

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1099 (Delegate Bozman. *et al.*)

Ways and Means

Transportation - Ocean City Local Bus System - Funding

This bill requires the Maryland Department of Transportation (MDOT) to provide an annual grant to Ocean City for local bus service upon approval of a grant application and subject to appropriation requirements. The grant must be equal to one third of the total costs of providing local bus service in Ocean City excluding any costs defrayed by fare revenues.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: Indeterminate increase in Transportation Trust Fund (TTF) expenditures.

Local Effect: Indeterminate increase in revenues for Ocean City local bus systems.

Small Business Effect: None.

Fiscal Analysis

State Effect: The bill is unclear as to which costs should be included in the grant calculation. In fiscal 1997, the State's share of Ocean City's total costs for local bus systems was approximately 20% or \$597,500. This figure includes capital and operating expenses and excludes revenue from fares. Assuming a constant level of funding, the bill could increase the State's share by \$382,100 annually. However, the bill's intent may be to provide the grant for operating costs only. In such a case, the State's share of local bus system funding could increase by about \$163,500 annually.

Ocean City receives a significant grant for local bus service from the federal government. This grant is distributed to the TTF and subsequently disbursed to Ocean City. It is assumed that the bill applies only to the State contribution to Ocean City and not the combination of

State and federal grants.

Local Effect: Depending upon the interpretation of the bill, grant revenue for local bus service could increase by either \$382,100 or \$163,500 as discussed above.

Information Source(s): Department of Transportation (Mass Transit Administration), Ocean City, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 1998

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