Public Transportation Workers’ Issues

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Public transportation is an essential public service, and millions of American workers rely on transit each day to commute to work, buy groceries, get to school, visit the doctor, and attend to life’s other necessities. Transit also keeps America’s economy thriving, and provides a lifeline to millions of people who for whatever reason do not own or drive an automobile.

But transit in America is also facing some significant challenges. State funding is scarce. Due to shortages in state and local revenues, U.S. public transit systems are carrying out some of the steepest fare increases and deepest service cuts in recent history. Since the beginning of 2009, approximately 85% of public transit systems have raised fares or cut service. Some communities have eliminated entire routes. The more than 7% of unemployed Americans includes a substantial number of transit-dependent individuals who simply cannot get to work because their ride is gone.

We need to find ways to make public transit available to all Americans while ensuring that we implement the right policies to protect 400,000 people who are employed in the public transportation industry. The following is a 9-point plan for improving the delivery of transportation services for all Americans, whether they are in grade school, retired, or any place in between.

1) Increased Funding for Public Transportation

The average price of regular gasoline in the United States continues to hover at approximately $3.50 per gallon. The days of cheap gas are over, and people are looking for ways to reduce their transportation costs. There is no better way to do that than by riding public transportation, and Americans are responding in record numbers as bus, light rail, subway, and commuter rail ridership continues to rise. In fact, transit ridership is up 34%\(^1\) since 1995.

Yet, ironically, while high gas prices are encouraging more people to ride transit, agencies are unable to meet the high demand due to rising diesel prices, and shortages in state and local revenues. Consequently, transit systems nationwide are ironically forced to raise fares, cut service, lay off staff, and delay capital spending at a time when Americans need transit more than ever before.

Since the beginning of 2009, thousands of workers in the transit industry – a significant percentage of a “green” workforce – have been laid off. Fifty-six percent of transit systems have cut rush hour service, 62% have slashed off-peak service, and 40% report reductions in

\(^1\) 2011 Public Transportation Fact Book, American Public Transportation Association (APTA)
geographic coverage.\(^2\) Despite unquestionable mobility needs – especially of elderly and disabled individuals – 40% of Americans in rural counties have no access to public transportation at all.

Public transportation is also the best way to beat the traffic. Today, whether you live in one of the nation’s largest cities, a fast growing suburb, or a once-rural area, you will unquestionably be aggravated, inconvenienced, or more severely affected by the unparalleled level of congestion on U.S. roads. It is estimated that congestion costs U.S. travelers more than 5.5 billion hours of delay, 2.9 billion gallons of wasted fuel, and $121 billion during an average year.\(^3\)

In 2012, the U.S. Congress passed a two year surface transportation reauthorization bill, *Moving Ahead for Progress in the 21st Century* (MAP-21), which maintained flat funding for transit. The bill also provided little flexibility for transit systems to use their federal funds for operating assistance during these lean budget times. The responsibility for putting service on the streets and giving working families safe, affordable, and convenient access to jobs was left to the states. Yet, a recent report by a national research firm says that despite record levels of traffic congestion, states are not investing nearly enough in public transportation.

**ATU SUPPORTS:**

1) Legislation to create dedicated sources of revenue for public transportation, such as gas tax revenues, rental car taxes, motor vehicle excise taxes, tolls, or other resources, for transit use; and

2) In those states that currently have restrictions on the use of their gas tax revenues, legislation that would allow such funds to be used for both highways and transit.

**2) Mandated Restroom Breaks for Transit Bus Operators**

In too many cities, tight, computer-generated schedules and increased traffic congestion have created bus operator shifts in which no time is available to use the restroom. As a result, bus operators restrict their fluid intake, starving internal organs, leading to a whole host of health problems, including urinary tract infections, bladder cancer, etc. Though they do not like to talk about it publicly, bus operators who do not resort to relieving themselves in cups wind up staining driver seats through involuntary urination. Women, who make up a growing segment of the transit industry’s operators, are particularly affected by the lack of restroom access. Paratransit operators often have no designated breaks whatsoever because dispatch tends to build those routes while the vehicles are still on the road, and the drivers of course may not leave elderly and disabled passengers alone.

\(^2\) *Impacts of the Recession on Public Transportation Agencies. Survey Results, March 2010.* (APTA).

\(^3\) *2012 Annual Mobility Report*, Texas Transportation Institute.
Furthermore, while the focus of legislators in recent years has been on distracted driving caused by cell phone use or driving while impaired, recent studies indicate that driving while ‘holding it in’ is just as dangerous.

Transit systems do not have adequate policies in place to deal with this matter. While managers at such systems claim that transit workers may stop at any time to relieve themselves, bus operators care deeply about getting passengers to their destination on time, sparing them the inconvenience of being late. Significant pressure also exists from the Internet, where it is not hard to find footage shot with “gotcha” cameras of operators pulling over to run into a local restaurant. “There goes our bus driver. Second time he has taken a donut break this week. I hope my boss understands why I’m late again,” says the uninformed rider who simply doesn’t understand that the driver just needed to use the restroom. Incredibly, there have even been instances of drivers being disciplined for taking too long in the restroom. These policies designate bus drivers as second class citizens, raising issues of fundamental dignity.

**ATU SUPPORTS:**

- Legislation requiring minimum restroom breaks for transit bus operators.

3) Upgrading Transit Bus Security

Due to the nature of their employment, which includes interacting with the public, dealing with complaints, working alone, driving late, and enforcing regulations, transit employees are vulnerable to horrific criminal acts. Bus operators are being assaulted on a daily basis. Riders who are upset about paying more money for scaled back bus service are taking their frustrations out on innocent transit workers who are simply trying to do their job. Their injuries in many cases are life altering. Some have been killed by irate passengers.

Moreover, when transit workers, especially those individuals who operate vehicles, are assaulted in the course of performing their duties, the safety of every individual on board the vehicle is placed in immediate jeopardy. With mass transit ridership at record levels, more innocent people are at risk each day.

While more than 25 states provide for increased penalties for assaulting transit and school bus operators, the penalties are too often misdemeanors. In addition, unless transit agencies post notices alerting customers about the existence of these laws, criminals will not be deterred from committing these heinous crimes.

In addition, states need to require that physical barriers (such as driver shields) are in place on buses operated on their roadways to protect drivers and other passengers from harm.

