
By: Delegate Getty

Introduced and read first time: January 31, 1996

Assigned to: Ways and Means

Reassigned: Appropriations, February 6, 1996

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 1996

CHAPTER ____

1 AN ACT concerning

2 Transportation - Privatization of Public Bus Transportation - Study and Report

3 FOR the purpose of requiring the Department of Transportation to study the feasibility
4 of privatizing public bus transportation services and to report its findings and
5 recommendations to the General Assembly by a certain date; requiring the
6 Department to study and report on certain matters; providing for the effective date
7 of this Act; providing for the abrogation of this Act; and generally relating to the
8 privatization of public bus transportation.

9 BY adding to

10 Article - Transportation
11 Section 7-102.2
12 Annotated Code of Maryland
13 (1993 Replacement Volume and 1995 Supplement)

14 Preamble

15 WHEREAS, Public transportation services are provided to assist the
16 transit-dependent and the poor, to provide travel options for all, to relieve congestion,
17 and to minimize automobile pollution; and

18 WHEREAS, Protection of both the public transit riders and taxpayers requires that
19 public transportation service be provided at the lowest possible cost consistent with
20 service quality and safety standards; and

21 WHEREAS, Private transportation providers have been used under competitive
22 contracts to provide public transportation services at lower costs and with lower annual
23 cost increases; and

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1 WHEREAS, Decisions on whether a public transportation service should be
2 operated by a public agency or a private company should be made on economic and
3 service quality considerations rather than institutional considerations; and

4 WHEREAS, Obtaining cost effective public transportation services requires a
5 competitive environment and a mechanism for competitive contracting of such services;
6 and

7 WHEREAS, The public trust and public convenience may be better served by
8 placing public bus transportation into the competitive marketplace of our free enterprise
9 system; now, therefore,

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

12 **Article - Transportation**

13 7-102.2.

14 (A) THE DEPARTMENT SHALL EXAMINE AND MAKE RECOMMENDATIONS
15 REGARDING THE PRIVATIZATION OF PUBLIC BUS TRANSPORTATION SERVICES.

16 (B) THE DEPARTMENT SHALL EXAMINE AND MAKE RECOMMENDATIONS
17 WITH REGARD TO:

18 (1) THE ECONOMIC IMPACT OF PRIVATIZATION INCLUDING:

19 (I) THE ADMINISTRATIVE COSTS OF CHANGING OVER TO PRIVATE
20 TRANSPORTATION PROVIDERS AND THE COSTS ASSOCIATED WITH OVERSIGHT OF A
21 PRIVATE TRANSPORTATION SYSTEM;

22 (II) THE POTENTIAL IMPACT OF PRIVATIZATION ON FEDERAL
23 FUNDING OF PUBLIC TRANSPORTATION PROGRAMS; AND

24 (III) THE POTENTIAL ~~COST SAVINGS RESULTING FROM FISCAL~~
25 IMPACT OF PRIVATIZATION OVER THE SHORT AND LONG TERM;

26 (2) THE IMPACT OF PRIVATIZATION ON THE QUALITY OF PASSENGER
27 SERVICES;

28 (3) THE AVAILABILITY OF EXISTING OR POTENTIAL PRIVATE
29 TRANSPORTATION PROVIDERS CAPABLE OF DELIVERING THE REQUIRED
30 TRANSPORTATION SERVICES;

31 (4) THE IMPACT OF PRIVATIZATION ON PUBLIC SAFETY; AND

32 (5) THE ADMINISTRATIVE FEASIBILITY OF OVERSEEING AND
33 MAINTAINING A PRIVATE TRANSPORTATION SYSTEM.

34 (C) THE DEPARTMENT SHALL REPORT ITS FINDINGS AND
35 RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1312
36 OF THE STATE GOVERNMENT ARTICLE BY JANUARY 1, 1997.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 June 1, 1996. It shall remain effective until January 1, 1997, and, with no further action

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1 required by the General Assembly, this Act shall be abrogated and of no further force
2 and effect.