

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 18
(Delegate Vogel)
Environment and Transportation

**Transportation Network Companies - Transportation Network Operators -
Minimum Payments for Passenger Trips**

This bill requires a transportation network company (TNC) to compensate operators for passenger trips originating in the State according to specified minimums. The bill also requires, beginning July 1, 2027, an adjustment to the per-mile and per-minute minimums for inflation, as specified. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Special fund expenditures for the Public Service Commission (PSC) may increase, as discussed below; special fund revenues increase correspondingly from assessments imposed on public service companies. Transportation Trust Fund (TTF) expenditures for the Maryland Transit Administration (MTA) may increase minimally beginning as early as FY 2027, as discussed below.

Local Effect: Local expenditures may increase minimally for any local jurisdictions that use rideshare services, as discussed below. Revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Beginning July 1, 2026, a TNC must pay each operator:

- a minimum of \$1.66 per mile and \$0.40 per minute;
- an additional \$1.18 per mile if an operator is using a wheelchair accessible vehicle;

- at least \$5.00 per passenger trip, regardless of trip duration or mileage; and
- at least 80% of any cancellation fee charged by the TNC if a passenger trip is canceled after booking.

Beginning July 1, 2027, and each July 1 thereafter, the minimum amount a TNC must pay each operator per mile and per minute must be increased annually by the percentage growth in the Consumer Price Index for All Urban Consumers (CPI-U) or a successor index published by the U.S. Bureau of Labor Statistics. The increase is determined by comparing the average of the index for the 12 months ending on the June 30 immediately preceding the year for which the minimum amount per mile and per minute is being calculated to the average of the index for the immediately preceding 12 months. If there is no growth or a decline in the CPI-U, the minimum per-mile and per-minute rates remain unchanged.

Current Law:

Transportation Network Services Framework

Chapter 204 of 2015 established a regulatory framework for transportation network services that encompasses TNCs (*i.e.*, companies such as Uber and Lyft) and transportation network operators (*i.e.*, the drivers), including licensing, criminal history records checks, insurance requirements, and assessments. A TNC may not operate in the State unless PSC has issued a permit to the company. Generally, a transportation network operator may not provide transportation network services unless PSC has authorized the operator to operate on a provisional basis or has issued a valid temporary or permanent transportation network operator's license to provide transportation network services.

Neither statute nor regulations require TNCs to pay operators a minimum per mile, per minute, or per trip amount, nor do they mandate payment of a portion of a cancellation fee. Compensation arrangements are generally determined by the companies themselves, subject to PSC oversight of licensing and vehicle approval.

“Transportation network company” means a company that operates in the State using a digital network to connect passengers to transportation network operators or transportation network partners for transportation network services.

“Transportation network operator,” “transportation network partner,” or “transportation network driver” means an individual who:

- has been issued a transportation network operator's license or is otherwise authorized, by PSC to provide transportation network services;
- receives, through TNC's digital network application, a connection to a potential

- passenger to transport the passenger between points chosen by the passenger in exchange for the payment of a fee to the TNC; and
- uses a motor vehicle that is owned, leased, or otherwise authorized for use by the individual and is approved for use in providing transportation network services by PSC.

Weekly Fare and Earnings Summary requirements

Chapter 506 of 2025 requires TNCs to provide each operator with a weekly fare and earnings summary, including:

- the total fares collected by the TNC for the transportation network services provided by the company's operators in a given week;
- the total amount of any additional fees that were charged to passengers by the TNC for the transportation network services provided by the company's operators in a given week;
- the total amount the operator earned that week;
- the total amount the operator earned from the total fares collected that week, expressed as a percentage of the total fares collected; and
- the total amount the operator earned from the additional fees collected that week, expressed as a percentage of the total additional fees charged.

By February 1 each year, each TNC must submit specified information on its fares, its operators, and their earnings to the PSC.

State/Local Fiscal Effect:

Public Service Commission

There are approximately 175,000 transportation network operators in the State. PSC anticipates receiving a significant number of complaints from operators alleging inaccuracy in their payments from TNCs under the bill and advises that it likely needs to hire two administrative specialists to process complaints, one staff attorney to represent PSC in complaint cases, and one public utility law judge to hear the cases. Costs associated with those positions total approximately \$341,000 in fiscal 2027, increasing to approximately \$457,000 by fiscal 2031. While the Department of Legislative Services concurs that PSC may need additional staff if the complaint volume is significant, without actual experience under the bill, the extent to which PSC must hire staff is unclear.

Accordingly, special fund expenditures for PSC may increase beginning as early as fiscal 2027 to the extent that the commission must hire additional administrative and/or

legal staff. Generally, PSC is funded through an assessment on the public service companies that it regulates. As a result, special fund revenues for PSC increase correspondingly from assessments imposed on public service companies.

Maryland Transit Administration

MTA advises that the bill may affect its Call-A-Ride program as well as its service provider contracts, both of which utilize TNCs to provide rideshare services. Under the Call-A-Ride program, customers may reach the \$40 limit on MTA reimbursement sooner, resulting in shorter fully funded trips. The extent to which additional costs may result in additional expenditures for MTA is unclear at this time; however, TTF expenditures for MTA increase minimally beginning as early as fiscal 2027 to the extent that additional costs are incurred.

Other State and Local Agencies that may use Rideshare Services

Other State and local agencies may use rideshare services for various programs or employee travel. Those agencies are affected in a similar manner as MTA. However, any increase in costs is not expected to be significant.

Small Business Effect: Transportation network operators potentially benefit from the minimum compensation levels established by the bill. TNCs, which are responsible for compensating the operators, are generally not small businesses. Other small businesses may pay more for transportation network services.

Additional Comments: The annual inflation calculation specified in the bill is unclear. This analysis assumes that the intent of the bill is to increase the minimum amounts by the annual rate of inflation each year.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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jg/lgc

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