

SENATE BILL 811

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R2

2000 Regular Session  
(01r0197)

**ENROLLED BILL**

-- Budget and Taxation/Ways and Means and Appropriations --

Introduced by **The President (Administration) and Senator Hoffman**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

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; providing for the staffing of a certain  
9 panel; requiring the Department of Transportation to submit certain projections  
10 in the Department's annual budget request; providing for the termination of a  
11 section of this Act; providing for the termination of this Act; and generally  
12 relating to the funding of mass transit services.

13 BY repealing and reenacting, with amendments,  
14 Article - Transportation  
15 Section 7-208 and 10-207  
16 Annotated Code of Maryland

1 (1993 Replacement Volume and 1999 Supplement)

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

4 **Article - Transportation**

5 7-208.

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

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

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

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

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

27 (2) THE ADMINISTRATION SHALL ESTABLISH A COST RECOVERY GOAL  
28 OF 50 PERCENT.

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

33 (C) (1) FOR FISCAL YEAR 2001 AND THEREAFTER, THE ADMINISTRATION  
34 SHALL IMPLEMENT ~~ADDITIONAL~~ PERFORMANCE INDICATORS, IN ADDITION TO THE  
35 FAREBOX RECOVERY INDICATOR, TO TRACK SERVICE EFFICIENCY FOR MASS  
36 TRANSIT IN THE BALTIMORE REGION, INCLUDING:

37 (I) OPERATING EXPENSES PER VEHICLE MILE;

1 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND

2 (III) PASSENGER TRIPS PER VEHICLE MILE.

3 (2) THE ADMINISTRATION SHALL SUBMIT AN ANNUAL PERFORMANCE  
4 REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, HOUSE WAYS AND  
5 MEANS COMMITTEE, AND HOUSE APPROPRIATIONS COMMITTEE BY DECEMBER 1 OF  
6 EACH YEAR ON:

7 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE  
8 PRIOR FISCAL YEAR;

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

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

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

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

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

23 (4) A PRELIMINARY BASELINE AUDIT SHALL BE COMPLETED BY  
24 DECEMBER 1, 2000, WITH A FINAL BASELINE AUDIT TO BE COMPLETED BY  
25 DECEMBER 1, 2001.

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

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

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

1 10-207.

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

3 (2) "Eligible local bus service":

4 (i) Means the number of annual platform miles and annual  
5 platform hours of fixed route, scheduled local bus service, that previously replaced  
6 comparable service operated by the Washington Metropolitan Area Transit Authority,  
7 plus the number of annual platform miles and annual platform hours of any new  
8 fixed route, scheduled local bus service added after June 30, 1989; and

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

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

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

14 (i) The greater of:

15 1. [revenues] REVENUES collected under this section and §  
16 10-205(b) of this [subtitle] SUBTITLE; or

17 2. [50] 40 percent of the costs; and

18 (ii) All federal operating assistance.

19 (b) Subject to the appropriation requirements and budgetary provisions of §  
20 3-216 of this article and upon receipt of an approval of a grant application in the form  
21 or detail as the Secretary shall reasonably require, the Department shall provide for  
22 annual grants to Prince George's County and Montgomery County for eligible local  
23 bus service as defined in this section. The amount of these grants shall be equal to:

24 (1) 100 percent of the service deficit attributable to each county; less

25 (2) Each county's share of the Department's annual grant to the  
26 Washington Suburban Transit District as determined under § 10-205(b) of this  
27 subtitle.

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

32 (d) Except with the specific approval of the Secretary, notwithstanding the  
33 provisions of § 10-205 of this subtitle, the combined grants for bus service to each  
34 county under this section and § 10-205(b) of this subtitle may not exceed the level of  
35 the combined grants for the prior fiscal year adjusted for inflation by the projected  
36 consumer price index CPI-U for the fiscal year in which the grant under this section

1 is being awarded, using the actual consumer price index CPI-U at the close of the  
2 fiscal year. Adjustments shall be made to increase or decrease the combined grants in  
3 the subsequent fiscal year to reflect the actual inflation rate.

