

HOUSE BILL 891

R2

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CF 6lr3601

By: **Delegates Lierman, Anderson, Beidle, Branch, Carter, Clippinger, Conaway, Frush, Glenn, Hammen, Hayes, Haynes, Korman, Lafferty, Lam, McCray, McIntosh, A. Miller, Morhaim, Oaks, B. Robinson, S. Robinson, Rosenberg, Stein, and M. Washington**

Introduced and read first time: February 10, 2016

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transit Administration – Farebox Recovery Rate – Repeal**

3 FOR the purpose of repealing the requirement that a certain percentage of operating costs
4 for certain public transit services must be recovered by the Maryland Transit
5 Administration from certain revenues; altering requirements for certain annual
6 reports submitted by the Administration to certain committees of the General
7 Assembly; repealing the requirement that the Administration increase a certain base
8 fare on a biennial basis; repealing the requirement that the Administration increase
9 certain fares for transit service under certain circumstances; and generally relating
10 to requirements for recovery of certain operating costs of certain public transit
11 services from certain revenues.

12 BY repealing and reenacting, with amendments,
13 Article – Transportation
14 Section 7–208
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2015 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Transportation**

20 7–208.

21 (a) Subject to the authority of the Secretary and, where applicable, the Maryland
22 Transportation Authority, the Administration has jurisdiction:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) Consistent with the provisions of Division II of the State Finance and
2 Procurement Article, for planning, developing, constructing, acquiring, financing, and
3 operating the transit facilities authorized by this title; and

4 (2) Over the services performed by and the rentals, rates, fees, fares, and
5 other charges imposed for the services performed by transit facilities owned or controlled
6 by the Administration.

7 (b) [(1) For fiscal year 2009 and each fiscal year thereafter, the Administration
8 shall separately recover from fares and other operating revenues at least 35 percent of the
9 total operating costs for:

10 (i) The Administration's bus, light rail, and Metro subway services
11 in the Baltimore region; and

12 (ii) All passenger railroad services under the Administration's
13 control.

14 (2)] The Administration shall submit, in accordance with § 2-1246 of the
15 State Government Article, an annual report to the Senate Budget and Taxation Committee,
16 House Ways and Means Committee, and House Appropriations Committee by December 1
17 of each year that includes:

18 [(i)] (1) Separate farebox recovery ratios for the prior fiscal year
19 for:

20 [1.] (I) Bus, light rail, and Metro subway services provided
21 by the Administration in the Baltimore region;

22 [2.] (II) Commuter bus service provided under contract to
23 the Administration in the Baltimore region; and

24 [3.] (III) Maryland Area Rail Commuter (MARC) service
25 provided under contract to the Administration; AND

26 [(ii)] (2) [A discussion of the success or failure to achieve the
27 farebox recovery requirement established in paragraph (1) of this subsection;

28 (iii)] Comparisons of farebox recovery ratios for the Administration's
29 mass transit services and other similar transit systems nationwide]; and

30 (iv) The estimated fare prices necessary to achieve the farebox
31 recovery requirement established in paragraph (1) of this subsection for the next fiscal
32 year].

33 (b-1) [Subject to § 7-506 of this title, the Administration:

1 (1) Subject to paragraphs (2), (3), (4), (5), and (6) of this subsection, shall
2 set the fare prices and collect other operating revenues in an amount sufficient to achieve
3 the farebox recovery requirement established in subsection (b) of this section;

4 (2) Beginning in fiscal year 2015, shall:

5 (i) On a biennial basis, increase base fare prices and the cost of
6 multiuse passes to the nearest 10 cents for all transit services except those services listed
7 in subparagraph (ii) of this paragraph by the same percentage as the biennial increase in
8 the Consumer Price Index for all urban consumers, as determined from January 1, 2012,
9 to December 31, 2013, and each subsequent 2-year period for which the amount is being
10 calculated;

11 (ii) Every 5 years, increase one-way zone fare prices and the cost of
12 multiuse passes to the nearest dollar for commuter rail and commuter bus service by:

13 1. At least the same percentage as the 5-year increase in the
14 Consumer Price Index for all urban consumers, as determined from January 1, 2009, to
15 December 31, 2013, and each subsequent 5-year period for which the amount is being
16 calculated; and

17 2. Any additional amount the Administration determines is
18 necessary after considering factors affecting commuting costs applicable to the jurisdictions
19 in which the Administration provides commuter service, including:

20 A. Monthly parking fees;

21 B. The retail price per gallon of motor fuel;

22 C. The amount of any monthly federal commuting subsidy;

23 D. Fare prices for intercity rail service; and

24 E. Any other relevant commuting costs; and

25 (3) May] **THE ADMINISTRATION MAY** not reduce the level of services
26 provided by the Administration for the purpose of achieving [the] **A SPECIFIC** farebox
27 recovery requirement[;

28 (4) May not increase fares for all transit services except those services
29 listed in paragraph (2)(ii) of this subsection by more than the amount required under
30 paragraph (2)(i) of this subsection;

31 (5) May not increase fares under paragraph (2)(i) and (ii)¹ of this
32 subsection if there is a decline or no growth in the Consumer Price Index; and

1 (6) Shall include the amount of any increase in fares that would have
2 occurred previously in the absence of rounding to the nearest 10 cents or nearest dollar
3 when calculating fare increases for subsequent periods under paragraph (2)(i) and (ii)1 of
4 this subsection].

5 [(b-2) An increase in the Administration's fare prices by the minimum amount
6 required under subsection (b-1) of this section is not subject to the requirements of § 7-506
7 of this title.]

8 (c) (1) For fiscal year 2009 and each fiscal year thereafter, the Administration
9 shall implement performance indicators to track service efficiency for the Administration's
10 mass transit services, including:

11 (i) Operating expenses per revenue vehicle mile;

12 (ii) Operating expenses per passenger trip; and

13 (iii) Passenger trips per revenue vehicle mile.

14 (2) The Administration shall submit, in accordance with § 2-1246 of the
15 State Government Article, an annual performance report to the Senate Budget and
16 Taxation Committee, House Ways and Means Committee, and House Appropriations
17 Committee by December 1 of each year on:

18 (i) The status of the performance indicators listed in paragraph (1)
19 of this subsection for the prior fiscal year, including a discussion of the failure or success in
20 meeting the goals established for the prior fiscal year by the Administration;

21 (ii) The status of managing-for-results goals of the Administration
22 as they pertain to mass transit service in the Baltimore area;

23 (iii) Comparisons of performance indicators for the Administration's
24 mass transit services and other similar systems nationwide; and

25 (iv) The Administration's goals for each of the measures in
26 paragraph (1) of this subsection for the next fiscal year.

27 (d) (1) The Administration shall provide for an independent management
28 audit of the operational costs and revenues of the Administration's mass transit services
29 every 4 years.

30 (2) The audit shall provide data on fares, cost containment measures,
31 comparisons with other similar mass transit systems, and other information necessary in
32 evaluating the operations of the Administration's mass transit system.

33 (3) The findings from the audit shall be used as a benchmark for the annual
34 performance reports.

1 (e) The determinations of the Secretary, Administration, or Maryland
2 Transportation Authority as to the type of service performed or the rentals, rates, fees,
3 fares, and other charges imposed are not subject to judicial review or to the processes of
4 any court.

5 (f) Notwithstanding any other provision of this title or the Public Utilities Article,
6 the Public Service Commission does not have any jurisdiction over transit facilities owned
7 or controlled by the Administration or over any contractor operating these facilities.

8 (g) Except as provided in this title, the Administration does not have any
9 jurisdiction over transportation in the District by private carriers.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2016.