

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 42

(Delegate Elmore, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Somerset County - Ferry Company - Franchise

This bill authorizes the Commissioners of Somerset County to grant, after reviewing the proposed business and financial plan, a franchise for a ferry company to operate between Somerset County and Reedville, Virginia on an exclusive basis notwithstanding any anticompetitive effect. A ferry company granted a franchise has up to 18 months to exercise the franchise. The bill also: (1) authorizes the Commissioners of Somerset County to adopt regulations regarding ferry services that are consistent with the Public Service Commission's regulations regarding ferry companies; and (2) prohibits a franchise from conducting any gambling or gaming activities on any ferry that it operates under the franchise agreement.

The bill is effective July 1, 2003.

Fiscal Summary

State Effect: None.

Local Effect: Authorizing the Commissioners of Somerset County to grant a franchise for a ferry company would not directly affect Somerset County's finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: There is no provision of law authorizing Somerset County to grant a ferry company franchise to operate from the county to any other destination.

Background: Over the last 15 years there has been general interest in expanding ferry service in the Chesapeake Bay. Somerset County advises that two companies are currently interested in operating a ferry service in the Chesapeake Bay from Somerset County to destinations on the Eastern Shore, the Western Shore, and Virginia. The level of ferry service to be provided from Somerset County to other destinations is not known. The Maryland Department of Transportation will release a feasibility study on ferry service in the Chesapeake Bay in summer 2003. Ferry transit services could provide accommodations for passengers only, cars and trucks only, or both.

The General Assembly of Virginia passed SB 300 during the 2002 session, which grants authority to Northumberland County to grant an exclusive franchise for the operation of a vehicular ferry transportation system. Reedville, Virginia is in Northumberland County.

The Public Service Commission regulates public service companies including, but not limited to, the granting of operating authority, enforcement of safety regulations, and review of rates. Ferry services would be required to adhere to the commission's regulations regarding motor carrier companies. The Public Service Commission advises that it has authorized and regulates ferry service in Talbot County between the towns of Oxford and Belvue and has authorized and regulates 15 water taxi service companies, including one company that operates in Somerset County with service to St. Mary's County and Smith Island.

Small Business Effect: Potential meaningful. Assuming ferry service is implemented in Somerset County to Reedville, Virginia, small businesses in the county could be positively impacted by increased tourism and increased commercial traffic. The impact depends on the level of demand for ferry service between Somerset County and Reedville, Virginia.

Additional Information

Prior Introductions: A similar bill was introduced at the 2002 session as HB 1376. The bill received a favorable with amendments report by the House Commerce and Government Matters Committee and was adopted by the House with floor amendments. The bill received a favorable with amendments report by the Senate Education, Health, and Environmental Affairs Committee and was adopted by the Senate. However, a final agreement was not reached by the two chambers and the bill was not passed.

Cross File: None, although SB 34 is similar.

Information Source(s): Somerset County, Public Service Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 4, 2003
mld/hlb Revised - House Third Reader - March 18, 2003
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