

SENATE BILL 963

R2

7lr1815

By: **Senators Madaleno, King, and Manno**

Introduced and read first time: February 3, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Transit Service – State Grants**

3 FOR the purpose of altering a provision of law concerning the amount of a certain grant
4 that the Department of Transportation is required to provide to the Washington
5 Suburban Transit District for a share of the operating deficits of the regional transit
6 system for which the District is responsible; altering certain definitions; altering
7 provisions of law concerning certain annual grants by the State to Prince George’s
8 County and Montgomery County for eligible local bus service; repealing certain
9 provisions of law that imposed certain limitations on the amount of the grants that
10 the Department of Transportation is required to provide for certain eligible local bus
11 service in Prince George’s County and Montgomery County; and generally relating
12 to State grants for certain local bus service and requirements for recovery of certain
13 operating costs of certain public transit services from certain revenues.

14 BY repealing and reenacting, with amendments,
15 Article – Transportation
16 Section 10–205 and 10–207
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2016 Supplement)

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

21 **Article – Transportation**

22 10–205.

23 (a) In accordance with and subject to the principle that, if there is substantial
24 State financial support for the planned rapid rail mass transit system in one metropolitan
25 area of this State, there should be substantial State financial support for the planned rapid
26 rail mass transit system in the other metropolitan area of this State, and subject to the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 appropriation requirements and budgetary provisions of § 3–216(d) of this article, the
2 Department shall provide for grants to the Washington Suburban Transit District in an
3 amount equal to the current expenditures required of the Washington Suburban Transit
4 District in accordance with capital contributions agreements between the Washington
5 Metropolitan Area Transit Authority, the Washington Suburban Transit District, and other
6 participating jurisdictions. The Washington Suburban Transit District shall consult with
7 the Secretary of Transportation prior to the execution of any capital contributions
8 agreement. Expenditures required of the Washington Suburban Transit District for
9 projects and programs not included in the “Adopted Regional System – 1968” revised as of
10 January 1, 1992, are only eligible for State funding in accordance with subsection (f) of this
11 section.

12 (b) (1) Subject to the appropriation requirements and budgetary provisions of
13 § 3–216(d) of this article and upon receipt of an approval of a grant application in such form
14 and detail as the Secretary shall reasonably require, the Department shall provide for
15 annual grants to the Washington Suburban Transit District for a share of the operating
16 deficits of the regional transit system for which the District is responsible. “Operating
17 deficit” means operating costs less:

18 (i) [The greater of operating] **OPERATING** revenues [or 50 percent
19 of the operating costs]; and

20 (ii) All federal operating assistance.

21 (2) The Department’s share shall equal 100 percent of the operating deficit.

22 (c) Subject to the appropriation requirements and budgetary provision of §
23 3–216(d) of this article, the Department shall provide for grants to the Washington
24 Suburban Transit District in an amount equal to 75 percent of the net debt service assigned
25 to the Washington Suburban Transit District on bonds issued by the Washington
26 Metropolitan Area Transit Authority. In no event shall the amount of net debt service,
27 including the refinancing of any debt, required of the Washington Suburban Transit
28 District exceed the amount presently assigned on a year by year basis to the Washington
29 Suburban Transit District, and payable through the year 2014. Nothing in this article shall
30 preclude the use of bond proceeds for capital improvements and replacements of the
31 “Adopted Regional System – 1968” revised as of January 1, 1992.

32 (d) (1) In accordance with and subject to the principle that, if there is
33 substantial State financial support for rapid rail and bus transit capital replacement costs
34 in one metropolitan area of this State, there should be substantial State financial support
35 for the costs of similar needs in the other metropolitan area of this State, and in recognition
36 of the fact that timely replacement of capital facilities and equipment is essential to safe
37 and reliable transit service, the Department shall provide grants to fully fund the
38 Washington Suburban Transit District’s share of the Washington Metropolitan Area
39 Transit Authority’s capital equipment replacement programs.

40 (2) The grants under this subsection:

1 (i) Shall be made subject to the appropriation and budgetary
2 provisions of § 3–216(d) of this article;

3 (ii) Shall be included in the State budget beginning in fiscal year
4 2000;

5 (iii) Notwithstanding any other provision of law, may be funded with
6 revenues derived from:

7 1. Any State–enacted transportation fees or taxes; or

8 2. Federal transportation grants available to the State to
9 fund transit capital equipment replacement; and

10 (iv) Shall be contingent on the receipt of a request by the District to
11 the Department, based on annual capital improvements programs adopted by the
12 Washington Metropolitan Area Transit Authority.

