

Department of Legislative Services
 Maryland General Assembly
 2019 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1263 (Delegate Wells, *et al.*)
 Appropriations

Transportation - Public Transit - Fare Capping (Equal Opportunity Through Transit Act)

This bill requires the Maryland Department of Transportation (MDOT) and the Maryland Transit Administration (MTA) to (1) study the feasibility of implementing a “fare-capping” system across State-funded commuter rail services and public transportation services that receive State funding and (2) conduct research and develop recommendations on implementing such a system. MDOT and MTA must submit a report of their findings and recommendations to the Governor and the General Assembly by June 30, 2020. **The bill takes effect July 1, 2019, and terminates June 30, 2021.**

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by \$185,000 in FY 2020 and by \$38,000 in FY 2021 only. Revenues are not affected.

(in dollars)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	185,000	38,000	0	0	0
Net Effect	(\$185,000)	(\$38,000)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: “Fare capping” means a system that counts the number of times a rider uses a public transportation system within specific time spans and restricts additional charges after the rider uses the cost equivalent of a daily, weekly, or monthly pass.

MDOT and MTA must conduct research and develop recommendations on implementing a fare-capping system, including recommendations on policies, costs, barriers, and a projected implementation schedule. If the study concludes that fare capping is not feasible within the current six-year *Consolidated Transportation Program*, MDOT and MTA must report to the Governor and the General Assembly by January 1, 2021, on plans for each commuter rail and public transit agency to implement a fare-capping system by January 1, 2028.

The bill may not be construed to preclude MDOT and MTA from implementing, as an interim measure, any marketing, fare policy, or operating system to increase ridership on commuter rail and public transit in the State.

Current Law/Background:

Transit Services in Maryland

MTA operates a comprehensive transit system throughout the Baltimore-Washington metropolitan area, including more than 50 local bus lines in Baltimore and other services, such as the light rail, Baltimore Metro subway, commuter buses, Maryland Area Regional Commuter (MARC) trains, and mobility/paratransit vehicles. MTA is also responsible for hundreds of transit stations. **Exhibit 1** shows MTA’s existing standard fares for its core services.

The State also provides annual grant funding (along with the Commonwealth of Virginia and District of Columbia) for the operations and capital expenses of the Washington Metropolitan Area Transit Authority (WMATA). WMATA operates the Metrorail, Metrobus, and MetroAccess systems to provide public transit services. Specifically, WMATA operates 91 transit stations and 1,500 buses. Furthermore, WMATA has approximately 117 miles of rail track.

Fares for WMATA’s services vary by distance traveled and destination. For example, WMATA’s one-way Metrorail fares range from \$2.25 to \$6.00 during peak hours and from \$2.00 to \$3.85 during off-peak hours. WMATA also offers daily and weekly passes for each of its services. Prices for the passes range from \$14.75 to \$60.00.

Exhibit 1
MTA Core Service Fares
February, 2019

<u>Type of Pass</u>	<u>Full Fare</u>	<u>Senior/Disability</u>	<u>Student</u>	<u>Mobility</u>
One-way	1.80	0.80	1.30	2.00
Day Pass	4.20	2.10	--	--
Weekly Pass	20.00	--	--	--
Monthly Pass	72.00	--	--	--

MARC: Maryland Area Regional Commuter trains
MTA: Maryland Transit Administration

Note: Excludes fares for Commuter Bus and MARC services.

Source: Maryland Transit Administration

Fare Capping

Fare capping is a recent trend for transit systems around the world; among other places, fare-capping systems have been implemented in Dublin, Ireland; London, England; Dallas, Texas; and Portland, Oregon. How and when the fare cap takes effect varies by transit agency, but all the systems require the use of a pass card that can track the number of rides taken or the amount of money spent on fares in a day, week, or month.

For example, the Dallas Area Rapid Transit system tracks how much is spent in fares on a user's GoPass Tap card. It allows free rides for (1) the rest of the day once the total cost of a day pass is spent and (2) the rest of the month once the total cost of a monthly pass is spent. Similarly, Dublin's TFI Leap card and cellphone application tracks how much is spent in fares, but it only tracks fares by the day and week, instead of monthly.

State Expenditures: MDOT and MTA do not have any experience with fare capping and have not completed any research to explore its feasibility within the State. Therefore, MDOT and MTA need to hire a consultant to complete the required study. Accordingly, TTF expenditures increase by \$185,000 in fiscal 2020 and by \$38,000 in fiscal 2021 to hire a consultant to complete technical research, conduct feasibility assessments, develop recommendations, and prepare the final report. This estimate includes costs to design, build, and test a custom fare-capping system for the State and to test any commercial "off-the-shelf" products that may be available.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Municipal League; cities of Bowie and Takoma Park; Dallas Area Rapid Transit; TFI Leap; Department of Legislative Services

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