

SENATE BILL 811

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R2

2000 Regular Session  
0lr0197  
CF 0lr0198

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By: **The President (Administration) and Senator Hoffman**

Introduced and read first time: February 14, 2000

Assigned to: Rules

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A BILL ENTITLED

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:

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

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

27 [(2) (i)] For fiscal years 1988 through 1992 and each fiscal year  
28 thereafter, the Administration shall recover from fares and other operating revenues

1 at least 50 percent of the total operating costs for the mass transit bus and rail  
2 services under its jurisdiction. It is the intent of the General Assembly that the  
3 provisions of this paragraph shall apply on a system-wide basis and not on an  
4 individual transit line basis. However, given the anticipated efficiency of light rail  
5 technology, the Department is encouraged, after 2 years of light rail operation, to  
6 recover from fares and other operating revenues at least 60 percent of the total  
7 operating costs for light rail services.]

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

12 (2) THE ADMINISTRATION SHALL ESTABLISH A COST RECOVERY GOAL  
13 OF 50 PERCENT.

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

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

- 21 (I) OPERATING EXPENSES PER VEHICLE MILE;
- 22 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND
- 23 (III) PASSENGER TRIPS PER VEHICLE MILE.

24 (2) THE ADMINISTRATION SHALL SUBMIT AN ANNUAL PERFORMANCE  
25 REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND HOUSE  
26 APPROPRIATIONS COMMITTEE BY DECEMBER 1 OF EACH YEAR ON:

27 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE  
28 PRIOR FISCAL YEAR;

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

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

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

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

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

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

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

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

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

20 10-207.

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

22 (2) "Eligible local bus service":

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

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

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

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

33 (i) The greater of:

34 1. [revenues] REVENUES collected under this section and §  
35 10-205(b) of this [subtitle] SUBTITLE; or

36 2. [50] 40 percent of the costs; and

1 (ii) All federal operating assistance.

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

7 (1) 100 percent of the service deficit attributable to each county; less

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

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

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

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

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

29 (F) (1) FOR FISCAL YEARS 2001 AND THEREAFTER, PRINCE GEORGE'S  
30 COUNTY AND MONTGOMERY COUNTY SHALL IMPLEMENT ADDITIONAL  
31 PERFORMANCE INDICATORS TO TRACK SERVICE EFFICIENCY FOR MASS TRANSIT IN  
32 THEIR RESPECTIVE JURISDICTIONS, INCLUDING:

33 (I) OPERATING EXPENSES PER VEHICLE MILE;

34 (II) OPERATING EXPENSES PER PASSENGER TRIP; AND

35 (III) PASSENGER TRIPS PER VEHICLE MILE.

36 (2) THE COUNTIES SHALL SUBMIT AN ANNUAL PERFORMANCE REPORT  
37 TO THE SENATE BUDGET AND TAXATION COMMITTEE AND HOUSE APPROPRIATIONS  
38 COMMITTEE BY DECEMBER 1 OF EACH YEAR ON:

1 (I) THE STATUS OF THE PERFORMANCE INDICATORS FOR THE  
2 PRIOR FISCAL YEAR;

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

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

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

11 (2) THE AUDIT SHALL PROVIDE DATA ON FARES, COST CONTAINMENT  
12 MEASURES, COMPARISONS WITH OTHER SIMILAR MASS TRANSIT SYSTEMS, AND  
13 OTHER INFORMATION NECESSARY IN EVALUATING THE OPERATIONS OF THEIR  
14 TRANSIT SYSTEMS.

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

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

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

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

23 (i) Six members of the House of Delegates appointed by the Speaker of  
24 the House;

25 (ii) Six members of the Senate of Maryland appointed by the President of  
26 the Senate; and

27 (iii) Six members appointed by the Governor.

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

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

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

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

1                   (iii)     Projections on necessary services and costs, including funding  
2 requirements, to implement the recent Transit Advisory Panel recommendations,  
3 including the short-term and long-term impact on the State Transportation Trust  
4 Fund.

5           (4)       The Panel shall report its findings and recommendations to the Governor  
6 and General Assembly by December 1, 2000.

7       SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
8 July 1, 2000.