

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE
 Revised

Senate Bill 552 (Senator Roesser)

Finance

For-Hire Driving Services

This bill makes various changes to the provisions regulating for-hire driving services.

Fiscal Summary

State Effect: Special fund revenues from licensing assessments increase by \$150,000 in FY 2001. Future year revenues reflect annualization. Special fund expenditures increase by \$194,300 in FY 2001 for the hiring of enforcement staff by the Public Service Commission (PSC). Future year expenditures reflect annualization, salary increases, employee turnover, and inflation.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
SF Revenues	\$150,000	\$200,000	\$200,000	\$200,000	\$200,000
SF Expenditures	194,300	187,100	195,700	204,700	214,200
Net Effect	(\$44,300)	\$12,900	\$4,300	(\$4,700)	(\$14,200)

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

Local Effect: Potential minimal increase in expenditures.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill:

- specifies that for-hire driving services include limousine services and sedan services;
- defines “sedan service” and “limousine service” and expands the definition of

“provide taxicab services;”

- authorizes the PSC to require an applicant for a for-hire driver’s license to obtain a criminal history records check from the Federal Bureau of Investigation;
- provides that, in Baltimore City, on or before July 1, 2002, an individual applying for a taxicab license or renewal of a taxicab license must submit proof of having successfully completed a course approved by the PSC that includes in the curriculum courteous treatment of passengers, geography and map reading, and tourist information;
- establishes the For-Hire Driving Services Enforcement Fund as a special, non-lapsing fund to be used for PSC enforcement activities relating to for-hire driving services. The fund consists of assessments made on permits for vehicles regulated by the PSC to provide for-hire driving services (except for vehicles used exclusively for limousine service or employee van transportation). The PSC must establish an annual assessment not exceeding \$40 for each vehicle permit;
- clarifies that a person operating a vehicle that provides passenger-for-hire, common carrier, or taxicab services in violation of statutory requirements is subject to a civil penalty of up to \$500 per violation; and
- provides that an individual who violates a provision concerning for-hire driving services is guilty of a misdemeanor and on conviction is subject to a maximum fine of \$50 for a first offense and \$100 for each subsequent offense.

Current Law: The majority of the bill’s provisions are not currently contained in statute.

Background: Vehicles providing for-hire driving services include taxicabs, sedans, limousines, vans, and buses.

State Fiscal Effect: The bill would not add entities to be regulated by the PSC, but would require increased enforcement over existing regulated entities. The PSC advises that, as a result of the bill, it would need to hire four field agents to conduct investigations and enforcement statewide; and one administrative specialist to manage administrative processes.

Special fund expenditures would increase by an estimated \$194,290 in fiscal 2001, which reflects the bill’s October 1, 2000 effective date. This estimate includes salaries and fringe benefits for the five new positions, one-time automobile and office equipment purchases, communications, automobile operations, supplies, and office space.

Salaries and fringe benefits	\$126,060
Automobile purchases	51,600
Operating expenses	<u>16,630</u>
Total FY 2001 State Expenditures	\$194,290

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.

Fine revenues collected by the PSC could increase as a result of the increased enforcement.

The PSC regulates approximately 5,000 vehicles providing for-hire driving services. Assuming that the assessment to fund the For-Hire Driving Services Enforcement Fund would be levied upon carriers on a per vehicle basis, and assuming that the assessment is set at \$40, fund revenues would be approximately \$200,000 annually (\$150,000 in fiscal 2001 account for the bill's October 1, 2000 effective date).

The bill's criminal penalty provisions are not expected to significantly impact District Court caseloads or fine revenues.

The bill's provision requiring federal criminal background checks would not have a fiscal impact on the State. Applicants would be required to pay the FBI's fee, which is currently \$24, plus any fee for fingerprint cards. Applicants for a for-hire driver's license are already required to submit to a State criminal history records check.

Local Expenditures: Local governments that operate transportation services could incur annual assessments for the For-Hire Driving Services Enforcement Fund.

Small Business Effect: Small carriers providing for-hire driving services would be subjected to increased enforcement efforts and would incur annual assessments for the For-Hire Driving Services Enforcement Fund. In addition, taxicab drivers would be required to take the courtesy, geography, and tourist information course.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 3, 2000
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