Moreover, now more than ever, we need to encourage law enforcement officials – on or off-duty – to ride public transportation whenever possible. From petty crimes to major acts of terrorism, transit is always a target, and many transit systems have implemented policies allowing police officers to ride for free in an effort to enhance safety and security. However, where such policies
have been missing, legislatures have acted in the interest of the public. For example, when a
gunman fatally shot numerous innocent people on the Long Island Railroad in the 1990’s, the
New York State Legislature passed a bill implementing a no fare program for certain police
officers riding transit in the interest of public safety and security. Under this unique legislation,
the transit agency is able to control its security costs by requiring police officers who ride
without cost to register and indicate their regular working hours. As a result of this legislation
and similar policies across the nation, there have been numerous criminal incidents that have
been thwarted by police officers, who are always “on-duty.”

ATU SUPPORTS:

1) Upgraded penalties for the assault or battery of transit workers; and

2) Requiring notice of such increased penalties to be posted on transit vehicles; and

3) Requiring new buses operating on the state’s roads to be equipped with driver
shields; and

4) Legislation authorizing transit agencies to implement no fare policies for off-duty
police officers and other law enforcement officials in an effort to encourage such
individuals to ride transit.

5) Legislation requiring every transit bus in the state to be equipped with a two-way
communication device.

4) Setting Standards for Transit Contracting

As transit systems nationwide continue to suffer from the lack of funding, many are pushed to
privatization as a proposed solution to their financial problems. Although private companies
claim that they will be able to provide better service at lower cost, their promises are almost
always proven false.

Often, transit systems that contract out their services to private companies must soon deal with
deep service cuts, maintenance concerns, high employee turnover, fewer experienced workers
and a decreased level of safety and security measures. At the same time, systems usually witness
that any initial incremental savings found after privatizing generally disappear in future rounds
of contracting.

Private companies operate only on the profit motive with no incentives to provide high quality
service, and they have no accountability. Workers that are employed by the contracting
companies see their standard of living reduced and over time, and transportation services
provided to the communities are diminished. Cities that contract out find that they have lost
control of their transit system, leaving them powerless when residents raise real concerns.
Approximately 70% of paratransit or demand response service is contracted out, and this critical service for elderly and disabled people has been overrun with problems that seriously impact the quality of life of millions of Americans. On-time performance is a major problem, caused by poor planning and unrealistic schedules. In addition, reports indicate that serious accidents are rapidly increasing and vans for the disabled are failing more safety inspections than ever before. In fact, a remarkably high number of paratransit vans have been ordered off the roads because of dangerous safety problems.

In addition, in most states, public transit driver safety standards, including driver training and inspection of vehicles, do not apply to paratransit operations.

In order to ensure that transit systems adhere to certain standards when considering the privatization of public transit services, states should implement guiding policies to guarantee that any potential cost savings are properly measured and weighed against potential adverse effects on safety and service.

**ATU SUPPORTS:**

1) **Legislation requiring public transit operators to ensure that all relevant factors are taken into consideration before they contract out transit services, requiring a cost analysis of the work to be done, which shall be used to assess whether it is more effective to use employees of a private business entity or to use existing employees; and**

2) **Requiring potential bidders to have a demonstrated ability of providing high quality transit services, which equal or exceed the quality of services which could be provided by the states’ public transit agencies; and**

3) **Extending public transit driver safety standards to the paratransit industry.**

4) **Requiring a local government agency to give a 25% preference to any bidder on a service contract to provide public transit services who agrees to retain employees of the prior contractor or subcontractor for a period of not less than one year.**

**5) Labor and Transit Rider Membership on Public Transit Boards**

More than 10 billion trips are taken on public transportation in the U.S. each year. The quality, frequency, and overall delivery of services affect the daily lives of millions of Americans. Yet, at most transit agencies, important issues such as fares, schedules, and operations are decided by only a few individuals, many who may have had little exposure to public transit issues. Some have never ridden a bus in their entire lives!

Moreover, today, while transit riders and employees have been given primary responsibility to be the eyes and ears of our nation’s transit systems, these individuals have no role in the implementation of important safety and security guidelines.
Transit riders and employees need to be at the table when critical decisions involving the future of our transportation systems are made!

Transit workers can provide an asset to the board, with the ability to educate other members on real world issues, such as the impact of certain actions on riders, surrounding businesses, land use, and environmental concerns. Workers are particularly helpful on issues involving transit operations, safety, security, and the implementation of new technology. In most cases, the interests of transit riders and transit employees are one and the same. If given a voice on transit boards, even in a non-voting capacity, crucial issues affecting the lives of millions of individuals could be addressed more efficiently.

**ATU SUPPORTS:**

- Legislation requiring governors to appoint the following individuals to the state’s public transit boards:

  1. One person who is a regular mass transit user; and
  2. One person who shall be recommended to the governor by the labor organization representing the majority of employees at such transit agency.

**6) Improving School Bus Transportation**

Every day, school bus drivers across the country are entrusted with the care and safety of 25 million children as they are transported to and from school and school-related activities on public school buses. Drivers are not only responsible for the safe and proper operation of the school bus, but also must often respond to medical and other emergencies that may arise during the trip to and from school, as well as disciplinary problems and all-too frequent outbreaks of violence aboard their buses. School bus drivers, as friend and care giver to the children entrusted to them, are often the first to respond in such instances and can serve to warn school officials when a child is demonstrating violent or other potentially dangerous behavior early in the school day.

Unfortunately, however, school bus drivers are not well equipped for such situations. Typically the only authority figure aboard the bus, drivers have only a rear view mirror in which to view the students entrusted to their care, and, as a result, are not able to closely monitor student behavior. Bullying has become a huge problem. Further, school bus drivers currently receive minimal, if any, training as to what constitutes unacceptable behavior and appropriate discipline and are often not given any instructions for reporting incidents to school officials.

School districts should recognize the necessary presence of trained matrons on each school bus. If every school bus was accompanied by an aide, bus drivers would be able to put their full attention on the road and traffic around them, ensuring that kids would get to school and back in the safest way possible.
There is also a need for practical and on-going training for school bus drivers and aides on procedures and protocols for defusing crises and responding to violent students.

**ATU SUPPORTS:**

1) Mandating trained matrons to be present on all school buses; and

2) Requiring training for school bus drivers and aides on managing student behavior, safety and security awareness, and emergency preparedness and response; and

3) Clarifying the authority of school bus drivers and aides to discipline students or enforce student conduct codes; and

4) Requiring school bus drivers to be appointed to state, local or district wide committees on student discipline; and

5) Amending criminal statutes to treat physical attacks on school bus drivers, including attacks by students, gang members, and others, in the same manner as attacks on other school personnel.

