

SENATE BILL 834

R2
SB 963/17 – FIN

8lr3073

By: **Senators Madaleno and King**
Introduced and read first time: February 5, 2018
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Transit Service – State Grants**

3 FOR the purpose of altering a provision of law concerning the amount of a certain grant
4 that the Department of Transportation is required to provide to the Washington
5 Suburban Transit District for a share of the operating deficits of the regional transit
6 system for which the District is responsible; altering certain definitions; altering
7 provisions of law concerning certain annual grants by the State to Prince George’s
8 County and Montgomery County for eligible local bus service; repealing certain
9 provisions of law that imposed certain limitations on the amount of the grants that
10 the Department of Transportation is required to provide for certain eligible local bus
11 service in Prince George’s County and Montgomery County; making a certain
12 stylistic change; and generally relating to State grants for certain local bus service
13 and requirements for recovery of certain operating costs of certain public transit
14 services from certain revenues.

15 BY repealing and reenacting, with amendments,
16 Article – Transportation
17 Section 10–205 and 10–207
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2017 Supplement)

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

22 **Article – Transportation**

23 10–205.

24 (a) In accordance with and subject to the principle that, if there is substantial
25 State financial support for the planned rapid rail mass transit system in one metropolitan
26 area of this State, there should be substantial State financial support for the planned rapid

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 rail mass transit system in the other metropolitan area of this State, and subject to the
2 appropriation requirements and budgetary provisions of § 3–216(d) of this article, the
3 Department shall provide for grants to the Washington Suburban Transit District in an
4 amount equal to the current expenditures required of the Washington Suburban Transit
5 District in accordance with capital contributions agreements between the Washington
6 Metropolitan Area Transit Authority, the Washington Suburban Transit District, and other
7 participating jurisdictions. The Washington Suburban Transit District shall consult with
8 the Secretary [of Transportation] prior to the execution of any capital contributions
9 agreement. Expenditures required of the Washington Suburban Transit District for
10 projects and programs not included in the “Adopted Regional System – 1968” revised as of
11 January 1, 1992, are only eligible for State funding in accordance with subsection (f) of this
12 section.

13 (b) (1) Subject to the appropriation requirements and budgetary provisions of
14 § 3–216(d) of this article and upon receipt of an approval of a grant application in such form
15 and detail as the Secretary shall reasonably require, the Department shall provide for
16 annual grants to the Washington Suburban Transit District for a share of the operating
17 deficits of the regional transit system for which the District is responsible. “Operating
18 deficit” means operating costs less:

19 (i) [The greater of operating] **OPERATING** revenues [or 50 percent
20 of the operating costs]; and

21 (ii) All federal operating assistance.

22 (2) The Department’s share shall equal 100 percent of the operating deficit.

23 (c) Subject to the appropriation requirements and budgetary provision of §
24 3–216(d) of this article, the Department shall provide for grants to the Washington
25 Suburban Transit District in an amount equal to 75 percent of the net debt service assigned
26 to the Washington Suburban Transit District on bonds issued by the Washington
27 Metropolitan Area Transit Authority. In no event shall the amount of net debt service,
28 including the refinancing of any debt, required of the Washington Suburban Transit
29 District exceed the amount presently assigned on a year by year basis to the Washington
30 Suburban Transit District, and payable through the year 2014. Nothing in this article shall
31 preclude the use of bond proceeds for capital improvements and replacements of the
32 “Adopted Regional System – 1968” revised as of January 1, 1992.

33 (d) (1) In accordance with and subject to the principle that, if there is
34 substantial State financial support for rapid rail and bus transit capital replacement costs
35 in one metropolitan area of this State, there should be substantial State financial support
36 for the costs of similar needs in the other metropolitan area of this State, and in recognition
37 of the fact that timely replacement of capital facilities and equipment is essential to safe
38 and reliable transit service, the Department shall provide grants to fully fund the
39 Washington Suburban Transit District’s share of the Washington Metropolitan Area
40 Transit Authority’s capital equipment replacement programs.

1 (2) The grants under this subsection:

2 (i) Shall be made subject to the appropriation and budgetary
3 provisions of § 3–216(d) of this article;

4 (ii) Shall be included in the State budget beginning in fiscal year
5 2000;

6 (iii) Notwithstanding any other provision of law, may be funded with
7 revenues derived from:

8 1. Any State–enacted transportation fees or taxes; or

9 2. Federal transportation grants available to the State to
10 fund transit capital equipment replacement; and

11 (iv) Shall be contingent on the receipt of a request by the District to
12 the Department, based on annual capital improvements programs adopted by the
13 Washington Metropolitan Area Transit Authority.

14 (e) Subject to the appropriation requirements and budgetary provisions of §
15 3–216(d) of this article, the Department shall provide grants from amounts derived from
16 the Transportation Trust Fund to the Washington Suburban Transit District for the
17 purpose of funding Maryland’s required share of local funds for the Washington
18 Metropolitan Area Transit Authority to match any federal funds appropriated in any given
19 year authorized under Title VI, § 601, P.L. 110–432.

