

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 884

(St. Mary's County Delegation)

Economic Matters

Finance

St. Mary's County - Taxicabs - Repeal of Local Provisions

This bill repeals provisions of local law regarding the regulation of taxicabs in St. Mary's County.

Fiscal Summary

State Effect: Any costs incurred by the Public Service Commission (PSC) to regulate taxicabs in St. Mary's County will be offset by fees paid by taxicab companies.

Local Effect: None. The bill repeals obsolete provisions of Public Local Law in St. Mary's County.

Small Business Effect: None.

Analysis

Current Law: Article 19 of the St. Mary's County Public Local Laws provides for the regulation of taxicabs in St. Mary's County. Provisions include (1) the definition of taxicab; (2) licensing and inspection of taxicabs; (3) taxicab license fees; (4) complaint procedures; and (5) penalties for violating specified local resolutions.

Background: PSC generally regulates persons engaged in the public transportation of individuals for hire in vehicles such as cars, vans, limousines, and buses.

Common Carriers

“Common carrier” means a person; public authority; or federal, State, district, or municipal transportation unit that is engaged in the public transportation of persons for hire, by land, water, air, or any combination of them. It includes, among others:

- a car company, motor vehicle company, automobile company, or motor bus company;
- a taxicab company; and
- a transit company.

It does not include a county revenue authority, a toll bridge or other facility owned and operated by a county revenue authority, a vanpool or launch service, or a for-hire water carrier.

Each common carrier must provide reasonable, proper, and equal facilities for the prompt interchange and transfer of passengers between its lines and the lines of every other common carrier. A common carrier may not discriminate against other common carriers in transferring, receiving, or forwarding passengers to or from other common carriers.

In addition to other information that PSC requires, the tariff schedules of each common carrier must show (1) all of the current rates, fares, and charges for the transportation of passengers within the State between specified points; (2) the points between which passengers will be carried; (3) the classification of passengers; (4) the privileges or facilities granted; and (5) all rules and regulations that may change, affect, or determine any part of the aggregate of the rates, fares, or charges or the value of the service rendered.

Taxicab Permits

A person must have a permit issued by PSC whenever the person operates as a taxicab business in or from a point in Baltimore City, Baltimore County, the City of Cumberland, or the City of Hagerstown. Local jurisdictions regulate taxicabs outside of these areas. An applicant for a taxicab permit to operate a taxicab business must apply to PSC, which must issue a permit if, after investigation, PSC determines that issuing the permit would be best for the public welfare and convenience.

In determining whether to issue a permit, PSC must consider all relevant factors including the number of taxicabs to be used, the taxicab and other transportation services already available in the locality, and the rate to be charged. PSC must reject an application or revoke or suspend an existing permit if it appears that a taxicab company is making an effort to mislead the public by imitating the name, design, or distinctive combination of colors of any taxicab already approved by PSC. Each taxicab must have the name of the

permit holder displayed on each side of the vehicle and the word “taxicab” conspicuously displayed.

A taxicab for which a permit is required may not be operated unless the permit holder:

- obtains a liability insurance policy that is approved by PSC and insures the permit holder and taxicab driver against liability to a passenger or member of the public for property damage, personal injury, or death resulting from an accident in which the taxicab is involved; or
- deposits with PSC a bond with a casualty or surety company authorized to do business in the State that is approved by PSC and is made out to the State as obligee for the use and benefit of passengers and members of the public, and undertakes to indemnify passengers and members of the public against property damage, personal injury, or death resulting from an accident in which the taxicab is involved.

Taxicabs are subject to specified requirements for operation, fares, and rates. Taxicabs may only charge the rate of fare or charge established by law, which must be displayed in each taxicab, and must give a receipt of fares on request. A driver of a taxicab may not operate the taxicab recklessly, in an unsafe manner, or in disregard of the laws or municipal ordinances governing the operation of motor vehicles.

Civil Penalties

Generally, a person may not transport, solicit for transport, or agree to transport any person or baggage in a motor vehicle for hire unless the operator of the motor vehicle is licensed by PSC. A person who owns or is in charge of a motor vehicle may not allow the motor vehicle to be used in violation of the laws relating to for-hire driving services. Subject to specified hearing provisions, PSC may impose a penalty of up to a \$500 fine for each violation.

State Fiscal Effect: PSC advises that upon repeal of local provisions of law regarding the regulation of taxicabs, the commission will have jurisdiction to regulate taxicabs in that county. PSC reports that taxicabs in St. Mary’s County will be classified as for-hire carriers and will be subject to the same licensing and regulatory structure as other for-hire carriers in the State. For-hire carrier companies must pay a \$40 per vehicle fee as well as an additional fee that is equal to a percentage of gross annual operating revenues (up to 0.22%). These fees are paid into the Public Utility Operating Fund, which covers PSC’s general cost of administering various regulated entities, and the For-Hire Driving Services Enforcement Fund, which pays PSC’s cost of enforcing the regulations pertaining to for-hire carriers. As a result, any costs incurred by PSC to regulate taxicabs in St. Mary’s County will be offset by fees paid by the regulated entities.

Local Fiscal Effect: St. Mary's County advises that the bill repeals obsolete provisions of law and that upon repeal of these provisions, PSC will be responsible for the regulation of taxicabs in the county. The county reports that it has never regulated taxicabs, and there is currently only one taxicab operating in the county.

Additional Information

Prior Introductions: None.

Cross File: SB 1001 (Senator Waugh) – Finance.

Information Source(s): St. Mary's County, Public Service Commission, Department of Legislative Services

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kb/hlb

Analysis by: Michael Sanelli

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