

# HOUSE BILL 1026

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By: **Delegates Lam, Beidle, Fraser-Hidalgo, Frush, Krimm, Lierman, McCray, A. Miller, and Stein**

Introduced and read first time: February 11, 2016

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transit Administration – Fares – Calculation and Public Comment**

3 FOR the purpose of clarifying the manner in which the Maryland Transit Administration  
4 is required to calculate certain fares for transit services under certain provisions of  
5 law; providing that certain provisions of law may not be interpreted to require that  
6 certain fares be increased by a certain amount at certain intervals; repealing a  
7 provision of law exempting certain fare increases from a public hearing process;  
8 requiring the Administration to give notice of a proposal to fix or revise a fare or rate  
9 charged to the general public in a certain manner a certain period of time before  
10 implementing the proposal; requiring the Administration to give notice of a public  
11 hearing on the home page of the Administration's Web site; and generally relating  
12 to calculating and allowing public comment on fares charged by the Maryland  
13 Transit Administration.

14 BY repealing and reenacting, with amendments,  
15 Article – Transportation  
16 Section 7–208 and 7–506  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2015 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 7–208.

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

7 (b) (1) For fiscal year 2009 and each fiscal year thereafter, the Administration  
8 shall separately recover from fares and other operating revenues at least 35 percent of the  
9 total operating costs for:

10 (i) The Administration's bus, light rail, and Metro subway services  
11 in the Baltimore region; and

12 (ii) All passenger railroad services under the Administration's  
13 control.

14 (2) The Administration shall submit, in accordance with § 2-1246 of the  
15 State Government Article, an annual report to the Senate Budget and Taxation Committee,  
16 House Ways and Means Committee, and House Appropriations Committee by December 1  
17 of each year that includes:

18 (i) Separate farebox recovery ratios for the prior fiscal year for:

19 1. Bus, light rail, and Metro subway services provided by the  
20 Administration in the Baltimore region;

21 2. Commuter bus service provided under contract to the  
22 Administration in the Baltimore region; and

23 3. Maryland Area Rail Commuter (MARC) service provided  
24 under contract to the Administration;

25 (ii) A discussion of the success or failure to achieve the farebox  
26 recovery requirement established in paragraph (1) of this subsection;

27 (iii) Comparisons of farebox recovery ratios for the Administration's  
28 mass transit services and other similar transit systems nationwide; and

29 (iv) The estimated fare prices necessary to achieve the farebox  
30 recovery requirement established in paragraph (1) of this subsection for the next fiscal year.

31 (b-1) Subject to § 7-506 of this title, the Administration:

1           (1) Subject to paragraphs (2), (3), (4), (5), and (6) of this subsection, shall  
2 set the fare prices and collect other operating revenues in an amount sufficient to achieve  
3 the farebox recovery requirement established in subsection (b) of this section;

4           (2) Beginning in fiscal year 2015, shall:

5           (i) On a biennial basis, increase base fare prices and the cost of  
6 multiuse passes to the nearest 10 cents for all transit services except those services listed  
7 in subparagraph (ii) of this paragraph by the same percentage as the biennial increase in  
8 the Consumer Price Index for all urban consumers, as determined from January 1, 2012,  
9 to December 31, 2013, and each subsequent 2-year period for which the amount is being  
10 calculated;

11           (ii) Every 5 years, increase one-way zone fare prices and the cost of  
12 multiuse passes to the nearest dollar for commuter rail and commuter bus service by:

13           1. At least the same percentage as the 5-year increase in the  
14 Consumer Price Index for all urban consumers, as determined from January 1, 2009, to  
15 December 31, 2013, and each subsequent 5-year period for which the amount is being  
16 calculated; and

17           2. Any additional amount the Administration determines is  
18 necessary after considering factors affecting commuting costs applicable to the jurisdictions  
19 in which the Administration provides commuter service, including:

20           A. Monthly parking fees;

21           B. The retail price per gallon of motor fuel;

22           C. The amount of any monthly federal commuting subsidy;

23           D. Fare prices for intercity rail service; and

24           E. Any other relevant commuting costs; and

25           (3) May not reduce the level of services provided by the Administration for  
26 the purpose of achieving the farebox recovery requirement;

