

**SB0505-EEE\_MACo\_SUP.pdf**

Uploaded by: Kevin Kinnally

Position: FAV



## **Senate Bill 505**

### *Public Utilities - Transportation Network Service - Assessment Cap Increase*

MACo Position: **SUPPORT**

To: Education, Energy, and the Environment  
Committee

Date: February 15, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 505. This bill increases the statutory limit on the per-trip assessment that local governments may impose on specified ride-sharing services from 25 cents to 50 cents.

Currently, several local governments impose a per-trip assessment on ride-sharing services. Assessment revenues fund local priorities across all modes of transportation, including working with nonprofits that provide transportation and delivery services to individuals who are disabled, seniors, and residents with limited incomes. These revenues also help counties offer resources to help mitigate the unfair advantage ride-sharing service providers enjoy at the expense of local taxicab operators.

Generally, a county or municipality that licensed or regulated taxicab services on or before January 1, 2015, either directly or through the Public Service Commission, may impose assessments on trips that originate within their jurisdictions. Except for an exempt jurisdiction (in practice, Baltimore City), an assessment may be up to 25 cents per trip. The revenue generated from the assessments must be used for transportation purposes.

A transportation network company (companies like Uber and Lyft) must collect and remit the funds to the Comptroller within 30 days after each quarter. After allocating up to 5% for administrative expenses, the Comptroller must distribute the assessment revenue to the appropriate local jurisdictions.

SB 505 aims to increase funding for local transportation goals and priorities. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 505.

# **Written Testimony SB 505 – Public Utilities - Tra**

Uploaded by: Matthew Girardi

Position: FAV



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## Statement of the Amalgamated Transit Union (ATU) Local 689 SB 505 – Public Utilities - Transportation Network Service - Assessment Cap Increase February 15th, 2024

**TO: The Honorable Brian Feldman and Members of the Education, Energy, and the Environment Committee**

**FROM: Matthew Girardi, Political & Communications Director, ATU Local 689**

ATU Local 689 strongly supports SB 505 and urges the Senate Education, Energy, and the Environment Committee to issue a favorable report. This bill is a commonsense measure for raising revenue for the State of Maryland and holding rideshare companies accountable.

At Local 689, we represent over 15,000 transit workers and retirees throughout the Washington DC Metro Area performing many skilled transportation crafts for the Washington Metropolitan Area Transit Authority (WMATA), MetroAccess, DASH, and DC Streetcar among others. Our union helped turn low-wage, exploitative transit jobs into transit careers. We became an engine for the middle-class of this region.

Likewise, 9,000 of our members are hardworking WMATA employees. As we have heard many times this year, WMATA has stated it is facing an unprecedented \$750 million fiscal cliff brought on by inflation and the end of federal relief funds. Additionally, we have seen proposals for drastic cuts to transportation across the state, as the Transportation Trust Fund is facing a serious structural deficit. Our members are in danger of being repaid for their service through a pandemic and a rise in violence and antisocial behavior with wage freezes and layoffs.

As Governor Moore said in his state of the state address, it is time that we look for new ways to fund transportation. We believe that this bill is one part of that process. Transportation Network or Rideshare service companies have largely been allowed to operate while directly undercutting public transportation and exploiting workers in the process.

Local 689 knows that some of our members even drove for companies like Uber and Lyft. Unfortunately, their experiences were all too similar: having to pay for car upkeep, increased insurance costs, and gas prices. Crucially, they also saw decreasing compensation for their trips driven even while fares for the riding public increased. On any given trip, these companies take the majority, if not upwards of 60 percent of the fare, despite drivers being categorized as supposed independent contractors and receiving no benefits.

Local 689 supports SB 505 because the Union knows that these companies are posing a direct threat to public transit, are overcharging consumers, and underpaying their workers. They have the funds to spare and should be appropriately assessed per trip. Doing so would shore up funds for vital transportation infrastructure whether it be WMATA, MTA, the purple line, or commuter bus services.

We thank Senator Kramer for introducing this necessary measure and urge the committee to issue a favorable report.

**SB 505 - MoCo\_Wenger\_FAV (GA 24).pdf**

Uploaded by: Melanie Wenger

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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**SB 505**

**DATE: February 15, 2024**

**SPONSOR: Senator Kramer**

**ASSIGNED TO: Education, Energy, and the Environment**

**CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)**

**POSITION: Support**

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### **Public Utilities – Transportation Network Service – Assessment Cap Increase**

Montgomery County strongly supports Senate Bill 505, Public Utilities – Transportation Network Service – Assessment Cap Increase, which would raise the cap on the assessment fee allowed to be charged by certain counties and municipalities on Uber and Lyft rides, from 25 cents to 50 cents. This fee was authorized in State legislation enacted in 2015, which placed the Transportation Network Services (TNCs) – Uber and Lyft – under the regulatory authority of the Maryland Public Service Commission. In addition to the regulatory provisions, the statute created a system that allowed some counties and municipalities an exclusive right to impose that fee if they had regulated taxicabs prior to January 1, 2015, and passed local legislation by July 1, 2016, to assess the fee.

Well before the introduction of the 2015 State legislation to regulate TNCs, as a regulator of taxicabs operating in the County, Montgomery had begun to consider what its role should be given the competitive disadvantages its regulated taxicab companies were facing in light of a very popular new business model for ride services. Of serious concern was the need to ensure that the County's disability community had access to transportation options, which the taxicab industry was required to accommodate. Thus, after it became apparent that the State would move to regulate TNCs, the County began to focus on what role it could play to ensure that community would not be left behind. The ability to support incentives for the newly regulated Uber and Lyft to provide rides to this population and for the long-time regulated taxicabs to stay in business became an urgent issue for the County.

