

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 721 (Delegate Boston, et al.)
 Environmental Matters

For-Hire Vehicles - Uniform Standards

This bill requires a person who operates a passenger-for-hire service to: (1) hold a passenger-for-hire permit; (2) obtain liability insurance or deposit a casualty/surety bond; and (3) display the decal or sticker provided by the Public Service Commission (PSC) at all times that the vehicle is in operation. PSC would be responsible for program administration.

The bill provides that the driver of a passenger-for-hire vehicle must obtain a for-hire driver's license from the PSC and that the commission must conduct a criminal record check and driving record check before issuing the license. The commission may deny a license to an applicant convicted of a crime if that crime would have a direct relationship on the applicant's fitness to serve the public. The PSC would be responsible for program administration.

The expense for administering this program would be paid through fees and fines collected by the commission or local units. The PSC is instructed to compare the related expenses and revenue at the end of every fiscal year and to assess any deficit against holders of vehicle-for-hire or taxicab permits. The bill provides for criminal and civil penalties for certain violations. The State Police could seize the vehicle of a violator and the PSC could order the State Police to sell such a vehicle for the payment of fines.

Fiscal Summary

State Effect: Revenues and expenditures would increase by an estimated \$27,600 in FY 1997. Future year estimates reflect annualization and inflation.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$27,600	\$30,000	\$31,100	\$32,200	\$33,500
GF Expenditures	27,600	30,000	31,100	32,200	33,500
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: None.

Fiscal Analysis

State Revenues: Since the bill provides that the taxicab and for-hire vehicle program must be financed by the fees, fines, and assessments levied on the industry, revenues would increase by an amount equivalent to any increase in the cost of administering the program. It is estimated that State expenditures would increase by \$27,600 in fiscal 1997. Therefore, revenues would increase in fiscal 1997 by \$27,600.

Revenues would increase in the out-years by an amount equivalent to the additional expense of administering the proposed program and any deficit in the funding of the current program.

State Expenditures: It is estimated that the Public Service Commission would need to hire a full-time Administrative Specialist to administer this program. The cost to the PSC in fiscal 1997 would be \$27,597. This figure reflects salaries of \$15,374, fringe benefits, one-time start-up costs, ongoing operating expenses, and an October 1, 1996 effective date.

Salaries and Fringe Benefits	\$21,787	Operating Expenses	<u>5,810</u>
Total PSC Expenditures	\$27,597		

Future year expenditures below reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

The bill directs the PSC to conduct criminal record checks on applicants seeking for-hire driver's licenses. The cost of conducting a national criminal check is \$42. It is anticipated that this expense would be paid directly by the applicant.

In addition, expenditures could increase by an indeterminate amount depending on the number of for-hire passenger vehicles seized by the State Police. As a matter of reference, it costs approximately \$450 for each vehicle the police tow, store, and sell. In any event, all expenditures related to the administration of this bill would be assessed against the industry.

Information Source(s): Department of State Police, Public Service Commission,
Department of Fiscal Services

Fiscal Note History: First Reader - February 19, 1996

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