as part of the development of the draft and final *Consolidated Transportation Program*;
- review and approve any update to the *Central Maryland Regional Transit Plan*;

- review and comment on the *Capital Needs Inventory Report*; and
- review local transit plans and services in the Baltimore region to ensure coordination between the local transit services and MTA.

In carrying out its duties, the commission must endeavor to ensure that MTA’s plans, budgets, decisions, policies, goals, priorities, operations, and services address the public transit needs of residents and businesses in the Baltimore region.

State Expenditures: TTF expenditures increase by a net of \$319,456 in fiscal 2027, reflecting known costs and savings associated with staffing and the study required by the bill. In addition, beginning in fiscal 2027, TTF expenditures likely increase further, potentially by up to several hundred thousand dollars annually, depending on the staff compensation determinations made by MTC. Additional detail about these known and unknown impacts of the bill on MTA’s operations and finances is provided below.

Staffing and Study Costs

The bill repeals BRTC and the required funding that MTA must provide for BRTC staff under current law, which is approximately \$500,000 per year. Instead, the bill establishes two new boards to generally oversee MTA operations in the Baltimore region, requires each board to have a separate deputy administrator and analyst, and requires the two boards to share a support officer. Additionally, the bill requires MDOT to contract with BMC to complete a technical study regarding the establishment of a rail authority.

Related to these provisions, net TTF expenditures increase by \$319,456 in fiscal 2027, which accounts for the bill’s October 1, 2026 effective date. This estimate reflects the cost of hiring the five staff required by the bill for the two new boards. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes \$375,000 in prorated savings due to the repeal of BRTC and a one-time cost of \$100,000 for MDOT to contract with BMC for the required study.

Positions	5.0
Salaries and Fringe Benefits	\$548,752
Study Costs	100,000
BRTC Savings	-375,000
Operating Expenses	<u>45,704</u>
Net FY 2027 TTF Expenditures	\$319,456

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The estimates also reflect the termination of the one-time cost for the study and ongoing savings of \$500,000 annually due to the repeal of BRTC.

Salary Costs for Specified Management Positions

The bill also requires MTC to determine qualifications and compensation for up to 12 management positions that operate and administer MTA's transit facilities. Depending on the determinations made by MTC, TTF expenditures likely increase further; however, any such impact cannot be reliably estimated without actual experience under the bill. The Department of Legislative Services notes, however, that the impact is likely to total no more than several hundred thousand dollars annually because these management positions already exist within MTA.

Additional Information

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

Designated Cross File: HB 1081 (Delegate Korman, *et al.*) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; Maryland State Archives; Maryland State Board of Elections; Maryland State Treasurer's Office; Judiciary (Administrative Office of the Courts); Department of Budget and Management; Department of General Services; Anne Arundel and Baltimore counties; Maryland Municipal League; Department of Legislative Services

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