This was the genesis of Montgomery County's advocacy for the authority to impose the TNC fee in 2015, and since 2016 when it enacted a local law to begin imposing the fee, the expenditures that have been made from its Transportation Services Improvement Fund are consistent with this goal. Specifically, the Fund is used to support various programs to ensure that TNCs can service this market and taxicabs can maintain or expand services as

well. Examples of these programs include providing reimbursements for the purchase of retrofit wheelchair accessible vehicles, subsidies for insurance, and guaranteeing fare prices for shorter trips.

These programs are of Countywide benefit. They focus on ensuring that ride service options for the disability community, seniors, and low-income individuals will exist in every part of the County, whether the person lives within a municipality or an unincorporated part of the County. Yet, while the availability of services exists, there are still substantial unmet needs. The County believes these needs could be mitigated if more resources were made available, particularly to the nonprofit sector, that could be instrumental in helping to fill in the gaps.

This is why the County is requesting the Committee to support an increase in the cap on the TNC fee, with the passage of Senate Bill 505. In the Capitol Region, at 50 cents, the fee would remain well below the fee imposed by the District of Columbia, which is a 6% gross receipts tax plus a congestion fee.

**MML-SB 505 - FWA.pdf**

Uploaded by: Bill Jorch

Position: FWA





Maryland Municipal League  
*The Association of Maryland's Cities and Towns*

# TESTIMONY

February 15, 2024

**Committee:** Senate Education, Energy, and the Environment

**Bill:** SB 505 - Public Utilities - Transportation Network Service - Assessment Cap Increase

**Position:** Favorable with Amendment

**Reason for Position:**

The Maryland Municipal League (MML) supports Senate Bill 505, with amendment, which increases the assessment cap on fees that local governments can levy on rides provided by transportation network companies (TNC) such as Uber and Lyft. The MML amendment would allow municipalities that are currently prohibited from levying the fee on rides that originate in their jurisdiction to do so.

Generally, MML supports the concept of raising the assessment cap that a local government may impose on a TNC ride, from \$.25 to \$.50. This cap has remained the same for almost a decade yet costs to maintain the roadways and provide transportation services have drastically increased.

The law that was passed in 2015 to regulate TNCs included a provision that precluded municipalities that resided in a county that imposed a fee on TNCs by July 1, 2016 from imposing a fee. In practice, this is the case only in Montgomery and Prince George's counties. Municipalities are responsible for roadway maintenance on the roads under their jurisdiction, but in those two counties the municipalities are not being compensated for the degradation of those roadways by TNC vehicles.

MML seeks an amendment to allow municipalities in these two counties to assess a fee on TNC rides originating in their jurisdiction, ideally without impacting the revenue to the county. This can be done by removing the priority of the county to impose a fee on a ride originating in a municipality and authorizing the municipality and county to stack their fees in those two counties.

The provisions of SB 505 are generally supported by MML, but the benefits should be applied to all municipalities. For this reason, the League respectfully requests that the committee provide Senate Bill 505 with a favorable report, with the above amendments.



## Maryland Municipal League

*The Association of Maryland's Cities and Towns*

### **FOR MORE INFORMATION CONTACT:**

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## **2.14.24 Maryland SENATE County Increase Testimony**

Uploaded by: Michele Blackwell

Position: UNF

Education, Energy, and the Environment Committee  
Senator Brian J. Feldman, Chair  
Thursday, February 15, 2024

*Written Testimony for Uber Technologies, Inc. on SB0505*

In recent years, consumers have grappled with historically high inflation. The increase in costs have impacted families all across the country, including in Maryland. While some costs have started to decline, a report released just this week shows that inflation numbers have not slowed at anticipated rates. Because of this, it is important to consider the impact new fees will have on consumers as they go about their everyday lives.

As written, Senate Bill 0505 would allow local jurisdictions to increase their current assessment from 25-cents to 50-cents on each rideshare trip facilitated through a digital platform. Uber opposes this bill because: (1) there are currently three proposals seeking to increase the costs of rides in Maryland which have the potential to substantially increase the costs of rides in Maryland; and (2) high inflation is impacting consumers throughout the state and increased fees could have unintended consequences.

As previously mentioned, the state is currently considering 3 proposed increased fees on rideshare platforms just this year. The first is a proposed increase on pick up and drop off fees at Baltimore/Washington International Thurgood Marshall Airport. Starting this month, passengers taking trips to and from the airport will see a 40-percent increase in their trip fee, from \$2.50 to \$3.50. In addition to the increased fee at BWI/Thurgood Marshall Airport, the General Assembly is considering [House Bill 1215](#), a proposal that would add a 50-cent fee to every rideshare platform trip in the state. While these fees alone may seem insignificant, those proposals in addition to this one would mean that Marylanders would see an additional \$1 to \$2 added to every trip before a ride is even requested. And, these increases would come at a time when consumers are already facing high costs.

A final important consideration for the Committee is the adverse impact increased fees can have on those who use the Uber platform to earn supplemental income. If riders choose to reduce the number of trips they take due to higher prices, that could lead to drivers seeing a reduction in demand for rides, as well as a corresponding reduction in their earnings. For these aforementioned reasons, Uber opposes Senate Bill 0505 and asks the Committee to reject this proposal.