

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

House Bill 971 (Delegate Baldwin. *et al.*)

Environmental Matters

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**Motor Coaches - Not-for-Profit Entities**

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This bill requires a not-for-profit entity that owns and operates a motor coach with a capacity of at least 30 passengers and a gross vehicle weight rating of at least 32,000 pounds to obtain a license for the motor coach from the Public Service Commission (PSC). The not-for-profit entity must have the motor coach inspected for safety every 12 months by an authorized Maryland inspection station. A motor coach that is licensed under the bill and only provides service for or on behalf of a not-for-profit entity is not subject to tariffs or rate making.

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**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$31,000 in FY 2001 for an additional staff person for the PSC. Future year expenditures increase with annualization, salary increases, and inflation. Costs would be recovered through assessment of public service companies.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$31,000	\$35,800	\$37,500	\$39,300	\$41,200
GF Expenditures	31,000	35,800	37,500	39,300	41,200
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** With certain exceptions, a motor carrier permit is required for a passenger

motor vehicle used in the transportation of persons for hire.

**Background:** This bill would bring organizations such as churches and retirement communities that operate buses under the regulatory authority of the PSC.

**State Fiscal Effect:** The PSC currently regulates 1,013 charter/contract passenger carriers operating a total of approximately 5,200 vehicles. The administrative work for this area of regulation is performed by a staff of 19 full-time equivalent employees.

The precise number of not-for-profit, not-for-hire entities that would be affected by this bill is unknown, but it is expected that the number of such entities is relatively small in comparison to the number of passenger carriers currently regulated by the PSC. The PSC advises that, as a result of the bill, it would need to hire one field agent to conduct investigations and enforcement statewide and one administrative specialist to manage administrative processes relating to the increased enforcement. Legislative Services believes that the field agent is not necessary to meet the bill's requirements, however, because the PSC currently employs no field agents or other personnel dedicated solely to the investigation and enforcement of regulations and statutes.

General fund expenditures would increase by an estimated \$31,021 in fiscal 2001, which reflects the bill's October 1, 2000 effective date. This estimate includes salary and benefits for an administrative specialist, one-time office equipment purchases, and ongoing operating expenses.

Salaries and fringe benefits	\$26,006
Operating expenses	<u>5,015</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$31,021</b>

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Pursuant to statute, the PSC would recover regulatory costs incurred through assessments charged to the regulated entities. Therefore, the bill would not have a net effect on general funds.

**Small Business Effect:** Small not-for-profit businesses operating not-for-hire motor coaches would incur assessments and inspection expenses as a result of the bill. Assessments are set, pursuant to statute, in relation to gross intra-state operating revenues. An authorized inspection for a motor coach costs approximately \$200 to \$275.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 673 (Senator Astle) - Finance.

**Information Source(s):** Public Service Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2000  
drg/jr Revised - House Third Reader - March 29, 2000  
Revised - Enrolled Bill - April 13, 2000

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