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**BILL NO.:** Senate Bill 0740 / House Bill 0480 – Transportation Network Companies - Deactivation of Operators

**COMMITTEE:** Finance  
Environment and Transportation

**HEARING DATE:** February 25, 2026 (FIN)  
February 24, 2026 (ENT)

**SPONSOR:** Senator Kramer  
Delegates Fennell, Patterson, Taylor, Turner, Wilkins, and Williams

**POSITION:** Informational

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The Office of People’s Counsel (OPC) respectfully offers the following informational comments on Senate Bill 0740/House Bill 0480. SB 0740/HB 0480 proposes changes to the statute governing “transportation network companies” (TNCs) and associated drivers—referred to as “transportation network operators” (TNOs)<sup>1</sup>—regulated by the Public Service Commission (PSC). Specifically, SB 0740/HB 0480 seeks to provide TNOs with additional protections to guard against certain employment practices and to modify the definitions of both TNC and TNO. As the statutory representative of non-commercial users of services regulated by the PSC,<sup>2</sup> OPC provides the following informational comments on the proposed modifications to the definitions of TNC and TNO and both the potential utility and the potential unintended consequences of these changes on the PSC’s authority to regulate certain rideshare companies and operators.

Under the Public Utilities Article (PUA), the PSC’s regulation of TNCs and TNOs includes important licensing and public safety requirements—for example, it requires that

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<sup>1</sup> Under Public Utilities Article (PUA) § 10-101(m) “transportation network operator”, “transportation network partner”, and “transportation network driver” share a single definition.

<sup>2</sup> PUA §§ 2-201, 2-204.

a TNC or TNO, or a combination of both, carry motor vehicle insurance;<sup>3</sup> submit operator data to the PSC;<sup>4</sup> and that a TNO be licensed with the PSC, and therefore subject to additional regulation that aims to protect passengers.<sup>5</sup> In our capacity as the statutory representative of non-commercial users—i.e., riders—OPC participates in PSC cases regarding regulation of TNCs, including a case currently before the PSC that highlights the potential utility of further clarifying the statutory definitions of TNC and TNO.

In April of 2024, PSC Staff brought a complaint against Yazam, Inc. d/b/a/ Empower (“Empower”) for operating as a TNC in Maryland without the required license from the PSC.<sup>6</sup> Empower argued that it was not a TNC subject to the PSC’s regulation, in part, because drivers who use Empower’s software to connect with passengers do not meet the statutory definition of TNOs since Empower does not receive payments directly from passengers—as do ride services such as Uber and Lyft—but instead receives subscription fees from drivers.<sup>7</sup> Empower asserted that the Maryland General Assembly, when it crafted this provision under Senate Bill 868 in 2015, specifically intended for the payment exchange described within the provision to take place between the passenger and the TNC.<sup>8</sup> OPC and PSC Staff disagreed with Empower’s interpretation that it is not a TNC.

Just last month, the PSC issued an order agreeing with OPC and Staff that Empower qualifies as a TNC under the existing law.<sup>9</sup> This decision, however, follows nearly two years of litigation and does not fully resolve the case, which remains ongoing. The proposed modifications to the definition of a TNC may help to clarify the PSC’s authority to regulate companies like Empower, but as drafted, the proposed modifications to the definition of a TNO may inadvertently undermine that authority, leading to more costly and unnecessary litigation. To avoid this likely unintended consequence, OPC recommends the following amendments to the definition of a TNO in PUA § 10-101(m):

- Change the “and” to an “or” in Section 10-101(l)(1) to eliminate any confusion over passengers who do not pay directly for services and may not be “customers” in the traditional sense (i.e., minor children or individuals receiving transportation services under the accounts of others);
- Add the word “connected” as the first word in Section 10-101(m)(2)(i) to echo the “connect passengers” language in Section 10-101(l)(1) and ensure it is clear that

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<sup>3</sup> PUA § 10-405(a).

<sup>4</sup> PUA § 10-409.

<sup>5</sup> PUA § 10-501.

<sup>6</sup> Case No. 9732, *In the Matter of the Staff of the Public Service Commission v. Yazam, Inc. d/b/a/ Empower* (Apr. 5, 2024).

<sup>7</sup> Case No. 9732, Empower’s Answer to Staff’s Complaint at 1, ML No. 310159 (June 7, 2024).

<sup>8</sup> *Id.* at 3.

<sup>9</sup> Order No. 92165, Case No. 9732 (Jan. 29, 2026).

the definition applies whenever the app is used to make such connections;

- Delete “to the transportation network company” language under § 10-101(m)(2)(ii)(1) so that the fee does not specifically need to be paid “to the transportation company”;
- Change the “and” to an “or” at the end of § 10-101(m)(2)(ii)(2), so that a driver meets the definition of a “transportation network operator” if the driver meets any of the three—rather than all three—criteria. To ensure that the change from a conjunctive to an alternative doesn’t unintentionally capture drivers using an approved car for personal use, add to § 10-101(m)(3), “when providing transportation services for compensation.”

With these modifications, SB 0740/HB 0480 can help to clarify the PSC’s jurisdiction to regulate businesses and individuals like Empower and ensure that riders—the non-commercial customers OPC is charged with representing—remain protected under current law.

OPC appreciates the opportunity to provide this information on SB 0740/HB 0480 and is available to answer any questions or further discuss the recommended amendments.