27           (4) May not increase fares for all transit services except those services  
28 listed in paragraph (2)(ii) of this subsection by more than the amount required under  
29 paragraph (2)(i) of this subsection;

30           (5) May not increase fares under paragraph (2)(i) and (ii)1 of this  
31 subsection if there is a decline or no growth in the Consumer Price Index; [and]

32           (6) Shall include the amount of any increase in fares that would have  
33 occurred previously in the absence of rounding to the nearest 10 cents or nearest dollar

1 when calculating fare increases for subsequent periods under paragraph (2)(i) and (ii)1 of  
2 this subsection;

3 **(7) MAY NOT INTERPRET:**

4 **(I) ITEM (2)(I) OF THIS SUBSECTION AS REQUIRING THAT**  
5 **FARES BE INCREASED BY AT LEAST 10 CENTS EVERY 2 YEARS; OR**

6 **(II) ITEM (2)(II)1 OF THIS SUBSECTION AS REQUIRING THAT**  
7 **FARES BE INCREASED BY AT LEAST \$1 EVERY 5 YEARS; AND**

8 **(8) MAY NOT INCREASE FARES UNDER ITEM (2)(I) AND (II)1 OF THIS**  
9 **SUBSECTION UNLESS THE EXISTING FARE MULTIPLIED BY THE UNROUNDED**  
10 **PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX PRODUCES AN**  
11 **UNROUNDED PRODUCT THAT, WHEN ADDED TO ANY UNROUNDED AMOUNT UNDER**  
12 **ITEM (6) OF THIS SUBSECTION, IS PROPERLY ROUNDED UP TO THE NEAREST 10**  
13 **CENTS OR THE NEAREST DOLLAR.**

14 [(b-2) An increase in the Administration's fare prices by the minimum amount  
15 required under subsection (b-1) of this section is not subject to the requirements of § 7-506  
16 of this title.]

17 (c) (1) For fiscal year 2009 and each fiscal year thereafter, the Administration  
18 shall implement performance indicators to track service efficiency for the Administration's  
19 mass transit services, including:

20 (i) Operating expenses per revenue vehicle mile;

21 (ii) Operating expenses per passenger trip; and

22 (iii) Passenger trips per revenue vehicle mile.

23 (2) The Administration shall submit, in accordance with § 2-1246 of the  
24 State Government Article, an annual performance report to the Senate Budget and  
25 Taxation Committee, House Ways and Means Committee, and House Appropriations  
26 Committee by December 1 of each year on:

27 (i) The status of the performance indicators listed in paragraph (1)  
28 of this subsection for the prior fiscal year, including a discussion of the failure or success in  
29 meeting the goals established for the prior fiscal year by the Administration;

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

1 (iii) Comparisons of performance indicators for the Administration's  
2 mass transit services and other similar systems nationwide; and

3 (iv) The Administration's goals for each of the measures in  
4 paragraph (1) of this subsection for the next fiscal year.

5 (d) (1) The Administration shall provide for an independent management  
6 audit of the operational costs and revenues of the Administration's mass transit services  
7 every 4 years.

8 (2) The audit shall provide data on fares, cost containment measures,  
9 comparisons with other similar mass transit systems, and other information necessary in  
10 evaluating the operations of the Administration's mass transit system.

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

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

17 (f) Notwithstanding any other provision of this title or the Public Utilities Article,  
18 the Public Service Commission does not have any jurisdiction over transit facilities owned  
19 or controlled by the Administration or over any contractor operating these facilities.

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

22 7-506.

23 (a) (1) Except as provided in subsection (b) of this section [or § 7-208(b-2) of  
24 this title], until a public hearing is held on the matter, the Administration may not:

25 (i) Fix or revise any fare or rate charged the general public;

26 (ii) Establish or abandon any bus or rail route listed on a published  
27 timetable;

28 (iii) Change a bus or rail route alignment listed on a published  
29 timetable, unless the change is needed because of temporary construction or changes in the  
30 road network;

31 (iv) Reduce the frequency, number of days, or days of service for a  
32 commuter bus or commuter rail route without substituting a comparable level of service,  
33 unless the reduction is temporary or a result of:

- 1 1. A natural disaster;
- 2 2. Weather or other emergency conditions;
- 3 3. Schedule adjustments required by a third party that  
4 operates service on the same right-of-way; or
- 5 4. Other circumstances beyond the control of the  
6 Administration; or
- 7 (v) Establish or abandon a rail transit station.