7) **Getting People from Welfare to Work**

Approximately 94% of welfare recipients attempting to move into the workforce do not own cars and must rely on public transportation to get to work. Moreover, while 60% of welfare recipients live in central cities, the majority of new jobs are in the suburbs. The federal *Job Access and Reverse Commute Program* (JARC) was a huge success in providing targeted transit services to dislocated workers, welfare recipients, and other low-income individuals seeking affordable access to jobs in suburban areas.

However, the new federal transportation bill eliminated the stand alone JARC program. While such activities are still eligible for funding, there is a great concern that with limited federal resources, communities will give a higher priority to other types of projects. Once again, it is up to the states to fill the gap and work to meet the needs of low-income people by providing special reverse commute and suburb-to-suburb bus, rail and van services to match center city residents with suburban jobs.

**ATU SUPPORTS:**

- Establishment of a pilot program at the State Department of Transportation that would provide resources to transit systems for so-called “reverse commute” service, helping people living in inner cities get to new suburban job locations.

8) **A Voice and a Vote in the Planning Process**
Transportation decisions are best made at the local level. Unfortunately, however, the people who are most affected by the long-term highway and transit plans funded through the federal government still have very little input in the process of project selection.

In order to plan for current and future transportation needs, states in urbanized areas are required to create metropolitan planning organizations (MPOs), which also act as the designated recipients of federal transportation funds. Under federal law, in order to be eligible to receive millions of dollars in federal funds, MPOs must be made up of local elected officials, officials of public agencies that administer major modes of transportation, and appropriate state officials.

However, states may expand the membership of their MPOs, and where the law is silent on the issue of membership, MPOs may insert language in their bylaws that allows for non-elected voting members. In addition, some states have enacted laws that actually require non-elected officials to sit on the MPOs.

Unfortunately, smart growth advocates, including environmentalists, pedestrian and bicycle groups, businesses, transit workforce and industry representatives, and other individuals, in reality have no real voice with regard to the MPOs that control their future. Although representatives of mass transportation authority employees, along with the general public, are given a reasonable opportunity to comment on long-range plans, they are not afforded a seat on the board, and they certainly have no voting rights.

This is outdated thinking. Smart growth advocates, including environmentalists, pedestrian and bicycle groups, transit workforce and industry representatives, and other individuals with a genuine stake and expertise in the provision of public transportation services understand the need for expanded transit in our communities. Together, these constituency groups would bring a different perspective than individuals who currently sit on MPO boards.

**ATU SUPPORTS:**

- **Diversification of states’ MPO boards, requiring states to appoint transit workforce representatives, minority groups, transit riders, bicycle and pedestrian advocates, smart growth groups, businesses, and others with a direct stake in the provision of public transportation services to sit on such panels, with the right to vote.**

**9) Tax Incentives to Ride Transit**

Most Americans spend more on driving than on health care, education, or food. In fact, a study found that the average family devotes nearly 20% of its annual income to getting around, second only to housing. And of course, working families spend the most – sometimes more than one-third of their income goes to transportation. The vast majority of that spending, 98%, is for the purchase, operation, and maintenance of automobiles. But in areas where public transportation

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4 For an example, see the MPO in Northern New Jersey.
5 See Alaska Stat. § 19.20.210
use is prevalent, the percentage of household dollars dedicated toward transportation costs is significantly less.

Federal law now allows employers to give their workers up to $245 per month to cover public transportation commuting costs as a tax-free benefit. Alternatively, employers can allow employees to pay for transit commuter benefits with payroll deductions, or they can share these costs with employees by paying part of the commuter benefit and allowing employees to pay the remainder using pre-tax dollars. Under this unique program, everyone wins. Employees do not pay federal income tax on transit commuter benefits, and employers can deduct their costs for providing such benefits, and avoid payroll taxes on such benefits, regardless of who pays.

More working families should be able to take advantage of this unique fringe benefit, which provides a real financial incentive to both employers and employees to get people to travel to work by transit, arriving safe, rested, on-time, and with the ability to be far more productive.

However, not enough people are benefitting from this worthwhile program.

**ATU SUPPORTS:**

1) **Legislation requiring state employees to be offered a qualified public transit benefit equal to their commuting costs, not to exceed the federal limit of $245 per month, in the form of pretax revenue or passes purchased by state agencies with appropriated funds; and**

2) **State tax incentives for companies whose employees use mass transit, allowing for a certain credit against the state income tax (and/or other business taxes) for certain costs incurred by employers that provide commuter benefits to employees.**
Model bills

1) Model Restroom Break Bill
2) Model Transit Worker Assault Law, and Model Notice Provision
3) Model Transit Contracting Standards Bills
4) Model Transit Board Bill
5) Model School Bus Monitors Bill
6) Model Tax Credits for Riding Transit Bill
An Act to require restroom breaks for public transit.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Whereas, the deferred operation of this act would tend to defeat its purpose, which is forthwith to provide bathroom breaks to transit workers, it is hereby declared to be an emergency law, necessary for immediate preservation of public health and convenience.

(A) Any provider of public transit authorized under Chapter 161A or 161B of General Laws shall provide to any person operating a commercial motor vehicle for the purpose of providing public transit an appropriate rest period to utilize the nearest convenient restroom.

(B) "Appropriate rest period" means: A period of rest of not less than ten minutes for every segment of four hours or major part thereof worked in one work period without deduction from the employee's pay.

(C) Nothing in this section prohibits employers and employees from establishing appropriate rest periods different from those provided in this section pursuant to a collective bargaining agreement.
NY STATE PENAL LAW

§ 120.05 Assault in the second degree.

