

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 171
Finance

(Senator Guzzone)

Economic Matters

Motor Carriers and For-Hire Driving Services - Nonprofit Organizations and
Volunteer Drivers

This bill exempts specified nonprofit organizations from the requirement to obtain a motor carrier permit under certain circumstances and makes a related change to exclude specified transportation services provided by nonprofits from the definition of “transportation network services.”

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: A nonprofit organization that provides transportation services is not required to obtain a motor carrier permit under the following circumstances:

- the organization uses a volunteer driver and the driver’s personal vehicle; or
- the organization uses drivers to provide transportation services solely for clients of supportive services, such as aging support, kidney dialysis, and job training.

The definition of “transportation network services” is modified to exclude transportation services that a nonprofit organization provides through the use of a volunteer driver and the driver’s personal vehicle.

Current Law: Generally, a motor carrier permit is required for a passenger motor vehicle used in the transportation of persons for hire. There are limited specified exceptions. For example, a motor carrier permit is not required for a motor vehicle used exclusively for the transportation of pupils to and from public or private schools, or if the vehicle is a taxicab.

A separate exemption from the entirety of the for-hire driving services law (Title 10 of the Public Utilities Article) also applies in limited circumstances. Relevant to the bill, Title 10 does not apply to any motor vehicle used in the transportation of persons if the transportation is provided by or on behalf of a nonprofit that requires a criminal history records check (CHRC) and driving records check for its drivers, for clients of specified supportive services. Drivers employed by an exempt nonprofit must still go through the CHRC process specified in Title 10.

Chapter 204 of 2015 established a separate regulatory system for transportation network services that encompasses transportation network companies (*e.g.*, Uber and Lyft) and transportation network operators (*i.e.*, drivers), including licensing, CHRCs, and insurance requirements, among others. Transportation network services does not include:

- providing taxicab services, sedan services, or limousine services; or
- any shared expense carpool arrangement or service or other type of arrangement or service in which a driver receives a fee that does not exceed the driver’s costs associated with providing a ride.

Background: In addition to its better-known role in the regulation of electric and gas utility rates, the Public Service Commission (PSC) also regulates persons engaged in the public transportation of individuals for-hire in vehicles such as cars, vans, limousines, and buses. This includes issuing relevant permits for the vehicles and issuing related licenses to authorize drivers to operate those vehicles for hire. PSC enforcement includes analyzing rate filings and service offerings, monitoring the operations of transportation companies, and inspecting vehicles to ensure that they comply with safety regulations.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 120 (Delegates Dumais and C. Watson) - Economic Matters.
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Information Source(s): Public Service Commission; Department of Legislative Services

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