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HB 723/95 - APP

1997 Regular Session
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By: Senators Ruben, Forehand, Dorman, Green, Roesser, Currie, Trotter, Hogan, Frosh, Van Hollen, Teitelbaum, and Pinsky

Introduced and read first time: January 31, 1997

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County and Montgomery County Local Bus Systems - Funding**

3 FOR the purpose of requiring the Department of Transportation to provide certain
4 annual grants to Prince George's County and Montgomery County for certain local
5 bus service under certain circumstances; specifying certain limitations on grants
6 made under this Act; providing for the construction of this Act; and generally
7 relating to State grants for local bus service in Prince George's County and
8 Montgomery County.

9 BY repealing and reenacting, with amendments,
10 Article - Transportation
11 Section 10-207
12 Annotated Code of Maryland
13 (1993 Replacement Volume and 1996 Supplement)

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

16 **Article - Transportation**

17 10-207.

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

19 (2) "Eligible local bus service":

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

25 (ii) Is limited to service operated by or on behalf of and in
26 Montgomery County or Prince George's County.

27 (3) "Costs" means:

2

1 (i) Operating costs of eligible local bus service, plus operating costs
2 under § 10-205 of this subtitle; and

3 (ii) An allowance for the replacement of buses used in eligible local
4 service, which shall equal the cost of such buses divided by their useful life.

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

6 (i) The greater of revenues collected under this section and §
7 10-205(b) of this subtitle or 50 percent of the costs; and

8 (ii) All federal operating assistance.

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

14 (1) 100 percent of the service deficit attributable to each county; less

15 (2) 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 (C) (1) SUBJECT TO THE APPROPRIATION REQUIREMENTS AND
18 BUDGETARY PROVISIONS OF § 3-216 OF THIS ARTICLE AND UPON RECEIPT OF AN
19 APPROVAL OF A GRANT APPLICATION IN THE FORM OR DETAIL AS THE SECRETARY
20 SHALL REASONABLY REQUIRE, AND IN ADDITION TO GRANTS PROVIDED UNDER
21 SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT SHALL PROVIDE FOR ANNUAL
22 GRANTS TO PRINCE GEORGE'S COUNTY AND MONTGOMERY COUNTY FOR LOCAL
23 BUS SERVICE AS PROVIDED IN THIS SUBSECTION.

24 (2) EXCLUDING COSTS DEFRAID BY FARE REVENUES, THE AMOUNT
25 OF A GRANT UNDER THIS SUBSECTION SHALL BE EQUAL TO THE FOLLOWING
26 PERCENTAGE OF THE TOTAL COST OF PROVIDING LOCAL BUS SERVICE NOT
27 ELIGIBLE UNDER SUBSECTION (B) OF THIS SECTION:

28 (I) FOR FISCAL YEAR 1998, AT LEAST 40%; AND

29 (II) FOR FISCAL YEAR 1999 AND EACH YEAR THEREAFTER, AT
30 LEAST 50%.

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

35 [(d)] (E) Except with the specific approval of the Secretary, notwithstanding the
36 provisions of § 10-205 of this subtitle, the combined grants for bus service to each county
37 under this section and § 10-205(b) of this subtitle may not exceed the level of the
38 combined grants for the prior fiscal year adjusted for inflation by the projected consumer
39 price index CPI-U for the fiscal year in which the grant under this section is being
40 awarded, using the actual consumer price index CPI-U at the close of the fiscal year.

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1 Adjustments shall be made to increase or decrease the combined grants in the subsequent
2 fiscal year to reflect the actual inflation rate.

3 [(e)] (F) Notwithstanding the provisions of subsection (b) of this section the
4 Secretary may authorize payment for the cost of new eligible local bus service that does
5 not recover 50 percent of its operating costs for the first 2 years of its operation, provided
6 that:

7 (1) The annual cost to the Department of new bus service added under this
8 section and § 10-205 of this subtitle does not exceed 2 percent of the total annual cost of
9 bus service provided under this section and § 205 of this subtitle;

10 (2) No more than 1 percent of the annual cost of bus service provided under
11 this section and § 10-205 of this subtitle is added as new bus service in a single fiscal year;
12 and

13 (3) The cost of new bus service may not cause the Department to exceed the
14 legislative appropriation for Washington Metropolitan Area Operating Grants.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act does not affect
16 the termination provision specified in Section 8 of Chapter 655 of the Acts of the General
17 Assembly of 1996.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 1997.