

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 862

(Delegate Stein, *et al.*)

Environment and Transportation

Finance

Railroads - Required Crew for Movement of Freight

This bill generally prohibits a railroad train used in connection with the movement of freight that shares the same corridor as a high-speed passenger or commuter train from operating in the State unless it has a crew of at least two individuals. A person who willfully violates this provision is subject to a fine up to \$10,000 for a first violation or \$25,000 if the person committed a willful violation within the preceding three years. A railroad company is solely responsible for the actions of the employees who violate the provisions. **Enactment of the bill is contingent on the enactment of similar legislation in the State of New York, the Commonwealth of Pennsylvania, and the Commonwealth of Virginia, as specified.**

Fiscal Summary

State Effect: In the absence of changes to federal law and/or regulations, the bill has no material effect on governmental operations or finances, as discussed below.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: “Railroad train” means any locomotive or any other car, rolling stock, equipment, or other device, that alone or coupled to others, is operated on stationary rails.

The bill does not apply to a train or light engine used in connection with the movement of railroad freight involving hostler service or utility employees in yard service.

Current Law:

Federal and State Regulation of Railroad Laws

In general, state regulatory authority over railroads is preempted by federal regulatory authority, because most remaining railroads in the United States are inherently a form of interstate transportation. Federal law requires that laws, regulations, and orders related to railroad safety or security be nationally uniform to the extent practicable. However, a state may adopt or continue in force a law, regulation, or order related to railroad safety or security until the U.S. Secretary of Transportation (with respect to railroad safety matters), or the U.S. Secretary of Homeland Security (with respect to railroad security matters), prescribes a regulation or issues an order covering the subject matter of the state requirement.

A state may adopt or continue in force an additional or more stringent law, regulation, or order related to railroad safety or security when the law, regulation, or order (1) is necessary to eliminate or reduce an essentially local safety or security hazard; (2) is not incompatible with a law, regulation, or order of the federal government; and (3) does not unreasonably burden interstate commerce.

Maryland's Railroad Safety and Health Program

The Railroad Safety and Health Program in the Maryland Department of Labor (MD Labor) monitors the safety practices of each railroad company in the State by conducting inspections of areas of railroad track, operating practices, and locomotive and railcar equipment. The program supplements the national program established by the Federal Railroad Administration (FRA). The program also enforces Maryland-specific requirements for track clearances and health and safety standards. Statute requires that the Public Service Commission (PSC) pay the costs of the program from money PSC receives through its annual assessment of public service companies. The fiscal 2027 budget as introduced includes \$518,159 in special funds for the program, which funds four positions.

Regulations Requiring Two-person Crews Reproposed

In March 2024, FRA issued a final rule regarding train crew size safety requirements. The final rule establishes minimum crew size safety standards for all trains, including a risk assessment requirement to evaluate hazards and ensure risk mitigation for those railroads looking to initiate one-person train crew operations. Railroad operations are required to have a minimum of two crew members except for certain identified one-person train crew operations that do not pose significant safety risks to railroad employees, the public, or the environment. This includes requirements for railroads seeking to continue certain existing one-person train crew operations and a special approval process for railroads seeking to

initiate certain new one-person train crew operations. Each railroad receiving special approval for a one-person train crew operation must submit to FRA an annual report summarizing the safety of the operation.

Payment for Incremental Staffing Costs for CSX

The Maryland Transit Administration (MTA) and CSX Transportation have an Access Agreement that provides MARC trains access to CSX-owned tracks and infrastructure on the MARC Camden and Brunswick Lines. According to MTA, when negotiating the most recent Access Agreement, which went into effect on July 1, 2021, CSX required the following language:

In the event that the State of Maryland modifies its laws or regulations to mandate an increase in crew size in the operation of freight trains than is currently required by law or regulation, the Administration shall reimburse CSX for labor costs actually incurred due to the adoption of the laws or regulations up to \$6.0M annually during the term of the Agreement; provided however the Administration shall not be required to make any such payments if:

- (i) the applicable Collective Bargaining Agreement(s) require operation of trains with two person crews, until CSX demonstrates that it has modified such agreements in accordance with federal law to permit operation of trains with fewer than a two-person crew, or
- (ii) applicable federal law or regulations are changed to mandate two person crews; provided however that if the labor cost actually incurred due to the enactment of state law exceeds the labor cost actually incurred due to the enactment of federal law, the Administration shall pay the difference.

If the actual labor costs are projected to exceed \$6.0M annually, the Parties shall meet and negotiate promptly to determine what additional compensation, if any, shall be paid to CSX for any additional labor costs actually incurred.

The agreement is for five years and has a one-time renewable option for five years.

State Fiscal Effect:

MD Labor advises that a minimal operational impact can be absorbed with existing resources. Because the State inspectors already perform inspections for compliance with

FRA rules and regulations, including the two-crewmember requirement, the inspection process does not change.

Due to the Access Agreement between MTA and the freight railroad CSX, MTA is required to pay the cost of CSX's compliance with any state law that alters crew size requirements, unless such requirements are already in effect per federal law or regulation. If the federal requirement of two-person crews is repealed or invalidated by a court, this bill could trigger State Transportation Trust Fund expenditures up to \$6.0 million to cover CSX's expenses.

Additional Comments: The FRA's Final Rule on Train Crew Size Safety Requirements became effective June 10, 2024. This federal rule is intended to create a single federal standard and effectively "occupies the field," replacing the patchwork of state laws. Under the Federal Railroad Safety Act, once the federal government prescribes a regulation "covering" the subject matter of a state law, that state law is preempted.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 855 of 2025.

Designated Cross File: SB 156 (Senator Ellis) - Finance.

Information Source(s): Maryland Department of Emergency Management; Maryland Department of Labor; Maryland Department of Transportation; Department of Legislative Services

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Analysis by: Toni Heo

Direct Inquiries to:
(410) 946-5510
(301) 970-5510