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Chairman Phil Mendelson

Councilmember Charles Allen

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, the Department of Transportation Establishment Act of 2002 to require the Director to enter into an agreement with the Washington Metropolitan Area Transit Authority for fare-free Metrobus travel and expanded after-hours Metrobus service in the District, to establish the Fare-Free Bus Service Fund, and to establish the Bus Service Enhancement Fund; and to direct revised revenue to the Fare-Free Bus Service Fund and the Bus Service Enhancement Fund.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Fare-Free Bus Funding Temporary Amendment Act of 2022”.

Sec. 2. The Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.01 *et seq.*), is amended as follows:

(a) Section 3 (D.C. Official Code § 50-921.02) is amended by adding a new subsection (h) to read as follows:

“(h)(1) Within 60 days of the effective date of the Metro for D.C. Amendment Act of 2022, approved by the Committee of the Whole on December 6, 2022 (Committee Print of Bill 24-429), the Director shall enter into a fare buydown agreement with the Washington Area Metropolitan Transit Authority to facilitate:

“(A) The provision of fare-free Metrobus transportation within the District; and

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“(B)(i) Daily 24-hour Metrobus service on 12 Metrobus lines in the District, with a maximum of 20 minutes between any scheduled bus arrival at any stop.

“(ii) The 12 Metrobus lines shall be determined based on high ridership, with an emphasis on serving on major transportation corridors and activity centers.

“(2) The Director may amend the fare buydown agreement required by paragraph (1) of this subsection, or enter in additional fare buydown agreements, in order to expand the availability of Metrobus service within the District.”.

(b) New sections 11z and 11z-1 are added to read as follows:

“Sec. 11z. Fare-Free Bus Service Fund established.

“(a) There is established as a special fund the Fare-Free Bus Service Fund (“Fund”), which shall be administered by the Mayor in accordance with subsection (c) of this section.

“(b) Provided that the Chief Financial Officer certifies sufficient revenue pursuant to section 3 of the Fare-Free Bus Funding Emergency Amendment Act of 2022 are met, there shall be deposited into the Fund general retail sales tax revenue collected pursuant to Chapter 20 of Title 47 as follows:

“(A) In Fiscal Year 2023 -- \$11 million;

“(B) In Fiscal Year 2024 -- \$43.03 million;

“(C) In Fiscal Year 2025 -- \$45.18 million;

“(D) In Fiscal Year 2026 -- \$47.44 million; and

“(E) For each succeeding fiscal year after Fiscal Year 2026, an amount equal to 105% of the prior year’s amount.

“(c) Money in the Fund shall be used to support the fare buydown agreement entered into pursuant to section 3(h) of the Department of Transportation Establishment Act of 2002,

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approved by the Committee of the Whole on December 6, 2022 (Committee Print of Bill 24-429), to provide fare-free Metrobus transportation within the District and 24-hour daily Metrobus service on Metrobus lines as specified by the fare buydown agreement.

“(d)(1) The money deposited into the Fund but not expended in a fiscal year shall not revert to the unassigned fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

“(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

“Sec. 11z-1. Bus Service Enhancement Fund established.

“(a) There is established as a special fund the Bus Service Enhancement Fund (“Fund”), which shall be administered by the Department in accordance with subsection (c) of this section.

“(b) Provided that the Chief Financial Officer certifies sufficient revenue pursuant to section 3 of the Fare-Free Bus Funding Emergency Amendment Act of 2022 are met, there shall be deposited into the Fund general retail sales tax revenue collected pursuant to Chapter 20 of Title 47 as follows:

“(1) In Fiscal Year 2023, \$2.5 million; and

“(2) For each succeeding fiscal year after Fiscal Year 2023, \$10 million.

“(c) Money in the Fund shall be used to improve transit access or service in areas identified in DDOT’s Multimodal Long-Range Transportation Plan as areas of high transportation need or historically underserved communities, or to serve residents of those areas as follows:

“(1) Making payments to WMATA to:

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81 “(A) Create new bus routes not in operation before the applicability date
82 of the Metro for D.C. Amendment Act of 2022, as approved by the Committee of the Whole on
83 December 6, 2022 (Committee print of Bill 24-429); or

84 “(B) Extend service hours, shorten headways, or make other service
85 improvements for an existing bus route;

86 “(2) Used by DDOT to:

87 “(A) Operate new DC Circulator or DC Streetcar routes not in operation
88 before the applicability date of the Metro for D.C. Amendment Act of 2022, as approved by the
89 Committee of the Whole on December 6, 2022 (Committee print of Bill 24-429);

90 “(B) Extend service hours, shorten headways, or make other service
91 improvements for an existing DC Circulator or DC Streetcar line; or

92 “(C) Install, lease, maintain, or operate infrastructure that DDOT
93 determines will increase ridership or improve transit service, including dedicated transit lanes,
94 signal priority, bus shelters, payment kiosks, or other amenities; or

95 “(3) Funding studies to support increased ridership or improved transit service.

96 “(d)(1) The money deposited into the Fund but not expended in a fiscal year shall not
97 revert to the unassigned fund balance of the General Fund of the District of Columbia at the end
98 of a fiscal year, or at any other time.

99 “(2) Subject to authorization in an approved budget and financial plan, any funds
100 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

101 Sec. 3. Revised revenue allocation.

102 (a)(1) The fiscal impact of the general sales tax dedication to the Fare-Free Bus Service
103 Fund, established pursuant to section 11z of Department of Transportation Establishment Act of

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2002, as approved on December 6, 2022 (enrolled version of B24-XXX, the Fare-Free Bus Funding Emergency Amendment Act of 2022) (“the Act”) and the general sales tax dedication to the Bus Service Enhancement Fund, established pursuant to section 11z-1 of the Act, shall be offset, in that order, by local fiscal year recurring revenues included in the Chief Financial Officer’s December 2022 revenue estimate and, if necessary, the February 2023 revenue estimate, that exceed the local fund revenue incorporated in the Fiscal Year 2023 approved budget and financial plan.

(2) If the excess revenue included in the December 2022 revenue is not sufficient to fully offset the dedication to the Fare-Free Bus Service Fund and the Bus Service Enhancement Fund, the excess revenue shall be set aside first to the Fare-Free Bus Service Fund until that is fully funded.

(b) In the December 2022 revenue estimate, the Chief Financial Officer shall certify:

(1) Whether and by what amount local fiscal year revenues included in the revenue estimate exceed the annual revenue estimate for Fiscal Year 2023 through Fiscal Year 2026, as incorporated in the approved budget and financial plan for Fiscal Year 2023;

(2) Whether such excess revenues are in an amount sufficient to offset the general sales tax dedication identified in subsection (a) of this section; and if not, what amount has been set aside;

(3) That all such excess revenues have been set aside to ensure the general sales tax dedication identified in subsection (a) of this section is fully offset.

(c) In the February 2023 revenue estimate, the Chief Financial Officer shall certify:

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(1) Whether and by what amount local fiscal year revenues included in the revenue estimate exceed the annual revenue estimate for Fiscal Year 2023 through Fiscal Year 2026, as incorporated in the approved budget and financial plan for Fiscal Year 2023;

(2) Whether such excess revenues, together with the excess revenues identified pursuant to this subsection in the December 2022 revenue estimate, are in an amount sufficient to offset the general sales tax dedication identified in subsection (a) of this section; and

(3) That all such excess revenues, together with the excess revenues identified pursuant to this subsection in the December 2022 revenue estimate, have been set aside to ensure the general sales tax dedication identified in subsection (a) of this section is fully offset.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 5. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

(b) This act shall expire after 225 days of its having taken effect.