A person is guilty of assault in the second degree when:

1. With intent to cause serious physical injury to another person, he causes such injury to such person or to a third person; or

2. With intent to cause physical injury to another person, he causes such injury to such person or to a third person by means of a deadly weapon or a dangerous instrument; or

3. With intent to prevent a peace officer, a police officer, a firefighter, including a firefighter acting as a paramedic or emergency medical technician administering first aid in the course of performance of duty as such firefighter, an emergency medical service paramedic or emergency medical service technician, or medical or related personnel in a hospital emergency department, a city marshal, a traffic enforcement officer or traffic enforcement agent, from performing a lawful duty, by means including releasing or failing to control an animal under circumstances evincing the actor's intent that the animal obstruct the lawful activity of such peace officer, police officer, firefighter, paramedic, technician, city marshal, traffic enforcement officer or traffic enforcement agent, he or she causes physical injury to such peace officer, police officer, firefighter, paramedic, technician or medical or related personnel in a hospital emergency department, city marshal, traffic enforcement officer or traffic enforcement agent; or

4. He recklessly causes serious physical injury to another person by means of a deadly weapon or a dangerous instrument; or

5. For a purpose other than lawful medical or therapeutic treatment, he intentionally causes stupor, unconsciousness or other physical impairment or injury to another person by administering to him, without his consent, a drug, substance or preparation capable of producing the same; or

6. In the course of and in furtherance of the commission or attempted commission of a felony, other than a felony defined in article one hundred thirty which requires corroboration for conviction, or of immediate flight therefrom, he, or another participant if there be any, causes physical injury to a person other than one of the participants; or

7. Having been charged with or convicted of a crime and while confined in a correctional facility, as defined in subdivision three of section forty of the correction law, pursuant to such charge or conviction, with intent to cause physical injury to another person, he causes such injury to such person or to a third person; or

8. Being eighteen years old or more and with intent to cause physical injury to a person less than eleven years old, the defendant recklessly causes serious physical injury to such person; or
9. Being eighteen years old or more and with intent to cause physical injury to a person less than seven years old, the defendant causes such injury to such person; or

10. Acting at a place the person knows, or reasonably should know, is on school grounds and with intent to cause physical injury, he or she:

(a) causes such injury to an employee of a school or public school district; or

(b) not being a student of such school or public school district, causes physical injury to another, and such other person is a student of such school who is attending or present for educational purposes. For purposes of this subdivision the term "school grounds" shall have the meaning set forth in subdivision fourteen of section 220.00 of this chapter.

11. With intent to cause physical injury to a train operator, ticket inspector, conductor, signalperson, bus operator or station agent employed by any transit agency, authority or company, public or private, whose operation is authorized by New York state or any of its political subdivisions, a city marshal, a traffic enforcement officer or traffic enforcement agent, he or she causes physical injury to such train operator, ticket inspector, conductor, signalperson, bus operator or station agent, city marshal, traffic enforcement officer or traffic enforcement agent while such employee is performing an assigned duty on, or directly related to, the operation of a train or bus, or such city marshal, traffic enforcement officer or traffic enforcement agent is performing an assigned duty.

12. With intent to cause physical injury to a person who is sixty-five years of age or older, he or she causes such injury to such person, and the actor is more than ten years younger than such person.

Assault in the second degree is a class D felony.
VEHICLES

(625 ILCS 50/) Public Conveyance Notice Act.
1. (625 ILCS 50/0.01) (from Ch. 100, par. 30)
Sec. 0.01. Short title. This Act may be cited as the Public Conveyance Notice Act.
(Source: P.A. 86-1324.)

(625 ILCS 50/1) (from Ch. 100, par. 31)
Sec. 1. A notice shall be prominently displayed in each vehicle or conveyance used for the transportation of the public for hire which must state substantially the following: Any person who assaults or harms an individual whom he knows to be a driver, operator, employee or passenger of a transportation facility or system engaged in the business of transportation for hire and who is then performing in such capacity or using such public transportation as a passenger, if such individual is assaulted, commits a Class A misdemeanor, or if such individual is harmed, commits a Class 3 felony.
(Source: P.A. 77-2830.)
Amending Title 74 (Public Transportation) of the Pennsylvania Consolidated Statutes, further providing for the regulation of privatization contracts.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 74 of the Pennsylvania Consolidated Statutes is amended by adding a subsection to read:

§ 1786.1 Public Policy; Regulation of Privatization Contracts.

The General Assembly hereby finds and declares that decisions to use private contractors to provide public transportation must be based on factors which promote the public interest. To ensure that citizens of the commonwealth receive high quality transit services at low cost, with due regard for the taxpayers of the state and the needs of public and private workers, the legislature finds it necessary to regulate such privatization contracts in accordance with sections 1786.2 to 1786.4, inclusive.

§ 1786.2. Definitions Applicable to §§ 1786.1 to 1786.4.

As used in sections 1786.1 to 1786.4, inclusive, the following words shall have the following meanings:

"Business day," any calendar day excluding Saturdays, Sundays, and legal holidays.

"Dependent," the spouse and children of an employee if such persons would qualify for dependent status under the Internal Revenue Code.

"Privatization contract," an agreement or combination or series of agreements by which a non-governmental person or entity agrees with a local transportation organization to provide services,
valued at $100,000 or more, which are substantially similar to and in lieu of, services heretofore provided, in whole or in part, by regular employees of the local transportation organization. An agreement solely to provide legal, management consulting, planning, engineering or design services shall not be considered a privatization contract.

§ 1786.3. Privatization Contracts; Requirements.

Local transportation organizations shall not make any privatization contract and no such contract shall be valid unless the local transportation organization first complies with each of the following requirements:

(1) The local transportation organization shall prepare a specific written statement of the services proposed to be the subject of the privatization contract, including the specific quantity and standard of quality of the subject services. The local transportation organization shall solicit competitive sealed bids for the privatization contracts based upon this statement. The day designated by the local transportation organization upon which it will accept these sealed bids shall be the same for any and all parties. This statement shall be a public record, shall be filed at the local transportation organization, and shall be transmitted to the Auditor General for review pursuant to § 1786.4. The term of any privatization contract shall not exceed three years. No amendment to a privatization contract shall be valid if it has the purpose or effect of avoiding any requirement of this section.

(2) For each position in which a bidder will employ any person pursuant to the privatization contract and for which the duties are substantially similar to the duties performed by a regular local transportation organization employee or employees, the statement required by paragraph (1) shall include a statement of the minimum wage rate to be paid for said position, which rate shall be the lesser of step one of the grade or classification under which the comparable regular local transportation organization employee is paid. Every bid for a privatization contract and every privatization contract shall include provisions specifically establishing the wage rate for each such position, which shall not be less than said minimum wage rate as defined above. Every such bid and contract shall also include provisions for the contractor to pay not less than a percentage, comparable to the percentage paid by the state for state employees, of the costs of health insurance plans for every employee employed for not less than twenty hours per week pursuant to such contract. Such health insurance plans shall provide coverage to the employee, the employee's spouse, and dependent children. Each contractor shall submit quarterly payroll records to the local transportation organization, listing the name, address, social security number, hours worked and the hourly wage paid for each employee in the previous quarter. The attorney general may bring a civil action for equitable relief to enforce this paragraph or to prevent or remedy the dismissal, demotion or other action prejudicing any employee as a result of a report of a violation of this paragraph.

