

SENATE BILL 939

R2

3lr2905
CF HB 1125

By: **Senator Watson**

Introduced and read first time: February 17, 2023

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Transit – Grant Funding for Local Service – Alterations**

3 FOR the purpose of establishing the Locally Operated Transit System Grant Program;
4 authorizing program funds to be sourced from federal and State public
5 transportation programs; requiring, beginning in a certain fiscal year, the total
6 grants for locally operated transit service to exceed the total grants for a certain
7 previous fiscal year, adjusted for inflation; requiring the Department of
8 Transportation to make a certain adjustment in a subsequent fiscal year to reflect
9 the actual inflation rate; requiring the grant for bus service for certain counties to
10 exceed the level of the grant for each county for the prior fiscal year, adjusted for
11 inflation; authorizing the Secretary of Transportation to make a proportional
12 reduction in certain counties' grants in a subsequent fiscal year if the bus service
13 costs for the county decrease in the prior fiscal year; and generally relating to grant
14 funding for locally operated transit systems in the State.

15 BY adding to

16 Article – Transportation
17 Section 4–322
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2022 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Transportation
22 Section 10–207
23 Annotated Code of Maryland
24 (2020 Replacement Volume and 2022 Supplement)

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

27 **Article – Transportation**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **4-322.**

2 (A) (1) **THERE IS A LOCALLY OPERATED TRANSIT SYSTEM GRANT**
3 **PROGRAM.**

4 (2) **THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.**

5 (B) (1) **THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDS TO**
6 **LOCALLY OPERATED TRANSIT SYSTEMS IN THE STATE.**

7 (2) **A LOCALLY OPERATED TRANSIT SYSTEM MAY USE PROGRAM**
8 **FUNDS FOR:**

9 (I) **CAPITAL EXPENSES;**

10 (II) **OPERATING EXPENSES;**

11 (III) **PLANNING EXPENSES; AND**

12 (IV) **ANY OTHER ELIGIBLE EXPENSE, AS DETERMINED BY THE**
13 **DEPARTMENT.**

14 (3) **PROGRAM FUNDS MAY BE SOURCED FROM:**

15 (I) **FEDERAL PUBLIC TRANSPORTATION PROGRAMS,**
16 **INCLUDING:**

17 1. **THE URBANIZED AREA FORMULA PROGRAM UNDER**
18 **49 U.S.C. § 5307;**

19 2. **FORMULA GRANTS FOR RURAL AREAS UNDER 49**
20 **U.S.C. § 5311;**

21 3. **THE INTERCITY BUS PROGRAM UNDER 49 U.S.C. §**
22 **5311(F);**

23 4. **PLANNING AND TECHNICAL ASSISTANCE FUNDS**
24 **UNDER 49 U.S.C. §§ 5303 AND 5304;**

25 5. **THE BUS AND BUS FACILITIES FORMULA PROGRAM**
26 **UNDER 49 U.S.C. § 5339; AND**

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

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

7 § 3–216 of this article and upon receipt of an approval of a grant application in the form or

8 detail as the Secretary shall reasonably require, the Department shall provide for annual

9 grants to Prince George’s County and Montgomery County for eligible local bus service as

10 defined in this section. The amount of these grants shall be equal to:

- 11 (i) 100 percent of the service deficit attributable to each county; less
- 12 (ii) Each county’s share of the Department’s annual grant to the
- 13 Washington Suburban Transit District as determined under § 10–205(b) of this subtitle.

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

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

- 16 (i) To subsidize new bus service for a period of 36 months from the
- 17 initiation of service; and
- 18 (ii) For the loss of revenues from fare modifications for a period of 36
- 19 months from the date of the modification.

20 (c) The Department’s grant for any eligible local bus service may not be greater

21 than the operating grant that the Department would incur from the same bus service if

22 operated by the Washington Metropolitan Area Transit Authority. This requirement shall

23 be applied on a line by line basis.

24 (d) (1) Except [with the specific approval of the Secretary] **AS PROVIDED IN**

25 **PARAGRAPH (2) OF THIS SUBSECTION**, notwithstanding the provisions of § 10–205 of

26 this subtitle, the [combined grants] **GRANT** for bus service to each county under this section

27 and § 10–205(b) of this subtitle [may not] **SHALL** exceed the level of the [combined grants]

28 **GRANT FOR EACH COUNTY** for the prior fiscal year adjusted for inflation by the projected

29 Consumer Price Index CPI–U for the fiscal year in which the grant under this section is

30 being awarded, using the actual Consumer Price Index CPI–U at the close of the fiscal year.

31 Adjustments shall be made to increase or decrease the [combined grants] **GRANT FOR**

32 **EACH COUNTY** in the subsequent fiscal year to reflect the actual inflation rate.

33 (2) **IN EACH FISCAL YEAR, IF THE BUS SERVICE COSTS FOR A COUNTY**

34 **DECREASED IN THE PRIOR FISCAL YEAR, THE SECRETARY MAY MAKE A**

1 **PROPORTIONAL REDUCTION IN THE COUNTY'S GRANT FOR THE FISCAL YEAR IN**
2 **WHICH THE GRANT UNDER THIS SECTION IS BEING AWARDED.**

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

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

9 (f) (1) For fiscal year 2001 and thereafter, Prince George's County and
10 Montgomery County shall implement performance indicators, in addition to the farebox
11 recovery indicator, to track service efficiency for mass transit in their respective
12 jurisdictions, including:

13 (i) Operating expenses per vehicle mile;

14 (ii) Operating expenses per passenger trip; and

15 (iii) Passenger trips per vehicle mile.

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

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

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

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

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

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

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

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
33 1, 2023.