8 (2) (I) The Administration may only implement a change described in  
9 paragraph (1) of this subsection during the time period that begins 6 weeks after the public  
10 hearing and ends 6 months after the public hearing.

11 (II) **THE ADMINISTRATION SHALL GIVE NOTICE OF A PROPOSAL**  
12 **TO FIX OR REVISE A FARE OR RATE CHARGED THE GENERAL PUBLIC IN ACCORDANCE**  
13 **WITH SUBSECTION (D)(2) OF THIS SECTION AT LEAST 6 MONTHS BEFORE**  
14 **IMPLEMENTING THE PROPOSAL.**

15 (3) (i) If the Administration gives inadequate or defective notice of a  
16 public hearing on a change described in paragraph (1) of this subsection, the  
17 Administration may not implement the change unless the Administration makes a  
18 reasonable effort to correct the inadequacy or defect and a legally sufficient public hearing  
19 is held.

20 (ii) For the purposes of this paragraph, notice shall be considered  
21 inadequate or defective if:

- 22 1. The Administration does not comply with the newspaper  
23 publication requirements under subsection (d) of this section;
- 24 2. The Administration does not comply with the notice  
25 requirements for affected jurisdictions prescribed under subsection (d) of this section;
- 26 3. At least 30% of the Administration's facilities are not  
27 posted as required under subsection (d) of this section; or
- 28 4. The notice contains erroneous information.

29 (4) A public hearing required under paragraph (1) of this subsection shall  
30 be at a place and time that is reasonably accessible and convenient to the patrons of the  
31 service to be affected.

32 (5) The Administration shall accept written comments for 30 days after a  
33 hearing held on a change described in paragraph (1) of this subsection.

1 (b) The Administration may add service on a new alignment branching off of an  
2 existing route without holding a public hearing, if the addition of the new alignment does  
3 not alter the existing route.

4 (c) (1) The following persons may request the Administration to hold a hearing  
5 on any rentals, rates, fares, fees, or other charges of the Administration or any service  
6 rendered by the transit facilities owned or controlled by the Administration:

7 (i) Any person served by or using the transit facilities;

8 (ii) The People's Counsel, as a representative of the general public;  
9 and

10 (iii) Any private carrier operating in the District.

11 (2) The request for a hearing shall:

12 (i) Be in writing;

13 (ii) State the matter sought to be heard; and

14 (iii) Set forth clearly the grounds for the request.

15 (3) As soon as possible after the Administration receives a request for a  
16 hearing, a designated employee of the Administration shall confer on the matter with the  
17 person requesting the hearing. After the conference, if the Administration considers the  
18 matter meritorious and of general significance, it may call a hearing.

19 (d) (1) The Administration shall give at least a 30-day notice before a hearing.

20 (2) The notice shall be:

21 (i) **PROMINENTLY FEATURED ON THE HOME PAGE OF THE**  
22 **ADMINISTRATION'S WEB SITE;**

23 **(II)** Published once a week for 2 successive weeks in two or more  
24 newspapers of daily circulation throughout the District;

25 **[(ii)](III)** Posted in all of the Administration's offices, stations, and  
26 terminals and all of the vehicles and rolling stock used in revenue service by the mode of  
27 transportation that will be affected by the proposed action described in subsection (a) of  
28 this section; and

29 **[(iii)](IV)** Provided to the governing body of each county or  
30 municipal corporation affected by a change in transit service or fare or rate described under  
31 subsection (a)(1) of this section.

1                   (3)     The Administration may establish a process for providing notice to local  
2 governments under paragraph ~~[(2)(iii)]~~ **(2)(IV)** of this subsection.

3                   (4)     The 30-day period begins when the notice first appears in the  
4 newspaper.

5                   (e)     Before calling a hearing under this section, the Administration shall file at its  
6 main office and make available for public inspection:

7                   (1)     Its report on the subject matter of the hearing; and

8                   (2)     If the hearing was requested under subsection (c) of this section, the  
9 written request for the hearing and all documents filed in support of it.

10                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
11 1, 2016.