(3) Every privatization contract shall contain provisions requiring the contractor to offer available employee positions pursuant to the contract to qualified regular employees of the local transportation organization who are displaced or dismissed, in whole or in part, because of the privatization contract and who satisfy the hiring criteria of the contractor. The local transportation organization must certify that employees directly or indirectly displaced by the
terms of the contract will have priority of employment for the jobs under the privatization contract. The local transportation organization must prepare a plan of assistance for each employee displaced as a result of the contract, including any training needed to place the employee in a comparable position at the local transportation organization, or with another agency. Every such contract shall also contain provisions requiring the contractor to comply with a policy of nondiscrimination and equal opportunity for all persons, and to take affirmative steps to provide such equal opportunity for all such persons.

(4) The local transportation organization shall prepare a comprehensive written estimate of the costs of regular local transportation organization employees’ providing the public transportation services in the most cost-efficient manner. The estimate shall include all direct and indirect costs of regular local transportation organization employees’ providing the transit services, including but not limited to, pension, insurance, and other employee benefit costs. For the purpose of this estimate, any employee organization may, at any time before the final day for the local transportation organization to receive sealed bids pursuant to paragraph (1), propose amendments to any relevant collective bargaining agreement to which it is a party. Any such amendments shall take effect only if necessary to reduce the cost estimate pursuant to this paragraph below the contract cost pursuant to paragraph (6). Such estimate shall remain confidential until after the final day for the local transportation organization to receive sealed bids for the privatization contract pursuant to paragraph (1), at which time the estimate shall become a public record, shall be filed with the local transportation organization, and shall be transmitted to the Auditor General for review pursuant to § 1786.4.

(5) After consulting with any relevant employee organization, the local transportation organization shall provide adequate resources for the purpose of encouraging and assisting present local transportation organization employees or their representatives to submit a bid to provide the subject public transportation services. The local transportation organization shall consider any such bid on the same basis as all other bids.

(6) After soliciting and receiving bids, the local transportation organization shall publicly designate the bidder to which it proposes to award the contract. The local transportation organization shall prepare a comprehensive written analysis of the contract cost based upon the designated bid, specifically including the costs of transition from public to private operation, of additional unemployment and retirement benefits, if any, and of monitoring and otherwise administering contract performance. If the designated bidder is headquartered outside the state, said contract cost shall be increased by the amount of income tax revenue, if any, which will be lost to the state, as determined by the Auditor General to the extent that it is able to do so.

(7) The local transportation organization shall certify in writing to the Auditor General that:

(I) he/she has complied with all provisions of this section and of all other applicable laws;

(ii) the quality of the public transportation services to be provided by the designated bidder is likely to satisfy the quality requirements of the statement prepared pursuant to paragraph (1), and to equal or exceed the quality of services which could be provided by regular local transportation organization employees pursuant to paragraph (4);
(iii) the contract cost pursuant to paragraph (6) will be at least 15 percent less than the estimated cost pursuant to paragraph (4), taking into account all comparable types of costs;

(iv) the designated bidder and its supervisory employees, while in the employ of said designated bidder, have no adjudicated record of substantial or repeated willful noncompliance with any relevant federal or state regulatory statute including, but not limited to, statutes concerning labor relations, occupational safety and health, nondiscrimination and affirmative action, environmental protection and conflicts of interest; and

(v) the proposed privatization contract is in the public interest, in that it meets the applicable quality and fiscal standards set forth herein.

(vi) the contract is in conformance with the provisions of any applicable collective bargaining agreement and subject to the provisions of any employee protection arrangements established under 49 U.S.C. 5333(b).

A copy of the proposed privatization contract shall accompany the certificate transmitted to the Auditor General.

(8) The local transportation organization must disclose all political contributions made by the proposed contractor, any of its subsidiaries or affiliates or any principal or managerial employee of the contractor or its subsidiaries or affiliates, to any elected officer of the state or member of the General Assembly, during the four years immediately preceding the date of the bid.

§ 1786.4. Review by Auditor General; Approval or Objection; Procedures; Promulgation of Regulations.

(a) The local transportation organization shall not make any privatization contract and no such contract shall be valid if, within thirty business days after receiving the certificate required by §1786.3, the Auditor General notifies the local transportation organization of his/her objection. Such objection shall be in writing and shall state specifically the Auditor General's finding that the local transportation organization has failed to comply with one or more requirements of said § 1786.3, including that the Auditor General finds incorrect, based on independent review of all the relevant facts, any of the findings required by paragraph (7) of said § 1786.3. The Auditor General may extend the time for such objection for an additional period of 30 business days beyond the original 30 business days by written notice to the local transportation organization, stating the reason for such extension.

(b) For the purpose of reviewing the local transportation organization 's compliance and certificate pursuant to said § 1786.3, the Auditor General or his/her designee may require by summons the attendance and testimony under oath of witnesses and the production of books, papers and other records relating to such review.

(c) The Auditor General may adopt regulations and prescribe forms to carry out the provisions of this section and § 1786.3.
(d) The objection of the Auditor General pursuant to subsection (a) shall be final and binding on the local transportation organization, unless the Auditor General thereafter in writing withdraws the objection, stating the specific reasons, based upon a revised certificate by the local transportation organization and upon the Auditor General's review thereof.

Section 2. This Act shall take effect in 90 days.
Summary of Transit Contracting Standards Model Legislation

Privatization Standards for Local Transportation Organizations

The following is a summary of draft legislation requiring the public transportation systems in the Commonwealth of Pennsylvania to adhere to certain standards when considering the privatization of public transit services.

Purpose of Legislation:

The legislation is designed to ensure that all relevant factors are taken into consideration whenever local transportation providers are considering the privatization of public transportation services, creating a workable procedure which allows transit agencies to make choices based on accurate information in a timely manner.

Summary of Provisions:

Standards

- The term of any privatization contract shall not exceed three years.

- No privatization contract with a total value of more than $100,000 shall be entered into, renewed, or extended by a local transportation organization unless certain conditions are met. Those conditions include, but are not limited to a finding that the aggregate cost savings for the privatization contract are “substantial” (at least 15%). The bill requires the “public interest” to be met.

- The bill requires a cost analysis of the work to be done, which shall be used to assess whether it is more effective to use employees of a private business entity or to use existing transit agency employees.

