

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1019 (Delegate Boston, *et al.*)
Environmental Matters

Passenger-for-Hire Vehicles - Assessment Reform Act

This bill requires the Public Service Commission (PSC) to review the dispatches and financial records for a representative sample of for-hire vehicle companies and establish an average of gross operating revenues for each classification of for-hire vehicles. The PSC is required to base the assessment against a for-hire vehicle company on the average gross operating revenues for the appropriate classification of for-hire vehicles. Gross operating revenues are defined as gross passenger revenues. For-hire vehicles are defined as bingo carriers, sedans, stretch limousines, and taxicabs.

Fiscal Summary

State Effect: None. The requirement of this bill can be absorbed with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small business as discussed below.

Fiscal Analysis

Small Business Effect: There are approximately 4,000 for-hire vehicles on which the Public Service Commission levies assessments and the majority of for-hire vehicle businesses are small businesses. Under current law, bingo carriers, sedans, and stretch limousines are assessed by the PSC in the same manner as other utilities they regulate. The minimum assessment for any public service company is \$10 and may not exceed 0.17% of the public service company's gross operating revenues as derived from intrastate operations in the preceding calendar year.

The taxicabs in Baltimore City and County regulated by the PSC, however, are assessed a flat

per vehicle fee of \$85 in Baltimore City and \$94 in Baltimore County. This bill may reduce the fees assessed on taxicabs by assessing all for-hire vehicles based on the average gross operating revenues for the appropriate class of for-hire vehicles. The altered assessment process may have the effect of raising the fees paid to the PSC by for-hire sedans and limousines companies which would offset the cost of regulating the industry currently borne by taxicabs. Thus, taxicab businesses would likely experience a reduction in their assessment costs, while sedans and limousine companies would likely experience an increase in overall cost based on the altered assessment system. It is unclear how the bill would alter bingo carrier assessments. The bill may allow fees to be assessed on a per carrier basis, which may include multiple vehicles, instead of on a per vehicle basis. This assessment could reduce the overall assessment levied on bingo carriers.

Information Source(s): Public Service Commission

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