

Department of Legislative Services  
 Maryland General Assembly  
 2022 Session

FISCAL AND POLICY NOTE  
 First Reader

Senate Bill 715 (Senator Reilly)  
 Finance

Public Utilities - Transportation Network Operators - Age of Motor Vehicles

This emergency bill prohibits a transportation network operator from using a motor vehicle, including a leased or reserved motor vehicle, that is more than 15 model years old to provide transportation network services.

Fiscal Summary

**State Effect:** Special fund expenditures increase by \$22,800 in FY 2022, reflecting the bill’s emergency status; future years reflect annualization, inflation, and ongoing costs. Special fund revenues increase correspondingly from assessments imposed on public service companies.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
SF Revenue	\$22,800	\$58,500	\$61,200	\$63,000	\$64,500
SF Expenditure	\$22,800	\$58,500	\$61,200	\$63,000	\$64,500
Net Effect	\$0	\$0	\$0	\$0	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

Analysis

**Current Law:** 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 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.

Generally, a person may not operate a motor vehicle for-hire in the State under a permit or authorization to transport passengers issued by PSC or the appropriate local authority unless the person holds a for-hire driver’s license or a transportation network operator’s license issued by PSC. There are limited exceptions. PSC only issues permits for taxicabs in Baltimore City and a few local jurisdictions.

Vehicle age requirements for for-hire transportation services are established through PSC regulations. Generally, a vehicle that is more than 12 model years old may not be used to provide transportation network services. However, such a vehicle may be used to provide transportation network services if (1) the vehicle has an existing PSC permit and there is proof of semi-annual safety inspections for the vehicle; (2) the vehicle is a historic motor vehicle, as defined; or (3) the vehicle exceeds 10,000 pounds Gross Vehicle Weight Rating.

“Historic motor vehicle” means a motor vehicle that is at least 20 years old, has not been substantially altered from the manufacturer’s original design, and meets other specified criteria determined by the Motor Vehicle Administration.

**State Fiscal Effect:** Special fund expenditures for PSC increase by \$22,804 in fiscal 2022, which assumes an April 1, 2022 effective date due to the bill’s emergency status. This estimate reflects the cost of hiring one full-time administrative specialist to handle the increase in administrative processes, enforcement activities, and complaints investigations anticipated under the bill. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$13,928
Operating Expenses	<u>8,876</u>
<b>Total FY 2022 State Expenditures</b>	<b>\$22,804</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. Special fund revenues increase correspondingly from assessments imposed on public service companies, as authorized under current law.

**Additional Comments:** Transportation network operators, in general, are ride-share drivers for companies such as Uber or Lyft.

## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 24, 2022  
fnu2/lgc

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