



# Montgomery County

## Office of Intergovernmental Relations

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**HB 1125**

**DATE: March 7, 2023**

**SPONSOR: Delegate Solomon, et al.**

**ASSIGNED TO: Appropriations**

**CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)**

**POSITION: Support**

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### **Transit – Grant Funding for Local Service – Alterations**

Montgomery County strongly supports House Bill 1125. The legislation formally establishes in State statute the existing Locally Operated Transit System (LOTS) grant program that provides funding to counties and municipalities to support their local transit systems. The bill also requires an annual inflationary adjustment for the grants provided by the LOTS program and the existing program for Ride On in Montgomery County and The Bus in Prince George's County created by Transportation Article § 10-207. Together, these provisions create a more transparent and reliable system of supporting local transit across the State.

While Montgomery County benefits from both of these transit programs, it is highly dependent on the State subsidy provided for its Ride On bus system. Ride On is the second largest transit system in the State, behind MTA, and it is the second largest in the region, behind Metrobus|WMATA (Metrobus). Pre-COVID, Ride On operated 81 routes and served 20 million passengers a year.

The County has always been thankful for the State support it has received, which was provided based on the rationale that Ride On and The Bus were less expensive alternatives to Metrobus, which would require full State funding support. This has proven to be the case: Ride On only requires about 65% of the funding for the same service provided by Metrobus. Recent data show Ride On's operating cost per vehicle revenue hour is \$117 compared to \$193 for the operating cost per vehicle revenue hour for Metrobus. This isn't just a good State investment – it's a great one, especially considering that absent Ride On service, the State investment in Metrobus would require 100% financial support compared with the 33% subsidy required by Ride On. House Bill 1125 would not change this subsidy rate, but it would ensure that this subsidy, as well as the funding for the LOTS program, would be indexed to inflation.

House Bill 1125 reflects a very fair approach to rebalancing the State's investment in locally operating transit systems and recognizing their value. For this reason, Montgomery County urges a favorable report on the bill.