- The bill requires bidders to have a demonstrated ability to provide a high quality of services, which equal or exceed the quality of services which could be provided by regular local transportation organization employees. Bidders must have demonstrated experience in the transit industry.

- The local transportation organization and the contractor must disclose to the Auditor General every report generated by the local transportation organization, the contractor, or any entity retained by the local transportation organization or contractor, analyzing the ability of the contractor to comply with the specifications of the contract.

- The bill would require bidders to disclose to the Auditor General all political contributions made by the contractor, any of its subsidiaries or affiliates, or any principal or managerial employee of the contractor or its subsidiaries or affiliates, to any elected
officer of the State or member of the General Assembly, during the four years immediately preceding the date of the bid.

- The legislation requires that the contractor have no record of non-compliance with any federal or State laws regarding the operation of a business, including, but not limited to, laws regarding labor relations.

**Employee Protections**

- The bill would prohibit privatization unless the contract provides that local transportation organization employees directly or indirectly displaced by the terms of the contract have priority of employment for the jobs under the contract. Agencies would be required to prepare a plan of assistance for each employee displaced as a result of the contract, including any training needed to place the employee in a comparable position at the local transportation organization, or with another agency.

- The legislation would allow unions to propose amendments to any relevant collective bargaining agreements in order to reduce cost estimates. Local transportation organizations would be required to provide adequate resources for the purpose of encouraging agency employees to organize and submit bids to provide public transportation services.

- All contracts would be required to be in conformance with the provisions of any applicable collective bargaining agreement and subject to the provisions of any employee protection arrangements established under the transit employee protections of 49 U.S.C. 5333(b), formerly Section 13(c), of the Federal Transit Act.

**Bill Process**

- When a local transportation organization has all the information that is necessary to make an informed decision (after soliciting and receiving bids), it would be required to prepare a comprehensive written analysis of the contract cost based on the bid, specifically including the costs of transition from public to private operation, additional unemployment and retirement benefits, monitoring costs, and other factors. The local transportation organization would then certify this and other information to the Auditor General, who would review the information for the purposes of approval or rejection. Within 30 days, the Auditor General may (1) approve the contract, (2) state that the information is incomplete, (3) subpoena the agency for additional data, or (4) object. If the Auditor General, based on his/her processing of the information, objects to the contract, that decision is final and binding on the local transportation organization, with few exceptions.
Model Transit Bidding Preferences Bill

California Labor Code\(^1\)

DIVISION 2. EMPLOYMENT REGULATION AND SUPERVISION [200. - 2699.5.]

(Division 2 enacted by Stats. 1937, Ch. 90.)

PART 3. PRIVILEGES AND IMMUNITIES [920. - 1138.5.]

(Part 3 enacted by Stats. 1937, Ch. 90.)

CHAPTER 4.6. Public Transit Service Contracts [1070. - 1074.]

(Chapter 4.6 added by Stats. 2003, Ch. 103, Sec. 1.)

1070.
The Legislature finds and declares all of the following:

(a) That when public transit agencies award contracts to operate bus and rail services to a new contractor, qualified employees of the prior contractor who are not reemployed by the successor contractor face significant economic dislocation as a result.

(b) That those displaced employees rely unnecessarily upon the unemployment insurance system, public social services, and health programs, increasing costs to these vital government programs and placing a significant burden upon both the government and the taxpayers.

(c) That it serves an important social purpose to establish incentives for contractors who bid public transit services contracts to retain qualified employees of the prior contractor to perform the same or similar work.

(Added by Stats. 2003, Ch. 103, Sec. 1. Effective January 1, 2004.)

1071.
The following definitions apply throughout this chapter:

(a) “Awarding authority” means any local government agency, including any city, county, special district, transit district, joint powers authority, or nonprofit corporation that awards or otherwise enters into contracts for public transit services performed within the State of California.

(b) “Bidder” means any person who submits a bid to an awarding agency for a public transit service contract or subcontract.

(c) “Contractor” means any person who enters into a public transit service contract with an awarding authority.

(d) “Employee” means any person who works for a contractor or subcontractor under a contract. “Employee” does not include an executive, administrative, or professional employee exempt from the payment of overtime compensation within the meaning of subdivision (a) of Section 515 or any person who is not an “employee” as defined under Section 2(3) of the National Labor Relations Act (29 U.S.C. Sec. 152(3)).

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\(^1\)The text of the actual CA code has been modified to improve worker protections.
(e) “Person” means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(f) “Public transit services” means the provision of passenger transportation services to the general public, including paratransit service.

(g) “Service contract” means any contract the principal purpose of which is to provide public transit services through the use of service employees.

(h) “Subcontractor” means any person who is not an employee who enters into a contract with a contractor to assist the contractor in performing a service contract.

(Added by Stats. 2003, Ch. 103, Sec. 1. Effective January 1, 2004.)

1072.

(a) A bidder shall declare as part of the bid for a service contract whether or not he or she will retain the employees of the prior contractor or subcontractor for a period of not less than one year.

(b) An awarding authority letting a service contract out to bid shall give a 25% preference to any bidder who agrees to retain the employees of the prior contractor or subcontractor pursuant to subdivision (a).

(c) (1) If the awarding authority announces that it intends to let a service contract out to bid, the existing service contractor, within a reasonable time, shall provide to the awarding authority the number of employees who are performing services under the service contract and the wage rates, benefits, and job classifications of those employees. In addition, the existing service contractor shall make this information available to any entity that the awarding authority has identified as a bona fide bidder. If the successor service contract is awarded to a new contractor, the existing contractor shall provide the names, addresses, dates of hire, wages, benefit levels, and job classifications of employees to the successor contractor. The duties imposed by this subdivision shall be contained in all service contracts.

(2) A successor contractor or subcontractor who agrees to retain employees pursuant to subdivision (a) shall retain employees who have been employed by the prior contractor or subcontractors, except for reasonable and substantiated cause. That cause is limited to the particular employee’s performance or conduct while working under the prior contract or the employee’s failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by the successor contractor or subcontractor.

(3) The successor contractor or subcontractor shall make a written offer of employment to each employee to be rehired. That offer shall state the time within which the employee must accept that offer, but in no case less than 10 days. Nothing in this section requires the successor contractor or subcontractor to pay the same wages or offer the same benefits provided by the prior contractor or subcontractor.

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2Actual law requires 90 days.

3Actual law provides for a 10% preference.
(4) If, at any time, the successor contractor or subcontractor determines that fewer employees are required than were required under the prior contract or subcontract, he or she shall retain qualified employees by seniority within the job classification. In determining those employees who are qualified, the successor contractor or subcontractor may require an employee to possess any license that is required by law to operate the equipment that the employee will operate as an employee of the successor contractor or subcontractor.

