

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 688
 Finance

(Senator Robey)

Economic Matters

Public Service Companies - Passenger-For-Hire Services - Limousines

This bill (1) requires limousine services to pay the annual \$40 assessment to the Public Service Commission (PSC) to support the For-Hire Driving Services Enforcement Fund by repealing the current exemption; (2) adds to the definition of a limousine, a vehicle that is driven as part of a service that advertises itself, or has registered with PSC, as a limousine service; (3) prohibits an individual to operate a for-hire limousine with capacity to carry up to 15 people, unless he or she has a for-hire driver’s license issued by PSC; (4) prohibits an individual to allow another to operate the specified limousine unless the operator possesses the PSC driver’s license and the limousine displays a special limousine registration plate issued by the Motor Vehicle Administration (MVA); and (5) on conviction, makes a violation of these prohibitions a misdemeanor subjecting the violator to up to one year imprisonment, a fine of up to \$1,000, or both, and for the limousine operator only, two points under the Maryland Vehicle Law.

Fiscal Summary

State Effect: Special fund revenues increase by about \$26,000 annually due to additional fees collected by PSC. Transportation Trust Fund (TTF) and other special fund revenues increase minimally due to additional vehicle registration fees and surcharges collected by MVA. General fund revenues and expenditures increase minimally due to the bill’s penalty provisions.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
GF Revenue	-	-	-	-	-
SF Revenue	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000
GF Expenditure	-	-	-	-	-
Net Effect	\$26,000	\$26,000	\$26,000	\$26,000	\$26,000

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local government expenditures increase minimally due to the bill's incarceration penalty.

Small Business Effect: Minimal.

Analysis

Current Law: A person may not operate a vehicle that provides passenger-for-hire services in the State unless licensed as a passenger-for-hire driver by PSC. A passenger-for-hire service includes limousine and sedan services. Limousines are Class Q vehicles which must be registered with MVA; the annual registration fee is \$185 per vehicle (paid biennially) and a special vehicle registration plate is issued. Sedans are Class B vehicles and pay a lower registration fee. However, they also pay an annual permit fee to PSC, which limousines do not pay. PSC regulations prohibit a motor vehicle in the public transportation of passengers or property for hire within the State from operating until a permit has been obtained from PSC.

Background: According to the Maryland Limousine Association, a significant number of limousine and sedan services are operating in the State without complying with State law. The Montgomery County Office of Consumer Protection has released an investigative report finding that a number of limousine firms operate without a license or authorization from PSC, the Washington Metropolitan Area Transit Commission, or the Maryland Aviation Administration. PSC advises that it currently regulates 650 for-hire vehicles registered by MVA as limousines.

State Revenues: Assuming that the maximum \$40 fee is assessed on each of the 650 registered limousine vehicles, For-Hire Driving Services Enforcement Fund revenues increase by \$26,000 in fiscal 2010. Future year revenues may change with the number of registered limousines. PSC advises that the assessment is generally made in October each year; thus, Legislative Services assumes all 650 pay the fee in fiscal 2010.

Additional Information

Prior Introductions: None.

Cross File: HB 1088 (Delegate DeBoy, *et al.*) - Economic Matters.

Information Source(s): Judiciary (Administrative Office of the Courts), Department of Public Safety and Correctional Services, Public Service Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2009
mam/ljm Revised - Senate Third Reader - March 31, 2009

Analysis by: Evan M. Isaacson

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