13 (e) Subject to the appropriation requirements and budgetary provisions of §
14 3–216(d) of this article, the Department shall provide grants from amounts derived from
15 the Transportation Trust Fund to the Washington Suburban Transit District for the
16 purpose of funding Maryland’s required share of local funds for the Washington
17 Metropolitan Area Transit Authority to match any federal funds appropriated in any given
18 year authorized under Title VI, § 601, P.L. 110–432.

19 (f) A grant by the Department to the Washington Suburban Transit District in
20 excess of the provisions of subsection (a) of this section may be made only after approval by
21 the Secretary.

22 10–207.

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

24 (2) “Costs” means operating costs of eligible local bus service, plus
25 operating costs under § 10–205 of this subtitle.

26 (3) “Eligible local bus service”[:

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

32 (ii) Is limited to] MEANS service operated by or on behalf of and in
33 Montgomery County or Prince George’s County.

- 1 (4) “Service deficit” means costs less:
- 2 (i) [The greater of:
- 3 1.] Revenues collected under this section [and § 10–205(b) of
- 4 this subtitle; or
- 5 2. 35 percent of the costs]; and
- 6 (ii) All federal operating assistance.

7 (b) [(1) Subject to the appropriation requirements and budgetary provisions of

8 § 3–216 of this article and upon] **ON** receipt of [an approval of] a grant application in the

9 form or detail as the Secretary shall reasonably require, the Department shall provide for

10 annual grants to Prince George’s County and Montgomery County for eligible local bus

11 service as defined in this section. The amount of these grants shall be equal to:

12 [(i) 100 percent of the service deficit attributable to each county; less

13 (ii) Each county’s share of the Department’s annual grant to the

14 Washington Suburban Transit District as determined under § 10–205(b) of this subtitle]

15 **(1) IN FISCAL YEAR 2018, 43% OF THE SERVICE DEFICIT**

16 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$13,000,000;**

17 **(2) IN FISCAL YEAR 2019, 50% OF THE SERVICE DEFICIT**

18 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000;**

19 **(3) IN FISCAL YEAR 2020, 55% OF THE SERVICE DEFICIT**

20 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000;**

21 **(4) IN FISCAL YEAR 2021, 60% OF THE SERVICE DEFICIT**

22 **ATTRIBUTABLE TO EACH COUNTY, BUT NOT LESS THAN \$20,000,000; AND**

23 **(5) IN FISCAL YEAR 2022 AND IN EACH FISCAL YEAR THEREAFTER,**

24 **75% OF THE SERVICE DEFICIT, BUT NOT LESS THAN \$20,000,000.**

25 [(2) Notwithstanding the provisions of this section, the Secretary may

26 authorize payments to Prince George’s County and Montgomery County:

27 (i) To subsidize new bus service for a period of 36 months from the

28 initiation of service; and

1 (ii) For the loss of revenues from fare modifications for a period of 36
2 months from the date of the modification.]

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

7 (d) Except with the specific approval of the Secretary, notwithstanding the
8 provisions of § 10–205 of this subtitle, the combined grants for bus service to each county
9 under this section and § 10–205(b) of this subtitle may not exceed the level of the combined
10 grants for the prior fiscal year adjusted for inflation by the projected Consumer Price Index
11 CPI–U for the fiscal year in which the grant under this section is being awarded, using the
12 actual Consumer Price Index CPI–U at the close of the fiscal year. Adjustments shall be
13 made to increase or decrease the combined grants in the subsequent fiscal year to reflect
14 the actual inflation rate.]

15 [(e)] (C) (1) The Department shall provide an annual capital grant to Prince
16 George's County and Montgomery County for the purchase of buses to be used in eligible
17 local bus service.

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

21 [(f)] (D) (1) For fiscal year 2001 and thereafter, Prince George's County and
22 Montgomery County shall implement performance indicators, in addition to the farebox
23 recovery indicator, to track service efficiency for mass transit in their respective
24 jurisdictions, including:

25 (i) Operating expenses per vehicle mile;

26 (ii) Operating expenses per passenger trip; and

27 (iii) Passenger trips per vehicle mile.

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

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

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

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

1 **[(g)] (E)** (1) Prince George's County and Montgomery County shall each
2 provide for an independent management audit of the operational costs and revenues of
3 mass transit in their respective jurisdictions every 4 years.

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

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2017.