

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE

House Bill 392 (Delegate Goodwin, *et al.*)
 Environmental Matters

Vehicle Laws - Limousines - Luxury Sedans

This bill alters the definition of limousine and subjects limousine service to the assessments paid into the Public Service Commission’s (PSC) For-Hire Driving Special Services Enforcement Fund.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues would increase by \$24,000 in FY 2006 and \$32,000 annually thereafter due to increased registration fees on vehicles newly classified as limousines. Special fund revenues for PSC would increase by \$18,900 in FY 2007 and annually thereafter due to assessments on limousine service providers.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
SF Revenue	\$24,000	\$50,900	\$50,900	\$50,900	\$50,900
SF Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$24,000	\$50,900	\$50,900	\$50,900	\$50,900

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

Local Effect: Local government revenue distributed from the Gasoline and Motor Vehicle Revenue Account (GMVRA) as highway user revenues would increase by \$7,200 in FY 2006 and \$9,600 annually thereafter.

Small Business Effect: Potential minimal effect on limousine service providers that would be subject to the \$40 annual assessment by PSC and an increased vehicle annual registration fee of \$35.

Analysis

Bill Summary: The bill places an age limit on vehicles that meet the current definition of limousine; they must be seven model years old or newer. The bill also expands the definition of limousine to include a luxury sedan used for transporting passengers for hire that: (1) has a rated seating capacity of six passengers or more; (2) is not a sport utility vehicle, van, minivan, or station wagon; and (3) is seven model years old or newer. Limousine also includes a luxury sedan that: (1) meets the definition of “historic motor vehicle;” (2) is subject to the PSC inspection program; and (3) has received operating authority from PSC.

A vehicle more than seven years old may be registered as a Class Q limousine if it was registered as a Class Q vehicle before October 1, 2005 and ownership of the vehicle is not transferred on or after October 1, 2005.

Current Law: Limousine is defined as a vehicle that: (1) has been modified or stretched for transportation of passengers; and (2) is equipped with amenities not normally provided in passenger cars including a custom interior, television, video cassette recorder, musical sound system, telephone, ice storage area, additional interior lighting, and driver-passenger communication such as an intercom or power-operated driver partition. A for-hire vehicle used exclusively for limousine service is currently exempt from assessments by PSC for the For-Hire Driving Special Services Enforcement Fund.

Background: The Common Carrier Investigations Program enforces PSC’s laws concerning the safety, insurance, and services required to be maintained by drivers of intrastate for-hire passenger vehicles with a passenger capacity of less than 16. In fiscal 2004, PSC regulated 3,690 for-hire passenger vehicles with a seating capacity of less than 16 and 2,192 for-hire passenger vehicles with a seating capacity of greater than 16. PSC performed 5,099 safety inspections of these for-hire passenger vehicles and placed 2% out-of-service through inspections.

State Revenues: PSC indicates that it currently regulates 472 vehicles that have been registered by the Motor Vehicle Administration (MVA) as Class Q limousines. Applying the \$40 annual assessment to each of these limousines would increase special fund revenues by \$18,880 in fiscal 2007 and annually thereafter. PSC advises that this assessment is collected between July and October each year; therefore, the fiscal effect would begin in fiscal 2007.

The current annual registration fee for a Class Q limousine is \$185. The current annual registration fee for a for-hire vehicle (Class B) is \$150. These fees are paid on a biennial

basis. PSC advises that there are 916 vehicles currently regulated as for-hire vehicles that would be newly classified as limousines. The MVA advises that registrations would be switched as Class B vehicles become due for renewal.

Therefore, TTF revenues would increase by \$24,045 in fiscal 2006 which accounts for the October 1 effective date, and \$32,060 annually thereafter. As the TTF retains 70% of registration revenues, net TTF revenues would increase by \$16,832 in fiscal 2006 and by \$22,442 thereafter.

State Expenditures: The MVA advises that it would cost approximately \$30,000 for computer reprogramming changes in fiscal 2006. Legislative Services advises that, if other legislation is passed requiring computer changes to the MVA system, economies of scale could be realized.

Local Effect: Local government revenues distributed from GMVRA as highway user revenues would decrease by \$3,700 in fiscal 2006 and \$5,000 annually thereafter.

Additional Information

Prior Introductions: This bill is similar to HB 303 of the 2004 session, which was heard by the House Environmental Matters Committee. No further action was taken.

Cross File: None.

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

Fiscal Note History: First Reader - February 8, 2005
ncs/ljm

Analysis by: Nora C. McArdle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510