

**Department of Fiscal Services**  
 Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 1013 (Delegate Boston, *et al.*)  
 Environmental Matters

Referred to Finance

**For-Hire Drivers - Licensing**

This enrolled bill requires operators of for-hire motor vehicles to have a license issued by the Public Service Commission (PSC). This includes drivers who transport 15 or less passengers in a motor vehicle for remuneration, including taxicab drivers in any county or municipality that chooses not to license its own taxicab drivers. The bill provides for the application, issuance, term, renewal, and fees of for-hire drivers' licenses, including a required criminal record check and driver record check.

The PSC currently licenses taxicabs in Baltimore City, Baltimore County, Hagerstown, and Cumberland. The bill requires drivers operating a taxicab licensed by the PSC to have in their possession a manifest that contains specified information and a badge provided by the PSC displayed in the interior of their taxicab. The PSC may also impose a civil penalty of up to \$500 for each violation of the bill.

**Fiscal Summary**

**State Effect:** General fund revenues and expenditures would increase by approximately \$74,100 in FY 1998. Out-year projections are adjusted for growth.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$74,100	\$83,200	\$85,800	\$88,500	\$91,300
GF Expenditures	74,100	83,200	85,800	88,500	91,300
Net Effect	\$0	\$0	\$0	\$0	\$0

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** Potential minimal effect as discussed below.

**Small Business Effect:** Meaningful impact on small business as discussed below.

**Fiscal Analysis**

**State Effect:** There are an estimated 4,000 additional for-hire vehicle drivers that would require licensure by the Public Service Commission (PSC) under the bill. The estimated 4,000 additional for-hire vehicles include limousines as well as taxicabs in any county or municipality that chooses not to license its own taxicab drivers. The PSC currently licenses approximately 2,400 taxicabs in Baltimore City, Baltimore County, Hagerstown, and Cumberland.

It is estimated that the PSC would need to hire one Administrative Specialist, one part-time Hearing Officer, and one part-time Office Secretary to set up the for-hire driver licensing program, perform licensing requirements, and conduct hearings. As a result, general fund expenditures would increase by an estimated \$74,100 in fiscal 1998. This figure reflects salaries, fringe benefits, one-time start-up costs, and the bill's October 1, 1997 effective date. Future year expenditures reflect 3% turnover, 3.5% annual salary increases, and 2% annual increases in ongoing operating expenses.

The PSC may establish an appropriate fee to be paid by each applicant that will cover the direct and indirect cost of the for-hire driver's license program. The bill also specifies that the PSC may seek adequate funding in the State budget and employ adequate staff in order to implement the bill's requirements. This is in addition to the PSC's ability to recover costs by assessments against public service companies. Thus, general fund revenues will increase \$74,100 in fiscal 1998 and will increase a commensurate amount to general fund expenditures in each out-year. In sum, the net effect on the general fund is zero.

General fund revenues could also increase as a result of the bill's monetary penalty provision, depending upon the number and amount of fines imposed.

**Local Expenditures:** Anne Arundel and Prince George's counties advise that the bill would have no fiscal impact as they currently meet the requirements specified by the bill for licensing taxicab drivers. However, to the extent that other localities are currently licensing taxicabs and are not conducting criminal and driving record checks on applicants as required under this bill, local expenditures may increase. Additionally, any localities that choose to license and regulate taxicab drivers may experience increased expenditures.

**Small Business Effect:** There are an estimated 4,000 for-hire vehicle drivers that would require licensure by the PSC under the bill. The majority of these businesses are small businesses that would be meaningfully impacted by increased expenditures. These businesses or the individual drivers employed by these businesses would be required to pay the fee set by the PSC for licensure, in addition to the \$18 fee for Maryland's Criminal Justice Information System check and the Maryland Motor Vehicle Administration fee of \$10

for each certified driving record. It is estimated, based on 4,000 applicants and a program cost of \$74,100 in fiscal 1998, that the PSC licensing fee would be approximately \$20 per driver.

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**Information Source(s):** Baltimore City; City of Rockville; Anne Arundel, Dorchester, Garrett, Montgomery and Prince George's counties; Public Service Commission

**Fiscal Note History:** First Reader - February 24, 1997  
lc Revised - House Third Reader - April 1, 1997  
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