

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 340

(Delegate Pena-Melnyk, *et al.*)

Economic Matters

Finance

**Public Utility Companies - Bus Service Provided by University of Maryland,
College Park - Exemption from Motor Carrier Permit Requirement**

This bill eliminates a requirement for shuttle bus services operated by the University of Maryland, College Park to have a motor carrier permit, in the event that UMCP agrees to provide shuttle services to local residents of the City of College Park in addition to its students.

UMCP must report to the Senate Finance Committee and the House Economic Matters Committee on or before December 30, 2010 regarding implementation of the transportation services program.

The bill takes effect July 1, 2008 and terminates June 30, 2011.

Fiscal Summary

State Effect: Potential minimal increase in revenues to the extent UMCP receives payment from the City of College Park for shuttle bus services.

Local Effect: Expenditures could increase minimally to the extent the City of College Park provides payment to UMCP in exchange for services.

Small Business Effect: None.

Analysis

Current Law: The Public Service Commission (PSC) regulates motor carriers and issues permits. With certain exceptions, a motor vehicle carrier permit is required for a passenger motor vehicle used in the transportation of persons for hire. Permitting exceptions include motor vehicles used exclusively for the transportation of pupils to and from public or private schools.

The PSC's Transportation Division oversees the regulation of transportation companies operating in intrastate commerce in Maryland. The division monitors vehicle safety; limits of liability insurance; schedules of operation; and rates and service for all regulated carriers, except railroads. Applicants for for-hire passenger carrier permits incur no fee, either as part of the application process or for the permit itself. By statute, the duration of a permit cannot exceed 20 years.

Applicants requesting a permit to conduct operations as a for-hire passenger carrier must file and receive written approval from PSC in order to obtain authority to conduct business. PSC has permitting requirements for passenger-for-hire vehicles based on seating capacity and has minimum insurance requirements. For-hire passenger carriers operating in the Washington Metropolitan area, which includes Montgomery and Prince George's counties, must also provide proof to PSC that the carrier is authorized to do so by the Washington Metropolitan Area Transit Commission.

Initially, vehicles either undergo a PSC inspection or the proprietor submits a Maryland State Inspection Certificate as part of the application process. For-hire passenger vehicles of the size commonly used by institutions of higher education (*i.e.*, vehicles seating more than 15 passengers) are inspected on a biannual basis either by PSC inspectors or the Department of State Police, Commercial Vehicle Enforcement Division inspectors. All inspectors are federally certified and meet federal annual requirements.

Once approval to conduct business is granted, a passenger carrier is provided with an authorizing decal to display in the vehicle(s) that provide for-hire services. For-hire passenger carriers must file and provide PSC with up-to-date rate sheets (*i.e.*, a tariff) that specifies point to point, mileage, or hourly rates. For-hire passenger carriers comprise various size and types of vehicles. PSC states 1,100 motor carrier permits have been issued in the State, which include businesses utilizing vehicles carrying 16 or more passengers and for-hire (*e.g.*, limousine) operators.

Background: The University of Maryland, College Park (UMCP) agreed with the City of College Park to open up the university's shuttle service to local residents. Based on an Attorney General's opinion from the Board of Public Works that stated such an opening

of services would make the shuttle a “common carrier,” UMCP made the decision not to expand shuttle services.

Additional Information

Prior Introductions: None.

Cross File: SB 31 (Senator Rosapepe) – Finance.

Information Source(s): City of College Park, Prince George’s County, University System of Maryland, Public Service Commission, Maryland Department of Transportation, Office of the People’s Counsel, Maryland Higher Education Commission, Department of Legislative Services

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