(Added by Stats. 2003, Ch. 103, Sec. 1. Effective January 1, 2004.)

1073.
(a) An employee who was not offered employment or who has been discharged in violation of this chapter, or his or her agent, may bring an action against the successor contractor or subcontractor in any superior court having jurisdiction over the successor contractor or subcontractor. Upon finding a violation of this chapter, the court shall order reinstatement to employment with the successor contractor or subcontractor and award backpay, including the value of benefits, for each day of violation. A violation of this chapter continues for each day that the successor contractor or subcontractor fails to employ the employee, within the period agreed to pursuant to Section 1072.

(b) The court may preliminarily or permanently enjoin the continued violation of this chapter.

(c) If the employee prevails in an action brought under this chapter, the court shall award the employee reasonable attorney’s fees and costs as part of the costs recoverable.

(Added by Stats. 2003, Ch. 103, Sec. 1. Effective January 1, 2004.)

1074.
(a) Upon its own motion or upon the request of any member of the public, an awarding authority may terminate any service contract made pursuant to Section 1072 if both of the following occur:

(1) The contractor or subcontractor has substantially breached the contract.

(2) The awarding authority holds a public hearing within 30 days of the receipt of the request or its announcement of its intention to terminate.

(b) A contractor or subcontractor terminated pursuant to subdivision (a) shall be ineligible to bid on or be awarded a service contract or subcontract with that awarding authority for a period of not less than one year and not more than three years, to be determined by the awarding authority.

(Added by Stats. 2003, Ch. 103, Sec. 1. Effective January 1, 2004.)
AN ACT concerning the membership of the board of the New Jersey Transit Corporation, amending P.L.1979, c.150.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 4 of P.L.1979, c.150 (C.27:25-4) is amended to read as follows:

4. a. There is hereby established in the Executive Branch of the State Government the New Jersey Transit Corporation, a body corporate and politic with corporate succession. For the purpose of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the corporation is hereby allocated within the Department of Transportation, but, notwithstanding said allocation, the corporation shall be independent of any supervision or control by the department or by any body or officer thereof. The corporation is hereby constituted as an instrumentality of the State exercising public and essential governmental functions, and the exercise by the corporation of the powers conferred by this act shall be deemed and held to be an essential governmental function of the State.

b. The corporation shall be governed by a board which shall consist of seven members including. Seven of the members shall be voting members and shall consist of: the commissioner of Transportation and the State Treasurer, who shall be members ex officio, another member of the Executive Branch to be selected by the Governor who shall also serve ex officio, and four other public members who shall be appointed by the Governor, with the advice and consent of the Senate, for four year staggered terms and until their successors are appointed and qualified. No more than two of the public members shall be members of the same political party. At least one public member shall be a regular public transportation rider. Each public member may be removed from office by the Governor for cause. A vacancy in the membership of the board occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only. The first appointments shall be for one, two, three and four years respectively, and thereafter for terms of four years as stated. The board shall annually designate a vice chairman and secretary. The secretary need not be a member.

There shall also be one non-voting member of the board, who shall not be considered in determining a quorum. The non-voting member shall be appointed by the Governor upon the recommendation of the labor organization representing the plurality of the employees of the corporation. The non-voting member shall be appointed for a term of four years, provided, however, that if at any time during the term of appointment the non-voting member ceases to be affiliated with the labor organization representing the plurality of the employees of the corporation, then such labor organization may, thereupon or at any time thereafter during such term, recommend a new member to the Governor for appointment to serve the remainder of the term. If the local bargaining unit decertifies its existing union affiliation and certifies a new union, the union which represents the plurality of the employees may recommend a new member to the Governor for appointment to serve the remainder of the term. The chairman of the board may, at the chairman’s discretion,
exclude such non-voting member from attending any portion of a board meeting or any other meeting held for the purpose of discussing negotiations with labor organizations, pending litigation involving the labor organization, [or] the investigation, evaluation, or discipline of an employee of the corporation, or matters concerning private entities engaged in the provision of motorbus regular route service, paratransit service, or motorbus charter service that would otherwise not be considered public information. The non-voting member may be removed by the Governor for cause.

c. Board members other than those serving ex officio shall serve without compensation, but members shall be reimbursed for actual expenses necessarily incurred in the performance of their duties.

d. The Commissioner of Transportation shall serve as chairman of the board. He shall chair board meetings and shall have responsibility for the scheduling and convening of all meetings of the board. In his absence, the vice chairman shall chair the board meeting. Each ex officio member of the board may designate two employees of his department or agency, one of whom may represent him at meetings of the board. A designee may lawfully vote and otherwise act on behalf of the member for whom he constitutes the designee. Any such designation shall be in writing delivered to the board and shall continue in effect until revoked or amended by writing delivered to the board.

e. The powers of the corporation shall be vested in the voting members of the board thereof and four voting members of the board shall constitute a quorum at any meeting thereof. Actions may be taken and motions and resolutions adopted by the board at any meeting thereof by the affirmative vote of at least four members. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the board.

f. A true copy of the minutes of every meeting of the board shall be delivered forthwith, by and under the certification of the secretary thereof, to the Governor. No action taken at such meeting by the board shall have force or effect until approved by the Governor or until 10 days after such copy of the minutes shall have been delivered. If, in said 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the board or any member thereof at such meeting, such action shall be null and of no effect. The Governor may approve all or part of the action taken at such meeting prior to the expiration of the said 10-day period.

g. The board meetings shall be subject to the provisions of the "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

(cf: P.L.1992, c.214, s.1)

2. This act shall take effect immediately.

Adds non-voting member to NJT board.
(a) The school committee of any town or city shall provide suitable transportation to and from school for pupils attending public and private schools of elementary and high school grades, except private schools that are operated for profit, who reside so far from the public or private school which the pupil attends as to make the pupil's regular attendance at school impractical and for any pupil whose regular attendance would otherwise be impracticable on account of physical disability or infirmity.