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

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

10 (F) (1) FOR FISCAL ~~YEARS~~ YEAR 2001 AND THEREAFTER, PRINCE GEORGE'S  
11 COUNTY AND MONTGOMERY COUNTY SHALL IMPLEMENT ~~ADDITIONAL~~  
12 PERFORMANCE INDICATORS, IN ADDITION TO THE FAREBOX RECOVERY INDICATOR,  
13 TO TRACK SERVICE EFFICIENCY FOR MASS TRANSIT IN THEIR RESPECTIVE  
14 JURISDICTIONS, INCLUDING:

15 (I) OPERATING EXPENSES PER VEHICLE MILE;

16 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND

17 (III) PASSENGER TRIPS PER VEHICLE MILE.

18 (2) THE COUNTIES SHALL SUBMIT AN ANNUAL PERFORMANCE REPORT  
19 TO THE SENATE BUDGET AND TAXATION COMMITTEE, HOUSE WAYS AND MEANS  
20 COMMITTEE, AND HOUSE APPROPRIATIONS COMMITTEE BY DECEMBER 1 OF EACH  
21 YEAR ON:

22 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE  
23 PRIOR FISCAL YEAR;

24 (II) THE STATUS OF ANY ~~MANAGING FOR RESULTS~~ PERFORMANCE  
25 GOALS OF THEIR JURISDICTIONS AS THEY PERTAIN TO MASS TRANSIT SERVICE; AND

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

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

32 (2) THE AUDIT SHALL PROVIDE DATA ON FARES, COST CONTAINMENT  
33 MEASURES, COMPARISONS WITH OTHER SIMILAR MASS TRANSIT SYSTEMS, AND  
34 OTHER INFORMATION NECESSARY IN EVALUATING THE OPERATIONS OF THEIR  
35 TRANSIT SYSTEMS.

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

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

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

5 (1) There shall be established a Transit Policy Panel consisting of the  
 6 following 18 members:

7 (i) Six members of the House of Delegates appointed by the Speaker of  
 8 the House;

9 (ii) Six members of the Senate of Maryland appointed by the President of  
 10 the Senate; and

11 (iii) Six members appointed by the Governor.

12 (2) The Governor shall appoint the chairman of the Panel.

13 (3) The Panel shall study and make recommendations on:

14 (i) Similarities and differences in service policies and demographic  
 15 needs for the transit services, including locally operated bus services as well as rail  
 16 services, in both the Baltimore regional area and the Washington regional area;

17 (ii) Viability and feasibility of parity treatment between the two regional  
 18 transit areas, as recommended by the recent Commission on Transportation  
 19 Investment; and

20 (iii) Projections on necessary services and costs, including funding  
 21 requirements and farebox recovery requirements, to implement the recent Transit  
 22 Advisory Panel recommendations, including the short-term and long-term impact on  
 23 the State Transportation Trust Fund.

24 (4) The Maryland Department of Transportation shall provide staff support  
 25 for the Panel.

26 ~~(4)~~ (5) The Panel shall report its findings and recommendations to the  
 27 Governor and, subject to § 2-1246 of the State Government Article, to the General  
 28 Assembly by December 1, 2000.

29 SECTION 3. AND BE IT FURTHER ENACTED, That *the Department of*  
 30 *Transportation shall submit in the Department's annual budget request separate*  
 31 *farebox recovery projections for the fiscal year covered by the budget request for the*  
 32 *Mass Transit Administration's and the Washington Metropolitan Area Transit*  
 33 *Authority's bus, light rail, and metro services.*

34 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
 35 take effect July 1, 2000. It shall remain effective for a period of 6 months and, at the

1 end of December 31, 2000, with no further action required by the General Assembly.

2 Section 2 of this Act shall be abrogated and of no further force and effect.

3       SECTION ~~3~~ 4 ~~5~~. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect July 1, 2000. It shall remain effective for a period of 4 years and, at the end of  
5 June 30, 2004, with no further action required by the General Assembly, this Act shall  
6 be abrogated and of no further force and effect.