
By: **Delegates McIntosh and Marriott, Marriott, and C. Davis**

Introduced and read first time: February 4, 2004

Assigned to: Ways and Means and Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 16, 2004

CHAPTER _____

1 AN ACT concerning

2 **Mass Transit Services - Cost Recovery - Performance Standards**

3 FOR the purpose of ~~repealing the termination of~~ continuing for a certain length of
4 time certain provisions of law relating to the percentage of operating costs that
5 must be recovered from certain revenues for certain mass transit services;
6 continuing a requirement that the Maryland Transit Administration establish a
7 certain cost recovery goal; requiring the continuation of certain performance
8 indicators for certain mass transit services; continuing a requirement that
9 certain independent management audits be performed for certain purposes;
10 ~~requiring the submission of~~ continuing a requirement that the Department of
11 Transportation submit certain projections in the ~~Department of Transportation's~~
12 Department's annual budget; repealing certain obsolete provisions; providing for
13 the effective date of this Act; and generally relating to the funding of mass
14 transit services.

15 BY repealing and reenacting, without amendments,
16 Chapter 210 of the Acts of the General Assembly of 2000
17 Section 3

18 BY repealing and reenacting, with amendments,
19 Chapter 210 of the Acts of the General Assembly of 2000
20 Section 5

21 BY repealing and reenacting, without amendments,
22 Chapter 211 of the Acts of the General Assembly of 2000
23 Section 3

1 BY repealing and reenacting, with amendments,
2 Chapter 211 of the Acts of the General Assembly of 2000
3 Section 5

4 ~~BY adding to~~
5 ~~Article - Transportation~~
6 ~~Section 2-104~~
7 ~~Annotated Code of Maryland~~
8 ~~(2001 Replacement Volume and 2003 Supplement)~~

9 BY repealing and reenacting, with amendments,
10 Article - Transportation
11 Section 7-208 and 10-207
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2003 Supplement)

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

16 **Chapter 210 of the Acts of 2000**

17 {SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
18 Transportation shall submit in the Department's annual budget request separate
19 farebox recovery projections for the fiscal year covered by the budget request for the
20 Mass Transit Administration's and the Washington Metropolitan Area Transit
21 Authority's bus, light rail, and metro services.}

22 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2000. {It shall remain effective for a period of 4 8 years and, at the end of June
24 30, ~~2004~~ 2008, with no further action required by the General Assembly, this Act shall
25 be abrogated and of no further force and effect.}

26 **Chapter 211 of the Acts of 2000**

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29 farebox recovery projections for the fiscal year covered by the budget request for the
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31 Authority's bus, light rail, and metro services.}

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35 be abrogated and of no further force and effect.}

1

Article - Transportation2 ~~2-104.~~

3 ~~THE DEPARTMENT SHALL SUBMIT IN ITS ANNUAL BUDGET SEPARATE FAREBOX~~
4 ~~RECOVERY PROJECTIONS FOR BUS, LIGHT RAIL, HEAVY RAIL, AND SUBWAY~~
5 ~~SERVICES PROVIDED BY THE MARYLAND TRANSIT ADMINISTRATION AND THE~~
6 ~~WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY DURING THE FISCAL YEAR~~
7 ~~COVERED BY THE BUDGET.~~

8 7-208.

9 (a) Subject to the authority of the Secretary and, where applicable, the
10 Maryland Transportation Authority, the Administration has jurisdiction:

11 (1) Consistent with the provisions of Division II of the State Finance and
12 Procurement Article, for planning, developing, constructing, acquiring, financing, and
13 operating the transit facilities authorized by this title; and

14 (2) Over the services performed by and the rentals, rates, fees, fares, and
15 other charges imposed for the services performed by transit facilities owned or
16 controlled by the Administration.

17 (b) (1) For fiscal year 2001 and thereafter, the Administration shall recover
18 from fares and other operating revenues at least 40 percent of the operating costs for
19 the Maryland Transit Administration bus, light rail, and Metro services in the
20 Baltimore region.

21 (2) The Administration shall establish a cost recovery goal of 50 percent.

22 (3) The Administration may exempt from the requirements of this
23 subsection new mass transit service for a period of 36 months from the initiation of
24 the service as well as fare modifications for a period of 36 months from the date of the
25 modification.

26 (4) The Administration shall obtain the fare recovery ratio through the
27 establishment of reasonable fares in the Baltimore region and the implementation of
28 cost containment measures as deemed necessary to meet the standard required under
29 this paragraph.

