

Farebox Recovery Mandate Repeal

Bill Highlights

This bill removes the 35% mandated farebox recovery imposed on MTA and replaces it with true performance metrics to help it become more reliable and efficient.

Under current law, Maryland Transit Authority (MTA) is required to recover from tickets and other revenues at least 35% of the total operating costs for all of its services. To meet the 35% standard, MTA is not supposed to reduce the level of services provided; however, as costs rise every year, this mandate requires that MTA regularly reduce services and maintenance. Removing the farebox mandate will not mean free public transit – all passengers will still be required to pay to ride.

Why Should the Fare Box Recovery Rate Be Repealed?

- Maryland is one of the few states that legally require the transit authority to cover a certain percentage of operating costs from fares. California legally requires only 10%.
- This mandate creates a strong disincentive for investing in maintenance, cleaning and training operators. Every time more money is spent to operate, it is harder to meet the 35% standard. Replacing windshield wipers, fixing the brakes, cleaning the bus, and training the operator all add costs yet are critical for a well-operated system. Conversely, the mandate discourages more investment in MTA – if more money is invested, then more is needed from riders to maintain the 35%. This situation perversely sets up a disincentive to appropriate funding for transit.
- Effective performance measures are critical to a well operating transit system and should include number of riders, on-time performance, and ability for people to get where they need to go efficiently. The fare box receipts should be a metric but not a highly unusual legally required standard.
- The bill will replace this measure with true performance measures, including:
 - Reliability
 - Efficiency of service provided to riders,
 - Increased ridership,
 - More connections to job centers, and
 - Frequent service

This legislation will..

- Remove disincentives for investing in transit improvements
- Allow MTA to focus on metrics that improve the overall transit system
- End unnecessary increased fare costs

Bill supporters include:

- Transit Groups: Central Maryland Transportation Alliance, 1000 Friends of Maryland, Transit Choices of Baltimore, Maryland Transit Opportunities Coalition,
- Unions: SEIU, ATU
- Businesses and business groups: Sagamore Development Corporation, Tradepoint Atlantic, and BWI Partnership

For more information, contact Del. Brooke Lierman or Sen. Rich Madaleno.