

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

House Bill 137 (Delegate Owings)

Environmental Matters

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For-Hire Driving Services

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

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Fiscal Summary

**State Effect:** Special fund revenues from licensing assessments increase by \$146,300 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	\$146,300	\$195,000	\$195,000	\$195,000	\$195,000
SF Expenditures	194,300	187,100	195,700	204,700	214,200
Net Effect	(\$48,000)	\$7,900	(\$700)	(\$9,700)	(\$19,200)

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

In addition, general fund revenues could increase as a result of additional fines imposed pursuant to the bill.

**Local Effect:** Potential minimal increase in expenditures.

**Small Business Effect:** Potential meaningful.

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## 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;”
- establishes the For-Hire Driving Services Enforcement Fund as a special, non-lapsing fund to be used for enforcement activities of the PSC relating to for-hire driving services. The fund consists of assessments made on applications for a for-hire driver’s license and may not exceed \$200,000 in any fiscal year;
- requires an applicant for a taxicab driver’s license in Baltimore City who applies on or after July 1, 2001, to complete a course approved by the PSC that instructs the applicant in courtesy to passengers, local geography, and tourist information;
- establishes business and operating requirements for sedan services;
- 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
- prohibits a taxi or sedan driver from driving while using a mobile phone.

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

**Background:** The PSC regulates approximately 3,900 passenger-for-hire drivers and 2,600 taxicab drivers, for a total of 6,500 drivers. The PSC also regulates approximately 1,013 charter/contract passenger carriers and 1,502 taxicab companies operating a total of approximately 6,700 vehicles.

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

The preamble to the bill states that a significant portion of the sedan services operating in Maryland appear to be doing so without proper documentation or otherwise contrary to law, and that tourist surveys show dissatisfaction with taxi driver behavior in some areas, including rudeness, overcharging, and inadequate knowledge of local events and points of interest.

**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 relating to the increased enforcement, licensing changes, and training.

General 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>
<b>Total FY 2001 State Expenditures</b>	<b>\$194,290</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.

It should be noted that the expenditure estimates for fiscal 2004 and 2005 exceed the bill's \$200,000 limit for the For-Hire Driving Services Enforcement Fund.

Assuming that the assessment to fund the For-Hire Driving Services Enforcement Fund would be levied upon individual drivers (6,500), the assessment would need to be approximately \$90 for each driver at the time of application and license renewal (for-hire driver's licenses are renewed every three years).

General fund revenues could increase as a result of additional fines imposed pursuant to the bill. The magnitude of any such increase cannot be reliably estimated at this time.

**Local Expenditures:** Local governments that operate transportation services that require drivers to be licensed by the PSC as for-hire drivers could incur \$90 assessments paid on behalf of individual drivers.

**Small Business Effect:** Small businesses providing for-hire driving services would be subjected to increased enforcement efforts and could incur \$90 assessments paid on behalf of individual drivers. In addition, taxicab drivers would be required to complete a training course.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 7, 2000  
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