20 (f) A grant by the Department to the Washington Suburban Transit District in
21 excess of the provisions of subsection (a) of this section may be made only after approval by
22 the Secretary.

23 10–207.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) “Costs” means operating costs of eligible local bus service, plus
26 operating costs under § 10–205 of this subtitle.

27 (3) “Eligible local bus service”[:

28 (i) Means the number of annual platform miles and annual platform
29 hours of fixed route, scheduled local bus service, that previously replaced comparable
30 service operated by the Washington Metropolitan Area Transit Authority, plus the number
31 of annual platform miles and annual platform hours of any new fixed route, scheduled local
32 bus service added after June 30, 1989; and

1 (ii) Is limited to] MEANS service operated by or on behalf of and in
2 Montgomery County or Prince George's County.

3 (4) "Service deficit" means costs less:

4 (i) [The greater of:

5 1.] Revenues collected under this section [and § 10-205(b) of
6 this subtitle; or

7 2. 35 percent of the costs]; and

8 (ii) All federal operating assistance.

9 (b) [(1) Subject to the appropriation requirements and budgetary provisions of
10 § 3-216 of this article and upon] ON receipt of [an approval of] a grant application in the
11 form or detail as the Secretary shall reasonably require, the Department shall provide for
12 annual grants to Prince George's County and Montgomery County for eligible local bus
13 service as defined in this section. The amount of these grants shall be equal to:

14 [(i) 100 percent of the service deficit attributable to each county; less

15 (ii) Each county's share of the Department's annual grant to the
16 Washington Suburban Transit District as determined under § 10-205(b) of this subtitle]

17 **(1) IN FISCAL YEAR 2019, 43% OF THE SERVICE DEFICIT**
18 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$13,000,000;**

19 **(2) IN FISCAL YEAR 2020, 50% OF THE SERVICE DEFICIT**
20 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000;**

21 **(3) IN FISCAL YEAR 2021, 55% OF THE SERVICE DEFICIT**
22 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000;**

23 **(4) IN FISCAL YEAR 2022, 60% OF THE SERVICE DEFICIT**
24 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000; AND**

25 **(5) IN FISCAL YEAR 2023 AND IN EACH FISCAL YEAR THEREAFTER,**
26 **75% OF THE SERVICE DEFICIT ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS**
27 **THAN \$20,000,000.**

28 [(2) Notwithstanding the provisions of this section, the Secretary may
29 authorize payments to Prince George's County and Montgomery County:

1 (i) To subsidize new bus service for a period of 36 months from the
2 initiation of service; and

3 (ii) For the loss of revenues from fare modifications for a period of 36
4 months from the date of the modification.]

5 [(c) The Department's grant for any eligible local bus service may not be greater
6 than the operating grant that the Department would incur from the same bus service if
7 operated by the Washington Metropolitan Area Transit Authority. This requirement shall
8 be applied on a line by line basis.

9 (d) Except with the specific approval of the Secretary, notwithstanding the
10 provisions of § 10–205 of this subtitle, the combined grants for bus service to each county
11 under this section and § 10–205(b) of this subtitle may not exceed the level of the combined
12 grants for the prior fiscal year adjusted for inflation by the projected Consumer Price Index
13 CPI–U for the fiscal year in which the grant under this section is being awarded, using the
14 actual Consumer Price Index CPI–U at the close of the fiscal year. Adjustments shall be
15 made to increase or decrease the combined grants in the subsequent fiscal year to reflect
16 the actual inflation rate.]

17 [(e)] (C) (1) The Department shall provide an annual capital grant to Prince
18 George's County and Montgomery County for the purchase of buses to be used in eligible
19 local bus service.

20 (2) Grants provided under paragraph (1) of this subsection shall be in
21 addition to any federal funds received by the State for bus services operated by Prince
22 George's County and Montgomery County.

23 [(f)] (D) (1) For fiscal year 2001 and thereafter, Prince George's County and
24 Montgomery County shall implement performance indicators, in addition to the farebox
25 recovery indicator, to track service efficiency for mass transit in their respective
26 jurisdictions, including:

27 (i) Operating expenses per vehicle mile;

28 (ii) Operating expenses per passenger trip; and

29 (iii) Passenger trips per vehicle mile.

30 (2) The counties shall submit an annual performance report to the Senate
31 Budget and Taxation Committee, House Ways and Means Committee, and House
32 Appropriations Committee by December 1 of each year on:

33 (i) The status of the performance indicators for the prior fiscal year;

34 (ii) The status of any performance goals of their jurisdictions as they
35 pertain to mass transit service; and

1 (iii) Comparisons of performance indicators for mass transit in their
2 jurisdictions and other similar systems nationwide.

3 **[(g)] (E)** (1) Prince George's County and Montgomery County shall each
4 provide for an independent management audit of the operational costs and revenues of
5 mass transit in their respective jurisdictions every 4 years.

6 (2) The audit shall provide data on fares, cost containment measures,
7 comparisons with other similar mass transit systems, and other information necessary in
8 evaluating the operations of their transit systems.

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2018.