
By: **The Speaker (Administration) and Delegate Rawlings**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means and Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2000

CHAPTER_____

1 AN ACT concerning

2 **Mass Transit Services - Costs and Revenues**

3 FOR the purpose of modifying the percentage of operating costs that must be
4 recovered from certain revenues for certain mass transit services; requiring a
5 certain cost recovery goal; requiring the implementation of certain performance
6 indicators for certain mass transit services; requiring certain independent
7 management audits for certain purposes; establishing a panel to study certain
8 transit policies; requiring certain reports; and generally relating to the funding
9 of mass transit services.

10 BY repealing and reenacting, with amendments,
11 Article - Transportation
12 Section 7-208 and 10-207
13 Annotated Code of Maryland
14 (1993 Replacement Volume and 1999 Supplement)

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

17 **Article - Transportation**

18 7-208.

19 (a) [(1)] Subject to the authority of the Secretary and, where applicable, the
20 Maryland Transportation Authority, the Administration has jurisdiction:

1 [(i)] (1) Consistent with the provisions of Division II of the State
2 Finance and Procurement Article, for planning, developing, constructing, acquiring,
3 financing, and operating the transit facilities authorized by this title; and

4 [(ii)] (2) Over the services performed by and the rentals, rates,
5 fees, fares, and other charges imposed for the services performed by transit facilities
6 owned or controlled by the Administration.

7 [(2) (i) For fiscal years 1988 through 1992 and each fiscal year
8 thereafter, the Administration shall recover from fares and other operating revenues
9 at least 50 percent of the total operating costs for the mass transit bus and rail
10 services under its jurisdiction. It is the intent of the General Assembly that the
11 provisions of this paragraph shall apply on a system-wide basis and not on an
12 individual transit line basis. However, given the anticipated efficiency of light rail
13 technology, the Department is encouraged, after 2 years of light rail operation, to
14 recover from fares and other operating revenues at least 60 percent of the total
15 operating costs for light rail services.]

16 (B) (1) FOR FISCAL YEAR 2001 AND THEREAFTER, THE ADMINISTRATION
17 SHALL RECOVER FROM FARES AND OTHER OPERATING REVENUES AT LEAST 40
18 PERCENT OF THE OPERATING COSTS FOR THE MASS TRANSIT ADMINISTRATION BUS,
19 LIGHT RAIL, AND METRO SERVICES IN THE BALTIMORE REGION.

20 (2) THE ADMINISTRATION SHALL ESTABLISH A COST RECOVERY GOAL
21 OF 50 PERCENT.

22 [(ii)] (3) The Administration shall obtain the fare recovery ratio
23 through the establishment of reasonable fares in the Baltimore region and the
24 implementation of cost containment measures as deemed necessary to meet the
25 standard required under this paragraph.

26 (C) (1) FOR FISCAL YEAR 2001 AND THEREAFTER, THE ADMINISTRATION
27 SHALL IMPLEMENT ADDITIONAL PERFORMANCE INDICATORS TO TRACK SERVICE
28 EFFICIENCY FOR MASS TRANSIT IN THE BALTIMORE REGION, INCLUDING:

29 (I) OPERATING EXPENSES PER VEHICLE MILE;

30 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND

31 (III) PASSENGER TRIPS PER VEHICLE MILE.

32 (2) THE ADMINISTRATION SHALL SUBMIT AN ANNUAL PERFORMANCE
33 REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, HOUSE WAYS AND
34 MEANS COMMITTEE, AND HOUSE APPROPRIATIONS COMMITTEE BY DECEMBER 1 OF
35 EACH YEAR ON:

36 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE
37 PRIOR FISCAL YEAR;

1 (II) THE STATUS OF MANAGING-FOR-RESULTS GOALS OF THE
2 ADMINISTRATION AS THEY PERTAIN TO MASS TRANSIT SERVICE IN THE BALTIMORE
3 AREA; AND

4 (III) COMPARISONS OF PERFORMANCE INDICATORS FOR MASS
5 TRANSIT IN THE BALTIMORE REGION AND OTHER SIMILAR SYSTEMS NATIONWIDE.

6 (D) (1) THE ADMINISTRATION SHALL PROVIDE FOR AN INDEPENDENT
7 MANAGEMENT AUDIT OF THE OPERATIONAL COSTS AND REVENUES OF MASS
8 TRANSIT IN THE BALTIMORE REGION EVERY 4 YEARS.

9 (2) THE AUDIT SHALL PROVIDE DATA ON FARES, COST CONTAINMENT
10 MEASURES, COMPARISONS WITH OTHER SIMILAR MASS TRANSIT SYSTEMS, AND
11 OTHER INFORMATION NECESSARY IN EVALUATING THE OPERATIONS OF THE
12 BALTIMORE REGIONAL TRANSIT SYSTEM.

13 (3) THE FINDINGS FROM THE AUDIT SHALL BE USED AS A BENCHMARK
14 FOR THE ANNUAL PERFORMANCE REPORTS.

15 (4) A PRELIMINARY BASELINE AUDIT SHALL BE COMPLETED BY
16 DECEMBER 1, 2000, WITH A FINAL BASELINE AUDIT TO BE COMPLETED BY
17 DECEMBER 1, 2001.

18 [(b)] (E) The determinations of the Secretary, Administration, or Maryland
19 Transportation Authority as to the type of service performed or the rentals, rates,
20 fees, fares, and other charges imposed are not subject to judicial review or to the
21 processes of any court.