30 (c) (1) For fiscal year 2001 and thereafter, the Administration shall
31 implement performance indicators, in addition to the farebox recovery indicator, to
32 track service efficiency for mass transit in the Baltimore region, including:

33 (i) Operating expenses per vehicle mile;

34 (ii) Operating expenses per passenger trip; and

35 (iii) Passenger trips per vehicle mile.

1 (2) The Administration shall submit an annual performance report to
2 the Senate Budget and Taxation Committee, House Ways and Means Committee, and
3 House Appropriations Committee by December 1 of each year on:

4 (i) The status of the performance indicators for the prior fiscal
5 year;

6 (ii) The status of managing-for-results goals of the Administration
7 as they pertain to mass transit service in the Baltimore area; and

8 (iii) Comparisons of performance indicators for mass transit in the
9 Baltimore region and other similar systems nationwide.

10 (d) (1) The Administration shall provide for an independent management
11 audit of the operational costs and revenues of mass transit in the Baltimore region
12 every 4 years.

13 (2) The audit shall provide data on fares, cost containment measures,
14 comparisons with other similar mass transit systems, and other information
15 necessary in evaluating the operations of the Baltimore Regional Transit System.

16 (3) The findings from the audit shall be used as a benchmark for the
17 annual performance reports.

18 [(4) A preliminary baseline audit shall be completed by December 1, 2000,
19 with a final baseline audit to be completed by December 1, 2001.]

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

24 (f) Notwithstanding any other provision of this title or the Public Utility
25 Companies Article, the Public Service Commission does not have any jurisdiction over
26 transit facilities owned or controlled by the Administration or over any contractor
27 operating these facilities.

28 (g) Except as provided in this title, the Administration does not have any
29 jurisdiction over transportation in the District by private carriers.

30 10-207.

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

32 (2) "Eligible local bus service":

33 (i) Means the number of annual platform miles and annual
34 platform hours of fixed route, scheduled local bus service, that previously replaced
35 comparable service operated by the Washington Metropolitan Area Transit Authority,

1 plus the number of annual platform miles and annual platform hours of any new
2 fixed route, scheduled local bus service added after June 30, 1989; and

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

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

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

8 (i) The greater of:

9 1. Revenues collected under this section and § 10-205(b) of
10 this subtitle; or

11 2. 40 percent of the costs; and

12 (ii) All federal operating assistance.

13 (b) (1) Subject to the appropriation requirements and budgetary provisions
14 of § 3-216 of this article and upon receipt of an approval of a grant application in the
15 form or detail as the Secretary shall reasonably require, the Department shall provide
16 for annual grants to Prince George's County and Montgomery County for eligible local
17 bus service as defined in this section. The amount of these grants shall be equal to:

18 (i) 100 percent of the service deficit attributable to each county;
19 less

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

23 (2) Notwithstanding the provisions of this section, the Secretary may
24 authorize payments to Prince George's County and Montgomery County:

25 (i) To subsidize new bus service for a period of 36 months from the
26 initiation of service; and

27 (ii) For the loss of revenues from fare modifications for a period of
28 36 months from the date of the modification.

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

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

1 Consumer Price Index CPI-U for the fiscal year in which the grant under this section
2 is being awarded, using the actual Consumer Price Index CPI-U at the close of the
3 fiscal year. Adjustments shall be made to increase or decrease the combined grants in
4 the subsequent fiscal year to reflect the actual inflation rate.

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

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

11 (f) (1) For fiscal year 2001 and thereafter, Prince George's County and
12 Montgomery County shall implement performance indicators, in addition to the
13 farebox recovery indicator, to track service efficiency for mass transit in their
14 respective 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 to the
19 Senate Budget and Taxation Committee, House Ways and Means Committee, and
20 House Appropriations Committee by December 1 of each year on:

21 (i) The status of the performance indicators for the prior fiscal
22 year;

23 (ii) The status of any performance goals of their jurisdictions as
24 they pertain to mass transit service; and

25 (iii) Comparisons of performance indicators for mass transit in their
26 jurisdictions and other similar systems nationwide.

27 (g) (1) Prince George's County and Montgomery County shall each provide
28 for an independent management audit of the operational costs and revenues of mass
29 transit in their respective jurisdictions every 4 years.

30 (2) The audit shall provide data on fares, cost containment measures,
31 comparisons with other similar mass transit systems, and other information
32 necessary in evaluating the operations of their transit systems.

33 (3) The findings from the audit shall be used as a benchmark for the
34 annual performance reports.

35 [(4) A preliminary baseline audit shall be completed by December 1, 2000,
36 with a final baseline audit to be completed by December 1, 2001.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2004.