

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 504

(Senator Rosapepe)

Finance

Economic Matters

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**Public Utility Companies - University of Maryland, College Park Bus Service -  
Motor Carrier Permit Exemption - Service Expansion and Removal of Sunset**

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This bill allows the shuttle bus service of the University of Maryland, College Park (UMCP) to be permanently exempt from the requirement to have a motor carrier permit. The current exemption is due to expire on June 30, 2011. The bill also authorizes UMCP to enter into an agreement to provide transportation services on the UMCP shuttle bus to residents of any municipality where the shuttle bus operates.

The bill takes effect June 1, 2011.

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**Fiscal Summary**

**State Effect:** UMCP revenues continue beyond FY 2011 for payment from the City of College Park for shuttle bus services. UMCP revenues may increase if additional municipalities where the UMCP shuttle bus operates agree to make a payment to allow their residents to use UMCP transportation services.

**Local Effect:** City of College Park expenditures continue beyond FY 2011 to the extent the city continues to provide payments to UMCP in exchange for transportation services. Expenditures for other municipalities where the UMCP shuttle bus operates may increase if the municipalities agree to make a payment to UMCP in exchange for transportation services.

**Small Business Effect:** Minimal overall, but beneficial for businesses on UMCP shuttle bus routes, as area residents receive increased access to public transit servicing those businesses.

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## Analysis

**Current Law:** Chapters 346 and 347 of 2008 exempted the UMCP shuttle bus service from the requirement to have a motor carrier permit so long as the service is extended to residents of the City of College Park. The exemption expires on June 30, 2011. By December 31, 2010, the Department of Transportation Services of UMCP was required to report to the Senate Finance Committee and the House Economic Matters Committee on the implementation of the transportation services program with the City of College Park.

The Public Service Commission (PSC) regulates motor carriers and issues permits. With certain exceptions, a motor carrier permit, issued by PSC, is required for a passenger motor vehicle used in the transportation of persons for hire. Among others, permitting exceptions include:

- motor vehicles used exclusively for the transportation of pupils to and from public or private schools;
- public transportation systems for Allegany, Frederick, and Washington counties; and
- public transportation for hire authorized to operate on the boardwalk in Ocean City.

For motor carriers operating in Montgomery and Prince George's counties, authority to operate must be granted by the Washington Metropolitan Area Transit Commission (WMATC). If operating solely in the area of WMATC authority, a motor carrier permit issued by PSC is not required.

**Background:** When UMCP and the City of College Park initially sought approval to allow city residents to use UMCP shuttle services, an Attorney General's opinion from the Board of Public Works stated that such an opening of services would make the shuttle a "common carrier," requiring the shuttle to receive a motor carrier permit from PSC. Chapters 346 and 347 of 2008 exempted the shuttle service from this requirement.

In August 2008, the College Park City Council and UMCP Department of Transportation Services approved a memorandum of understanding allowing city residents to ride the UMCP shuttle. The current agreement enables 1,000 city residents to ride the UMCP shuttle in exchange for \$6,000 for the current fiscal year. In its December 17, 2010 report submitted pursuant to Chapters 346 and 347, UMCP indicated that ridership totaled 157 from September through December of 2008, 523 in 2009, and 288 in 2010 through December 17.

The town councils of Riverdale Park and Berwyn Heights have expressed interest in making a payment to UMCP to allow its residents to ride the UMCP shuttle bus, which currently passes through each municipality. The UMCP shuttle bus operates through several municipalities in Montgomery and Prince George's counties (Bowie, Burtonsville, Greenbelt, Hyattsville, Laurel, New Carrollton, and Rockville); however, these municipalities have not indicated an intention to seek an agreement allowing residents to use the shuttle bus services in exchange for payment to UMCP.

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### **Additional Information**

**Prior Introductions:** A similar bill, HB 537 of 2010, received an unfavorable report from the House Economic Matters Committee. Its cross file, SB 598, passed the Senate and received an unfavorable report from the House Economic Matters Committee.

**Cross File:** Although HB 430 (Delegate Frush, *et al.* - Economic Matters) is designated as a cross file, it is different. However, HB1005 (Prince George's County Delegation – Economic Matters) is identical.

**Information Source(s):** City of College Park, Office of People's Counsel, Public Service Commission, University System of Maryland, Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2011  
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Analysis by: Erik P. Timme

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510