22 [(c)] (F) Notwithstanding any other provision of this title or the Public Utility
23 Companies Article, the Public Service Commission does not have any jurisdiction over
24 transit facilities owned or controlled by the Administration or over any contractor
25 operating these facilities.

26 [(d)] (G) Except as provided in this title, the Administration does not have any
27 jurisdiction over transportation in the District by private carriers.

28 10-207.

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

30 (2) "Eligible local bus service":

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

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

1 (3) "Costs" means operating costs of eligible local bus service, plus
2 operating costs under § 10-205 of this subtitle.

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

4 (i) The greater of:

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

7 2. [50] 40 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
11 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
13 bus service as 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
17 subtitle.

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

22 (d) Except with the specific approval of the Secretary, notwithstanding the
23 provisions of § 10-205 of this subtitle, the combined grants for bus service to each
24 county under this section and § 10-205(b) of this subtitle may not exceed the level of
25 the combined grants for the prior fiscal year adjusted for inflation by the projected
26 consumer price index CPI-U for the fiscal year in which the grant under this section
27 is being awarded, using the actual consumer price index CPI-U at the close of the
28 fiscal year. Adjustments shall be made to increase or decrease the combined grants in
29 the subsequent fiscal year to reflect the actual inflation rate.

30 (e) (1) The Department shall provide an annual capital grant to Prince
31 George's County and Montgomery County for the purchase of buses to be used in
32 eligible local bus service.

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

36 (F) (1) ~~FOR FISCAL YEARS~~ YEAR 2001 AND THEREAFTER, PRINCE GEORGE'S
37 COUNTY AND MONTGOMERY COUNTY SHALL IMPLEMENT ADDITIONAL

1 PERFORMANCE INDICATORS TO TRACK SERVICE EFFICIENCY FOR MASS TRANSIT IN
2 THEIR RESPECTIVE JURISDICTIONS, INCLUDING:

3 (I) OPERATING EXPENSES PER VEHICLE MILE;

4 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND

5 (III) PASSENGER TRIPS PER VEHICLE MILE.

6 (2) THE COUNTIES SHALL SUBMIT AN ANNUAL PERFORMANCE REPORT
7 TO THE SENATE BUDGET AND TAXATION COMMITTEE, HOUSE WAYS AND MEANS
8 COMMITTEE, AND HOUSE APPROPRIATIONS COMMITTEE BY DECEMBER 1 OF EACH
9 YEAR ON:

10 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE
11 PRIOR FISCAL YEAR;

12 (II) THE STATUS OF ANY MANAGING-FOR-RESULTS GOALS OF
13 THEIR JURISDICTIONS AS THEY PERTAIN TO MASS TRANSIT SERVICE; AND

14 (III) COMPARISONS OF PERFORMANCE INDICATORS FOR MASS
15 TRANSIT IN THEIR JURISDICTIONS AND OTHER SIMILAR SYSTEMS NATIONWIDE.

16 (G) (1) PRINCE GEORGE'S COUNTY AND MONTGOMERY COUNTY SHALL
17 EACH PROVIDE FOR AN INDEPENDENT MANAGEMENT AUDIT OF THE OPERATIONAL
18 COSTS AND REVENUES OF MASS TRANSIT IN THEIR RESPECTIVE JURISDICTIONS
19 EVERY 4 YEARS.

20 (2) THE AUDIT SHALL PROVIDE DATA ON FARES, COST CONTAINMENT
21 MEASURES, COMPARISONS WITH OTHER SIMILAR MASS TRANSIT SYSTEMS, AND
22 OTHER INFORMATION NECESSARY IN EVALUATING THE OPERATIONS OF THEIR
23 TRANSIT SYSTEMS.

24 (3) THE FINDINGS FROM THE AUDIT SHALL BE USED AS A BENCHMARK
25 FOR THE ANNUAL PERFORMANCE REPORTS.

26 (4) A PRELIMINARY BASELINE AUDIT SHALL BE COMPLETED BY
27 DECEMBER 1, 2000, WITH A FINAL BASELINE AUDIT TO BE COMPLETED BY
28 DECEMBER 1, 2001.

29 SECTION 2. AND BE IT FURTHER ENACTED, That:

30 (1) There shall be established a Transit Policy Panel consisting of the
31 following members:

32 (i) Six members of the House of Delegates appointed by the Speaker of
33 the House;

34 (ii) Six members of the Senate of Maryland appointed by the President of
35 the Senate; and

- 1 (iii) Six members appointed by the Governor.
- 2 (2) The Governor shall appoint the chairman of the Panel.
- 3 (3) The Panel shall study and make recommendations on:
- 4 (i) Similarities and differences in service policies and demographic
5 needs for the transit services, including locally operated bus services as well as rail
6 services, in both the Baltimore regional area and the Washington regional area;
- 7 (ii) Viability and feasibility of parity treatment between the two regional
8 transit areas, as recommended by the recent Commission on Transportation
9 Investment; and
- 10 (iii) Projections on necessary services and costs, including funding
11 requirements, to implement the recent Transit Advisory Panel recommendations,
12 including the short-term and long-term impact on the State Transportation Trust
13 Fund.
- 14 (4) The Panel shall report its findings and recommendations to the Governor
15 and General Assembly by December 1, 2000.
- 16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2000.