(b) For transportation provided to children enrolled in grades kindergarten through five (5), school bus monitors, other than the school bus driver, shall be required on all school bound and home bound routes. Variances to the requirement for a school bus monitor may be granted by the commissioner of elementary and secondary education if he or she finds that an alternative plan provides substantially equivalent safety for children. For the purposes of this section a "school bus monitor" means any person sixteen (16) years of age or older.
TAX CREDITS FOR COST OF PROVIDING COMMUTER BENEFITS TO EMPLOYEES
MARYLAND 1999 REGULAR SESSION

HOUSE BILL 636

FOR the purpose of allowing a certain credit against the State income tax [A> , FINANCIAL INSTITUTION FRANCHISE TAX, AND INSURANCE PREMIUMS TAX <A] for certain costs incurred by employers that provide certain commuter benefits to employees; providing for the maximum amount of the credit per year per employee; [D> providing for the carryover of unused credit if the credit exceeds the total tax otherwise payable for a taxable year; <D] defining a certain term; [D> expressing a certain intent of the General Assembly; <D] providing for the application of this Act; and generally relating to a tax credit against [D> the State income tax <D] [A> CERTAIN TAXES <A] for employer provided commuter benefits to employees.

[A> BY ADDING TO ARTICLE - ENVIRONMENT SECTION 2-901 TO BE UNDER THE NEW SUBTITLE "SUBTITLE 9. TAX CREDITS FOR EMPLOYER-PROVIDED COMMUTER BENEFITS" ANNOTATED CODE OF MARYLAND (1996 REPLACEMENT VOLUME AND 1998 SUPPLEMENT) <A]


[A> BY ADDING TO ARTICLE - INSURANCE SECTION 6-119 ANNOTATED CODE OF MARYLAND (1997 VOLUME AND 1998 SUPPLEMENT) <A]

NOTICE:

[A> UPPERCASE TEXT WITHIN THESE SYMBOLS IS ADDED <A]
[D> Text within these symbols is deleted <D]

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

[D> Article - Tax - General <D]

[A> ARTICLE - ENVIRONMENT <A]
SUBTITLE 9. TAX CREDITS FOR EMPLOYER-PROVIDED COMMUTER BENEFITS.

(A) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

1. "BUSINESS ENTITY" MEANS:

(I) A person conducting or operating a trade or business in Maryland; or

(II) An organization operating in Maryland that is exempt from taxation under Section 501(C)(3) or (4) of the Internal Revenue Code.

2. "INSTRUMENT" MEANS A PASS, TOKEN, FARE CARD, VOUCHER, OR SIMILAR ITEM.

B. A BUSINESS ENTITY MAY CLAIM A TAX CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 50% OF THE COST OF PROVIDING THE FOLLOWING COMMUTER BENEFITS TO THE BUSINESS ENTITY’S EMPLOYEES:

1. IF PROVIDED FOR THE PURPOSE OF TRAVEL BETWEEN THE EMPLOYEE’S RESIDENCE AND PLACE OF EMPLOYMENT, ANY PORTION OF THE COST OF TRANSPORTATION IN A VEHICLE OR AN INSTRUMENT THAT IS USED TO OFFSET ANY PORTION OF THE COST OF TRANSPORTATION IN A VEHICLE:

   (I) WITH A SEATING CAPACITY OF AT LEAST EIGHT ADULT INDIVIDUALS; AND

   (II) AT LEAST 80% OF THE ANNUAL MILEAGE OF WHICH IS INCURRED:

2. ON TRIPS WHERE THE NUMBER OF EMPLOYEES TRANSPORTED TOGETHER

   (I) FOR THE PURPOSE OF TRANSPORTING INDIVIDUALS BETWEEN THEIR RESIDENCES AND THEIR PLACES OF EMPLOYMENT; AND

   (II) AT LEAST 80% OF THE ANNUAL MILEAGE OF WHICH IS INCURRED:
IS AT LEAST ONE-HALF OF THAT VEHICLE'S ADULT SEATING CAPACITY; OR <A>

[D> (2) AN INSTRUMENT THAT IS USED TO OFFSET THE MONTHLY COST OF TWO OR MORE EMPLOYEES COMMUTING TOGETHER IN ONE VEHICLE BETWEEN THEIR RESIDENCES AND THEIR PLACE OF EMPLOYMENT; OR <D]

[D> (3) [A> (2) AN INSTRUMENT THAT: <A>

[A> (I) ENTITLES AN INDIVIDUAL, AT NO ADDITIONAL COST OR AT A REDUCED FARE, TO TRANSPORTATION ON A PUBLICLY OR PRIVATELY OWNED MASS TRANSIT SYSTEM OTHER THAN A TAXI SERVICE; OR <A]

[A> (II) IS REDEEMABLE AT A TRANSIT PASS SALES OUTLET FOR THE PURPOSE STATED IN ITEM <A> [D> (3)(I) [A> (2)(I) OF THIS SUBSECTION. <A>

[A> (C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED $ 30 PER INDIVIDUAL EMPLOYEE PER MONTH. <A>

[D> (D) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY FOR THAT TAXABLE YEAR, THE BUSINESS ENTITY MAY APPLY THE EXCESS AS A CREDIT FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF: <D]

[D> (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR <D]

[D> (2) THE EXPIRATION OF THE 10TH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE COSTS FOR WHICH THE CREDIT IS CLAIMED ARE INCURRED. <D>

[A> (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS ENTITY FOR THAT TAXABLE YEAR, DETERMINED BEFORE THE APPLICATION OF THE CREDIT UNDER THIS SECTION BUT AFTER THE APPLICATION OF ANY OTHER CREDIT. <A]

[A> (2) THE UNUSED AMOUNT OF THE CREDIT UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR. <A]

[A> ARTICLE - TAX - GENERAL <A]

[A> 8-220. <A]
A FINANCIAL INSTITUTION MAY CLAIM A CREDIT AGAINST THE FINANCIAL INSTITUTION FRANCHISE TAX FOR THE COST OF PROVIDING COMMUTER BENEFITS TO THE BUSINESS ENTITY’S EMPLOYEES AS PROVIDED UNDER SECTION 2-901 OF THE ENVIRONMENT ARTICLE.

AN INDIVIDUAL OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE COST OF PROVIDING COMMUTER BENEFITS TO THE BUSINESS ENTITY’S EMPLOYEES AS PROVIDED UNDER SECTION 2-901 OF THE ENVIRONMENT ARTICLE.

ARTICLE - INSURANCE

AN INSURER MAY CLAIM A CREDIT AGAINST THE PREMIUM TAX FOR THE COST OF PROVIDING COMMUTER BENEFITS TO THE BUSINESS ENTITY’S EMPLOYEES AS PROVIDED UNDER SECTION 2-901 OF THE ENVIRONMENT ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1999 and shall be applicable to all taxable years beginning after December 31, 1999.