

Department of Legislative Services
 Maryland General Assembly
 2018 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 97

(Chair, Finance Committee)(By Request - Departmental -
 Human Services)

Finance

Economic Matters

Public Utilities - Transportation Network Services - Disclosure of Records

This departmental bill authorizes the Public Service Commission (PSC) to disclose specified records or information related to transportation network operators (TNOs, *e.g.*, Uber drivers) if the disclosure is made in accordance with specified provisions of the Family Law Article related to child support enforcement. Records disclosed by PSC related to TNOs in accordance with current law and the bill are not subject to release under the Maryland Public Information Act (PIA).

Fiscal Summary

State Effect: Special fund expenditures increase by \$44,200 in FY 2019. Future year expenditures reflect annualization. Special fund revenues increase correspondingly from assessments imposed on public service companies.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
SF Revenue	\$44,200	\$53,000	\$54,500	\$56,500	\$58,600
SF Expenditure	\$44,200	\$53,000	\$54,500	\$56,500	\$58,600
Net Effect	\$0	\$0	\$0	\$0	\$0

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

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

Small Business Effect: The Department of Human Services (DHS) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment, as discussed below. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law:

Transportation Network Operators

PSC licenses transportation network companies and TNOs, in addition to for-hire drivers and some taxicab drivers. As part of the application process to become a licensed TNO, specified information must be submitted to PSC, including a criminal history records check and a driving record check. PSC may not disclose the records or information to any person unless (1) the disclosure is required by court order or order of the Maryland Tax Court or (2) the disclosure is requested by the Comptroller for specified enforcement purposes.

Professional and Occupational License Suspensions

Federal law requires state child support programs to have processes to withhold, suspend, or restrict driver's licenses, professional and occupational licenses, and recreational and sporting licenses for individuals who owe child support.

The Child Support Enforcement Administration (CSEA) in DHS may request from a licensing authority, including PSC, information related to obligors in arrears in paying child support. Following a request, the licensing authority must submit specified information regarding the obligor, including information regarding the individual's Social Security number and any known address. CSEA may not request the information more than four times each calendar year, unless CSEA has reason to believe that an obligor is licensed by, or has applied for a license from, the licensing authority. CSEA may also request the licensing authority to periodically share its licensing database.

CSEA may request the licensing authority to suspend or deny a professional or recreational license if the individual is 120 days or more out of compliance with the most recent order of the court and CSEA has accepted assignment of support or the recipient of the support has filed an application for support enforcement services with CSEA. Other than a specified exception regarding licenses issued by the Court of Appeals, a licensing authority must suspend or deny the license upon notification by CSEA.

At least 30 days prior to requesting the suspension or denial of a license, CSEA must give the individual a reasonable opportunity to contest the accuracy of the information and send the individual written notice of the right to request an investigation. The individual has a right to an appeal with the Office of Administrative Hearings, as specified.

CSEA must notify the licensing authority to reinstate a suspended or denied license within 10 days if specified conditions are met, such as if the arrearage is paid in full. After such

notification, the licensing authority must immediately reinstate any license suspended, or process an application for any license denied if the individual otherwise qualifies for the license.

Driver's License Suspensions

Under a process similar to that described above for professional and recreational licenses, the Motor Vehicle Administration (MVA) must suspend the license or privilege to drive of an obligor who is 60 days or more out of compliance with the most recent order of the court in making child support payments. MVA may issue a work-restricted license or work-restricted privilege to drive. After notification by CSEA that specified conditions are met, MVA must immediately reinstate any license suspended, or process an application for any license denied if the individual otherwise qualifies for the license.

Public Information Act

Maryland's PIA establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. Each governmental unit that maintains public records must identify a representative who a member of the public may contact to request a public record. Generally, a custodian of a public record must permit inspection of the record at a reasonable time and within 10 working days of receiving a request, although there are circumstances in which a request must, or may, be denied.

Background: There are approximately 115,000 TNOs licensed by PSC. Currently, PSC's statute does not allow for the release of TNO records except by court order, by order of the Maryland Tax Court, or at the request of the Comptroller for certain purposes. The bill allows for the release of these records if the disclosure is made in accordance with CSEA's existing child support enforcement efforts.

State Fiscal Effect: Special fund expenditures for PSC increase by \$44,219 in fiscal 2019, which accounts for the bill's October 1, 2018 effective date. This estimate reflects the cost of hiring one administrative specialist to manage the ongoing responsibilities of data transmission, correspondence, and license suspension/reinstatement for TNOs. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$38,860
Other Operating Expenses	<u>5,359</u>
Total FY 2019 PSC Expenditures	\$44,219

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses. Special fund revenues increase correspondingly from assessments imposed on public service companies.

DHS can implement the bill with existing budgeted resources. The information received from PSC will be processed through an automated system by existing staff.

The bill does not otherwise materially affect State finances or operations.

Small Business Effect: Most, if not all, current TNOs are independent contractors and, therefore, may be considered small businesses. While the bill does potentially allow for the suspension of particular TNO licenses for noncompliance with child support requirements, the overall effect on TNOs as a whole is likely minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Services; Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - January 11, 2018
mm/lgc Third Reader - March 13, 2018
Revised - Amendment(s) - March 13, 2018
Enrolled - April 12, 2018
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Utilities – Transportation Network Services – Disclosure of Records

BILL NUMBER: SB 97

PREPARED BY: Department of Human Services
(Dept./Agency)

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS