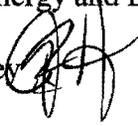


MEMORANDUM

June 18, 2015

Committee members should bring the packet and addenda from the January 26, February 9, February 27, March 10, and June 8 worksessions.

TO: Transportation, Infrastructure, Energy and Environment Committee

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Worksession:** Expedited Bill 53-14, Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards; Bill 54-14, Taxicabs – Transportation Network Service Requirements; and Bill 55-14, Taxicabs – Centralized Electronic Dispatch System.

Expedited Bill 53-14, Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards sponsored by Councilmembers Floreen, Berliner, Riemer, and then Council President Rice; Bill 54-14, Taxicabs – Transportation Network Service - Requirements, sponsored by Councilmembers Berliner and Floreen; and Bill 55-14, Taxicabs – Centralized Electronic Dispatch System, sponsored by Councilmember Riemer, were introduced on October 28, 2014. A public hearing on all three Bills was held on December 2, 2014. Prior worksessions on the Bills were held on January 26, February 9, February 27, 2015, and March 10, 2015.

Expedited Bill 53-14 would:

- permit the holder of a fleet Passenger Vehicle License to grant a sublicense to another person;
- increase the age limits for vehicles used as taxicabs;
- amend certain requirements for color and markings of vehicles used as taxicabs;
- allow software-based meters to be used in taxicabs; and
- amend certain requirements for temporary identification cards for taxicab drivers.

Bill 54-14 would:

- require a transportation network application company to obtain a license to operate in the County;
- require a transportation network application company and transportation network operator to meet certain registration requirements;
- require a vehicle used to provide transportation network service to meet certain standards;
- require a transportation network application company and transportation network operator to be insured; and
- require a transportation network application company and transportation network operator to meet certain accessibility standards.

Bill 55-14 would require the County Department of Transportation (DOT) to implement a centralized electronic taxicab dispatch system, and permit the Director to require certain taxicab operators to participate in the centralized electronic taxicab dispatch system.

December 2, 2014 Public Hearing

The T&E Committee held a public hearing on all three Bills on December 2, 2014. There were 30 speakers at the hearing, representing a wide range of perspectives on the issues covered in the Bills. Public hearing testimony is summarized and included in the packet for the January 26 worksession.

January 26, 2015 T&E Worksession

The Committee held its first worksession on the Bills on January 26, 2015. The packet for that worksession raised a number of issues of common concern to the owners and operators of “traditional” regulated taxicabs and the TNCs and drivers that Bill 54-14 would regulate. These issues also encompass many of the amendments to existing law regulating taxicabs that are proposed in Expedited Bill 53-14. The Committee discussed the issues of insurance, fares/ratesetting, driver background checks, and began discussion of the question of licensing both TNCs and TNC drivers.

February 9, 2015 T&E Worksession

The Committee held a second worksession on the Bills on February 9, 2015. In that worksession, the Committee discussed licensing, vehicle standards, data and trip records, and customer service, as well as proposed changes to Chapter 53 received from the Coalition for a Competitive Taxicab Industry (“CCTI”) after the introduction of the Bills.

February 27, 2015 T&E Worksession

The Committee held a third worksession on the Bills on February 27, 2015. The Committee discussed several of these issues raised by a number of taxicab drivers through the Montgomery County Professional Drivers Union (“MCPDU”) about their relationships with taxicab companies at that worksession. Specifically, the Committee considered: (1) whether to set caps on lease rates for taxicabs; (2) whether to permit taxicab drivers to use their own credit card processing terminals, and whether to cap rates that fleets may charge their drivers for credit card processing; (3) whether to limit other charges imposed on drivers by fleets; (4) whether the County should develop and require the use of uniform lease contracts; (5) whether the dispute resolution currently required to be provided for in operating agreements between fleets and drivers should include binding arbitration; and (6) how best to ensure the availability of accessible transportation with the entry of TNCs into the market.

March 10, 2015 T&E Worksession

On March 10, 2015, the Committee held a fourth worksession on the Bills. At that worksession the Committee discussed elements of Councilmember Riemer’s proposal concerning digital dispatch, various driver protections, and the issuance of 200 new PVLs to

individuals. The sublicensing of PVLs was also discussed, without resolution, in the March 10 worksession.

June 8, 2015 Worksession

At the June 8 worksession, the Committee considered a substitute bill including provisions that the Committee had, by straw vote, tentatively resolved to include in the bill sent to full Council. These provisions fall into three categories: (1) amendments to ease certain regulatory requirements to allow taxicabs to better compete with the TNCs that have entered the marketplace, including provisions from Bill 53-14; (2) amendments related to the establishment of a centralized electronic dispatch system contained in Bill 55-14; and (3) amendments intended to improve conditions for drivers that do not own their own PVLs. The Committee also considered provisions that were included in the original bills or raised in prior worksessions, but remained unresolved.

The Committee revisited some of the tentatively resolved issues, and voted to delete provisions deregulating fares for taxicabs scheduled through digital dispatch and allowing impoundment of vehicles as an enforcement measure. A provision in the substitute bill eliminating the requirement for drivers to retain trip records was modified to retain the recordkeeping requirement, but remove the requirement that the records be “original paper” records. Also, the substitute bill would permit drivers to use their own credit card processing systems, and the Committee added a requirement that any such system be compliant with applicable tax laws, accept payment through County user-side subsidy programs, and be approved by the Department of Transportation.

In addition to the tentatively resolved provisions, the Committee decided a number of the issues discussed in the packet for the worksession. Specifically, the Committee decided to:

1. modify the disqualifying offenses for holding a PVL or driver identification card, deleting “violation of any gaming law,” and amending the controlled dangerous substances offense from “any offense” to “felony;”
2. include express language clearly stating that Chapter 53’s prohibition of cross-ownership of fleets or associations does not prohibit a fleet or association from providing for-hire transportation services other than taxicabs;
3. amend the requirements that a fleet or association maintain its own separate facilities to allow for cost-sharing and increase efficiency and economy;
4. delete the provisions related to “special licenses” which have never been issued and have been determined to be essentially unworkable;
5. strengthen Chapter 53’s “continuous operation” requirements to include:
 - an express requirement that a licensee must own a taxicab associated with each license unless a sublicense has been granted;
 - an affirmative statement that each licensee must keep each licensed taxicab in continuous operation as defined by the Department based on miles driven; and
 - a requirement that, if the Department rejects an application to keep a taxicab out of service for more than 30 days, the licensee must promptly reinstate the taxicab in service or return the license.

6. reconstitute the defunct Taxicab Services Advisory Committee as the “Taxicab Services Commission” with specific responsibility to conduct a comprehensive biennial review of the taxicab industry including recommendations on changes to the law related to:
 - changes to the number of licenses in circulation;
 - changes in taxicab rates;
 - changes in fees;
 - changes in insurance requirements;
 - changes to the accessibility requirements;
 - changes to the affiliation and dispatch requirements; and
 - any other changes that the Commission determines would improve the delivery of taxicab services.
7. remove restrictions on the transfer of PVLs that:
 - require a licensee to hold a PVL for at least three years before transferring it; and
 - limit the number of PVLs held by individuals to 30% of PVLs in effect.

Amended Substitute Bill Provisions

The amended substitute bill (©549-586) for Committee discussion incorporates the changes recommended by the Committee at the June 8 worksession, and specifically includes the following provisions that would:

Amendments to be made by Bill 53-14:

- allow sublicensing of PVLs (lines 203-218; 275-292);
- increase the age limits for vehicles used as taxicabs (lines 655-656; 658; 663);
- amend certain requirements for color and markings of vehicles used as taxicabs (lines 554; 673-675; 681-700);
- allow roof- or dashboard-mounted removable cruising lights to be used (705-710);
- allow software-based meters to be used in taxicabs (lines 716-724);
- amend certain requirements for temporary identification cards for taxicab drivers (lines 739-797);

Amendment to be made by Bill 55-14:

- require the Director of DOT to establish a centralized electronic dispatch system (lines 144-165);

Other amendments requested by CCTI:

- delete the driver examination (lines 760; 801-808);
- eliminate *paper* manifest requirements (lines 836-848);
- change required inspections from every six months to every 12 months (line 730);
- eliminate the customer service requirements (which have never been fully implemented) (lines 92-143; 347-348; 358-359; 364; 367-368; 378-379; 382-383; 556-559; 566-620; 857-858; 884-885);

Other amendments to improve conditions for drivers:

- require the Executive to establish, by method (2) regulation, standardized lease/affiliation agreements (lines 168-172; 373-375);
- require the Executive to set lease caps and ancillary fees (lines 171-200; 414-415);
- provide for one-year maximum terms on agreements between licensees and affiliates or drivers (line 389);
- allow drivers to use their own system for processing credit card transactions (lines 390-391);
- prohibit automatic renewal of agreements between licensees and affiliates or drivers (line 392);
- prohibit credit card processing charges to drivers greater than 5% of the transaction (lines 412-413);
- provide for a mandatory dispute resolution process, culminating in binding arbitration (lines 393-410; 416-534).

Additional Committee amendments from the June 8 worksession (discussed above)

- modify the disqualifying offenses for holding a PVL or driver identification card (326-341; 881-882);
- include express language providing that cross-ownership prohibition does not prohibit a fleet or association from providing for-hire transportation services other than taxicabs (lines 221-223);
- amend the requirements that a fleet or association maintain its own separate facilities (lines 537-552);
- delete the provisions related to “special licenses” (lines 14-16; 293-325);
- strengthen Chapter 53’s “continuous operation” requirements (lines 623-633; 654);
- reconstitute the Taxicab Services Advisory Committee as the Taxicab Services Commission and require a biennial review of the taxicab industry (lines 8-9; 18-86; 90; 855; 864; 868)
- remove certain restrictions on the transfer of PVLs (lines 236-238; 242-244; 245-259)
- require credit card processing machines to be tax law-compliant, accept payment through County user-side subsidy programs, and be approved by the Director (824-834).

Issues for Committee Discussion in this Worksession

There are several issues remaining for Committee discussion. First, there are a number of generally technical amendments requested by DOT – primarily amending and adding definitions, and clarifying certain enforcement provisions. The Committee will also return to its consideration of the licensing regime under Chapter 53: transferability, issuance/reissuance, and sublicensing of PVLs. Finally, the Committee must decide if, and in what form, the centralized electronic dispatch system proposed in Bill 55-14 will be implemented.

Guide to prior attachments: Circle numbers referenced up to 230 are in the January 26 worksession packet, and circle numbers 231-258 are in the January 26 addendum. Circle numbers 259-310 are in the February 9 worksession packet. Circle numbers 311-383 are in the February 27 worksession packet, circle numbers 384-435 are in the February 27 addendum, and

circle numbers 436-441 are in the February 27 addendum # 2. Circle numbers 442-483 are in the March 10 worksession packet. Circle numbers 484-548 are in the June 8 worksession packet.

DOT-requested amendments

DOT has requested a number of amendments to definitions, and the addition of definition for the term “individual licensee” (©594-595, lines 1-27). These changes would allow for an individual to hold up to five PVLs before being required to form a fleet or association, clarify the types of business organizations that may operate as a fleet and hold PVLs in their own name, and clarify the definition of “taxicab service” to aid enforcement against unlicensed for-hire transportation providers. DOT has also requested an amendment to § 53-218, “Quarterly Accident Reports” to expand the quarterly reporting requirement to include mileage driven by each taxicab (©595, lines 28-36). This amendment is necessary to implement the mileage-based definition of “continuous operation” that the Committee has decided to include in the bill.

DOT also requests removal of the provision allowing the Director to waive the requirement that a fleet or association participate in the County’s user-side subsidy programs (©595, lines 37-41), and amendments to clarify § 53-311, “Taxicabs from other jurisdictions” (©595-596, lines 42-57). Amendment to § 53-505, “Accessible taxicab trip records” is also requested (©596, lines 59-64), to make the section’s requirement consistent with the Committee’s recommended deletion of the requirement that trip records under § 53-315. Finally, DOT requests amendments to §§ 53-604 and 53-702 to clarify the grounds for suspension or revocation of a license or identification card and the process for a hearing on a suspension or revocation (©596-598, lines 65-107).

How should the issues surrounding PVLs be resolved?

The structure of the licensing regime in the County is the most complicated issue remaining for Committee consideration. It involves several sub-issues: transfers, new issuance, reissuance, and sublicensing. Many of these sub-issues have been discussed by the Committee in prior worksessions, but most remain unresolved. There has been a great deal of discussion in worksessions about the prospect of increasing the proportion of individual owner-drivers, and if the Committee takes that as a primary objective, each sub-issue should be considered with that goal in mind. Barwood has submitted a document illustrating the ways drivers may obtain PVLs (©532).

- ***Should the current restrictions on PVL transfers be relaxed? Should the fleet/independent driver balance be altered to permit more individual PVL holders?***

Under current law, all transfers of PVLs must be approved by the Director of DOT, and the law prohibits the Director from approving a transfer of any license if the transferee already holds, or would then hold, more than 40% of the total number of licenses then in effect. It also prohibits the approval of the transfer of a license to an individual of a license issued to a fleet if: (1) the same fleet has already transferred more than two licenses to individuals during that calendar year; or (2) the transfer would result in individuals holding more than 30% of the total number of licenses then in effect. Finally, the law generally prohibits the approval of a transfer of a license if the license was issued or transferred within the previous three years.

CCTI submitted a “white paper” that included discussion of the issues related to transferability of PVLs (©379-383). In the paper, CCTI argues for a limited number of taxicabs, citing positions stated by County consultant Bruce Schaller. CCTI’s positions are that allowing PVLs to have transfer value is intrinsic to the established taxicab market, and that transferability of PVLs is critical to the viability of taxicab companies. Accordingly, the CCTI Draft includes amendments to Section 53-204 that would remove the above-described restrictions on the transfer of PVLs. Transfers would still be subject to the approval of the Director under the process set forth in Section 53-204(b) as follows:

- (b) A license may be transferred only if:
 - (1) the licensee notifies the Department in writing of the proposed transfer not less than 30 days before the date of the proposed transfer, specifying all terms and conditions of the proposed transfer and the identity of the proposed transferee;
 - (2) the Director finds that the proposed transferee meets all requirements of this Chapter and applicable regulations; and
 - (3) the licensee surrenders the license when the Director approves the transfer.

The provisions remaining in question are as follows:

§ 53-204(d) – Limitation on fleet-to-individual transfers. At the June 8 worksession, the Committee decided to remove the limit on individual PVL holders to 30% of PVLs in effect, but did not resolve subsection 53-204(d)’s restriction on the transfer of PVLs from fleets to individuals to no more than two per year. This restriction is based on the two-fold rationale of preventing fleets from taking windfall profits based on the market prices of the licenses and limiting the fragmentation of the taxicab industry. The market forces in 2004, when these provisions were enacted, clearly differ from those today. Certainly, the market value of PVLs has diminished with the entry of TNCs into the marketplace, and the increasing number on individual TNC drivers may render the attempt to prevent the fragmentation of the industry futile. Staff believes that deleting this transfer restriction is appropriate, particularly if there is a desire to increase the proportion of individual owner-drivers. The Berliner amendments would delete this limitation. (along with an obsolete provision that modified it), ©587-588, lines 12-34.

DOT has suggested that if the restriction is removed, language should be added to Chapter 53 to provide that if a licensee transfers a PVL, that individual is either never eligible to obtain a new PVL, or not eligible to obtain a new PVL for an extended period of time. Current § 53-211(k) requires, as part of a fleet license application, an applicant to attest that the applicant has not transferred any PVL “during the previous 24 months.” This subsection could be amended to provide for a longer period, or provide that the applicant has never transferred a PVL, and an identical provision could be added to § 53-209, governing individual license applications. If the Committee decides to adopt either suggestion, staff recommends adding an express provision to § 53-204 in addition to amending the sections related to license applications.

§ 53-204(e) – Prohibition on transferee’s holding more than 40% of PVLs. The current law’s restriction on a transferee holding more than 40% of the licenses in effect is a clear attempt to prevent a consolidation in the industry, which would lead to diminished competition and presumably less incentive to deliver quality service. Again, with the entry of TNCs to the for-

hire transportation market, competition for a large, and likely growing, percentage of the rides¹ is essentially guaranteed, regardless of any consolidation of existing licensees. However, staff believes that it remains important to prevent consolidation to promote competition in the taxicab industry, and recommends retaining this restriction.

- ***Should the County issue new licenses? How many, and to whom?***

Councilmember Riemer has proposed to require the issuance of 200 PVLs to individuals who only own one PVL in 2016. He also proposed that future new issuances be made with 50% of new PVLs going to individuals, and 50% going to fleets (©357-358). MCPDU, in a letter to the Committee dated June 1 (©534), expressed support for the issuance of 200 new individual PVLs. In a letter to Councilmember Berliner dated February 26, 2015 (©466-470), David Mohebbi, president of CCTI, advocated a new PVL issuance to both fleets and drivers, and urged the retention of transferability of PVLs. In its March 5 position paper, CCTI specifically addressed the proposed issuance of 200 new licenses in 2016, contending that adding 200 new taxicabs would “significantly [negatively] affect driver income.” (©471-474). PVL holder and driver Jaynul Islam, on behalf of a group of lessee- and owner-drivers, submitted a list of concerns on June 3 (©547), including a statement of opposition to the issuance of 200 new licenses, saying that it would reduce driver income and destroy the value of PVLs. CCTI recommended the issuance of 100 new licenses in 2016, with future issuances made in accordance with the existing provisions of § 53-205. CCTI also supports the Riemer proposal’s allocation of future license issuances of 50% to individuals and 50% to fleets (©473).

The issuance of a significant number of individual PVLs would have the effect of moving the County away from the fleet-based model that was discussed and adopted when the County last comprehensively revised Chapter 53 in 2004. Two memoranda from Bruce Schaller, the consultant engaged by the County to study the County’s taxicab market as part of its 2004 revision, are particularly pertinent to this discussion (©364-373, 374-378). For a specific discussion of fleet- vs. individual driver-based systems, see ©376. The Committee should consider whether circumstances have changed sufficiently or otherwise warrant a move away from a fleet based model. The entry of a large (or unlimited) number of TNCs into the market may have sufficiently altered the landscape to abandon the current fleet/individual balance. However, in the absence of the self-regulating rating system used by TNCs, it does seem likely that a de facto removal of the cap on licenses (as the issuance of 200 new individual licenses would seem to do) could lead to diminished customer service.

If the Committee desires to increase the proportion of individual PVL holders, it should consider alternatives to the issuance of a large quantity of new individual licenses without consideration for the public need. Given the persistent allegations of large numbers of fleet taxicabs sitting idle, the Committee might consider whether it is more desirable to issue a smaller number of new individual licenses and then reclaim, through revocation or nonrenewal, and redistribute “idle” licenses through more active enforcement or strengthening of the continuous operation requirement as previously discussed.

¹ TNCs do not compete with traditional taxicabs for street hails, or rides booked by telephone, but the number of rides booked by app-based dispatch is growing and, for a variety of reasons, will almost certainly continue to grow.

The Berliner amendments would require the new issuance of 50 licenses to individuals who do not already hold a license by June 1, 2016 (©593, lines 172-174), and change the proportion of individual PVLs in future issuances from 20% to “at least 50%” (©518, line 181).

- *Should the reissuance of revoked or non-renewed PVLs be treated differently than a new issuance?*

Current law in Section 53-210 establishes a rolling process for reissuing licenses, with licenses reissued based on an “eligibility list” with eligible drivers ranked by seniority. However, references to “reissued licenses” in Section 53-205, “Periodic Issuance of New Licenses,” makes it unclear how revoked or non-renewed PVLs would be reissued. If, as part of a plan to create more opportunities for individual drivers to own PVLs, the County is seeking to “reclaim” underutilized PVLs and issue them to eligible drivers, clarification of the reissuance process is in order. The Berliner amendments would clarify the difference in processes for new issuance and reissuance by removing references to reissued licenses in Section 53-205 (©589-590), and creating a new section providing for the reissuance of revoked or non-renewed PVLs on a rolling basis (©590-591, lines 101-124). In order to retain the current number of licenses in circulation over the longer term, the Berliner amendments also include language providing that no licenses may be reissued until after 50 have been revoked or not renewed (©593, lines 175-177).

- *Should the sublicensing of PVLs be permitted?*

The substitute bill includes the provisions of Bill 53-14 that would amend existing law to allow a fleet PVL holder to grant a sublicense to a vehicle owner to provide taxicab service under the license. See lines 276-292 at ©561-562. This amendment is an effort to ease the capital costs of fleets by allowing fleets to permit a taxicab driver who owns their own taxicab vehicle to drive the taxicab under the authority of the fleet’s license. Fleets could then operate more like TNCs, but using licensed taxicabs. Current law requires that a license be issued only to the owner of each taxicab.

Some jurisdictions that use medallion systems, such as New York and Chicago, permit such arrangements as “medallion-only leases.” Allowing the use of fleet PVLs by owners of taxicabs through sublicensing could have the desirable effect of getting more taxicabs on the road by giving fleets more flexibility in the way the PVLs are used. It would also allow taxicab owner/drivers the option of driving their vehicle without having to purchase a license outright. Bill 53-14 would require approval by the DOT Director of each grant of a sublicense, and grantees are subject to all requirements of PVL holders, which should provide necessary oversight of such arrangements.

Stakeholder positions: CCTI supports sublicensing as a means to afford PVL holders more flexibility in the use of their PVLs, which would result in more taxicabs on the road. In his February 27, 2015 letter to Councilmember Riemer, Acting Director Roshdieh stated that DOT “has no objection [to sublicensing] as long as drivers have an opportunity to seek legal counsel of the contract in advance of its execution and the term of the sublicense does not exceed the term of the PVL” (©437). Since the March 10, worksession, DOT staff have expressed the view that sublicensing will have a favorable impact on the riding public because of the increased ownership interest in the business held by sublicensees, *i.e.*, drivers will take better care of

vehicles that they own. MCPDU opposes sublicensing, saying that it would shift costs and risks to drivers (©534-538). The group of drivers represented by Jaynul Islam supports sublicensing as a means to “maximize the use of PVLs that are already on the market, give taxi drivers a stake in ownership, and generate revenue for affiliates and fleets” (©547-548).

Staff believes that allowing sublicensing would have the effect of getting more taxicabs on the road, and would create an intermediate step for drivers who seek more independence than exists under a leased vehicle arrangement, but either don’t desire or are unable to obtain a PVL outright. There is a risk for sublicensee drivers in that they will bear the significant cost-burden of vehicle ownership without the basic assurance of renewal that PVL holders enjoy: a PVL holder could decline to renew a sublicense agreement at the end of its term, leaving the driver with a vehicle but no legal means to operate it as a taxicab. Also, allowing sublicensing would likely permit PVL holders to avoid losing the PVLs due to lack of use under the bill’s enhanced continuous operation requirements. This could be an impediment to any desire to shift underutilized PVLs from fleets to individual holders. The sublicensing issue is a matter of competing priorities – getting more taxicabs on the road quickly vs. increasing the proportion of individual PVL holders by reclaiming underutilized PVLs and reissuing them to individuals.

If the sublicensing is included in the bill, staff recommends including a limitation of the length of a sublicensing agreement to the term of the PVLs, as recommended by DOT, and including sublicensing in the uniform agreements and maximum rates provisions of Section 53-111.

- *Should the County establish a fund to provide relief to PVL holders that can show a significant decline in value from the price that they paid for the license?*

Councilmember Riemer proposed to establish a “licensee reimbursement fund” to provide relief to PVL holders who can demonstrate a significant decline in value of their licenses from the purchase price (lines 68-73 at ©354). The intent of this fund would be to assist the estimated 40 individuals who purchased PVLs from fleets at market prices in prior years, and have seen the value of the PVLs decline precipitously since that time. Because it is likely that a Council bill will be introduced in the near future related to the County charge on TNC rides authorized in the new State TNC law, staff believes that it would be appropriate to defer discussion of this proposal. Because the revenue generated from the TNC charge must be used for “transportation purposes,” it may be possible to use some of the revenue to implement the fund Councilmember Riemer has proposed.

Should the County establish a centralized electronic dispatch system? How?

The substitute bill includes the provisions of Bill 55-14 pertaining to the establishment of a centralized electronic dispatch system. This represents an effort to adopt a program being pursued in Chicago and the District of Columbia (©191-195), and considered in New York City (©196-197), to create a digital dispatch system for all taxicabs. The intent of the Bill is twofold: (1) create a mechanism by which currently-regulated taxicabs can deliver taxicab services in a manner competitive with TNCs; and (2) be a part of a uniform regional dispatch system that would better serve the transportation needs of passengers in the Washington, DC metropolitan area.

In his February 23 proposal, Councilmember Riemer, in addition to requesting Committee support for many driver protection measures, requested that Bill 55-14 be amended to require preference given to a vendor providing a dispatch using open standards, and a vendor providing a dispatch that can include the most jurisdictions in the Washington, DC metropolitan area. The Riemer proposal would also remove the requirement that a fleet or association provide a dispatch service, and the requirement that all drivers must drive for or affiliate with a fleet or association. CCTI opposes the preference for a vendor providing a dispatch that can include the most regional jurisdictions, instead arguing that vendor selection “should be based entirely on the quality and cost of the system sold (©472).

The D.C. regulations require the establishment of a taxicab cooperative,² while Bill 55-14, modeled on the Chicago law, merely requires the establishment of a centralized electronic dispatch system by DOT. DOT would have the option of contracting with a third party to provide the service through the County procurement process.³ The Bill is drafted to impose a general requirement, and leave the details of implementation to DOT. DOT has expressed objection to this approach, saying that it puts the Department in the position of being a participant in the market, rather than a regulator. As an alternative, DOT has suggested that CCTI should administer the dispatch.

There is not a clear example of successful implementation of a centralized dispatch, because it is a new concept. Staff believes that the general approach embodied in Bill 55-14 is a viable way to establish an operational system. Staff does not believe that having CCTI administer the system is a better alternative, particularly if one of the objectives of this Bill is to foster driver independence and facilitate the establishment of a driver association as an alternative to the existing fleets. Staff believes that the vendor preferences in the Riemer proposal would further the goal of greater regional interoperability of the dispatch, which would allow taxicabs to better compete with TNCs and improve customer service. Staff therefore recommends their inclusion should the Committee elect to pursue a centralized electronic dispatch in the proposed form.

The removal of the dispatch and affiliation requirement proposed by Councilmember Riemer are premature, in staff’s view. Removing these requirements on the assumption that an untested alternative to the existing fleet dispatch systems could present problems both for riders and for DOT, as its current enforcement model depends in part on the affiliation requirement. It may be appropriate in the future, once a centralized electronic dispatch is up and running, to revisit this issue. The Commission proposed by Councilmember Berliner would, as part of its biennial review of the industry, consider making recommendations related to changes in the affiliation and dispatch requirements.

Councilmember Riemer may propose a revised method of implementing a centralized dispatch (©599-600). The revised proposal represents an attempt to accommodate DOT’s reluctance to being involved in the taxicab dispatch business via the existing proposed requirement that the Director “establish” the system. The revised proposal would permit the

² http://dctaxi.dc.gov/sites/default/files/dc/sites/dc%20taxi/event_content/attachments/Chapters16and99.pdf

³ Chicago has issued an RFP for its Taxicab Dispatch Application “E-Hail” Program and Centralized Way Taxicab Dispatch Service, with proposals due on June 5, 2015: <http://www.cityofchicago.org/city/en/depts/bacp/provdrs/vehic/alerts/2015/may/request-for-proposals--rfp--for-taxicab-dispatch-application-e-h.html>

approval of one or more third-party systems, provided that the approved systems meet certain requirements. The revised proposal would require an approved system to:

- offer an Application Programming Interface that allows other approved systems to dispatch all drivers using that system;
- dispatch the taxicab closest to the person requesting service, regardless of which system that taxicab is using;
- adequately protect the privacy of passengers and the security of passengers and drivers;
- allow only licensed taxicab drivers to use the system;
- upon written authorization from a driver, deduct an amount designated by the driver from the driver's fare reimbursement and forward that amount to a third party trade or advocacy organization designated by the driver;
- maintain, and make available to the Director upon request, verifiable records, in a form prescribed by the Director, summarizing responses to requests for service made under the system.
- provide users with an option to see and request an accessible taxicab; and
- be accessible to the blind and visually impaired and the deaf and hard of hearing.

The revised proposal would require all licensed taxicab drivers to use or participate in an approved system, but would not prohibit them from using other dispatch systems in addition to an approved system. It would also permit approved systems to charge processing fees as allowed by regulation.

The revised proposal would depend on the private sector responding to produce an application that meets the approval requirements. There are already a number of active market participants in this sector operating in the United States, including mytaxi , Curb (formerly TaxiMagic), Easy Taxi, and Flywheel. In addition, "aggregation" apps have also started to appear, which provide access to a number of different taxi services. It is likely that many of these applications could be easily modified to meet the approval requirements. While noting again that there is not yet a model for successful implementation of a centralized electronic taxicab dispatch, staff believes that the revised proposal addresses DOT's concerns while still presenting a means to have a working system in place in a reasonable period of time.

Should the insurance requirements be changed?

CCTI has requested that Section 53-225 be amended to require insurance in the same amounts required for taxicabs by the PSC, rather than in amounts required by regulation. Current County insurance requirements are as follows: \$100,000 for bodily injury or death, each person; \$300,000 for bodily injury or death each accident; and \$25,000 for property damage. COMCOR 53.40.01.01. PSC-required insurance is as follows: \$25,000 for injury to any one person; \$50,000 for injuries to two or more persons; and \$10,000 for property damage. COMAR 20.90.02.19 (Baltimore City and County) and COMAR 20.90.03.17 (Cities of Hagerstown and Cumberland). The proposed change represents a significant reduction in coverage amounts, and may not provide adequate protection for passengers or the general public.

This packet contains:

Amended Substitute Bill
Remaining Berliner Amendments
DOT Requested Amendments
Revised Riemer Proposal

Circle #

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By renumbering

Chapter 53, Taxicabs

Sections 53-215, 53-216, 53-217, 53-218, 53-223, 53-224, 53-225, 53-226, 53-310, 53-311, 53-312, 53-313, 53-314, 53-316, 53-317, 53-318, 53-319, 53-320, 53-321, 53-322, 53-323, 53-324, and 53-325

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

- 26 (2) meet quarterly or more frequently if requested by the County
 27 Executive or County Council or if the Chair or Commission
 28 finds it necessary;
- 29 (3) evaluate the performance of the taxicab industry in serving
 30 members of the population with special transportation needs,
 31 such as senior citizens and people with disabilities[.]; and
- 32 (4) conduct the biennial review of the taxicab industry under
 33 Section 53-104
- 34 (c) The [Committee] Commission consists of [5] four public members
 35 and [4] seven taxicab industry members. The County Executive
 36 [should] must appoint members so that:
- 37 (1) one public member represents senior citizens, and another
 38 public member represents people with disabilities;
- 39 (2) [two] three of the [4] seven taxicab industry representatives
 40 represent management and [2] four are taxicab drivers; and
- 41 (3) [one] two of the [2] four drivers [is an owner-driver] are owner-
 42 drivers and [one is a] two are non-owner [driver] drivers.
- 43 (d) The Director or the Director's representative [must service as an ex-
 44 officio non-voting member. The Director of the Office of Consumer
 45 Protection, or the Director's representative,] and the Chair of the
 46 Council Transportation, Infrastructure, Energy and Environment
 47 Committee or the Chair's representative must [also] serve as [an] ex-
 48 officio non-voting [member] members.
- 49 (e) A [Committee] Commission member serves for a term of [3] three
 50 years, or until a successor is confirmed, whichever is later. A member
 51 must not serve more than [2] two consecutive full terms. A person

52 appointed to fill a vacancy serves for the remainder of the
53 predecessor's term.

54 (f) The [Committee] Commission must annually select one public
55 member as chair.

56 **53-103A. Biennial Review of the Taxicab Industry.**

57 (a) Between September 1 and November 15 of each even-numbered year,
58 the Taxicab Services Commission must conduct a review of the
59 County taxicab industry including:

60 (1) at least one public hearing;

61 (2) solicitation of comments from stakeholders;

62 (3) an evaluation of:

63 (A) the economic condition of the taxicab industry; and

64 (B) the adequacy of service rendered by the industry.

65 (b) The Commission must submit a report to the Executive and County
66 Council not later than December 1 of the year the review is
67 conducted, describing the status of the industry and identifying any
68 changes to the regulation of the industry that the Commission finds
69 necessary or desirable, including:

70 (1) changes to the number of licenses in circulation;

71 (2) changes in taxicab rates set under Section 53-106;

72 (3) changes in fees set under Section 53-107;

73 (4) changes in insurance requirements under Section 53-225 or
74 applicable regulation;

75 (5) changes to the accessibility requirements under Article 5;

76 (6) changes to the affiliation and dispatch requirements under this
77 Chapter; and

78 (7) any other changes that the Commission determines would
79 improve the delivery of taxicab services.

80 (c) The review of economic condition of the industry must include
81 consideration of taxicab rates, lease and affiliation rates, and industry
82 fees charged to and by licensees and drivers. In reviewing the rates
83 and fees, the Commission must consider:

84 (1) driver income compared to the County minimum wage; and

85 (2) the cost of industry-related regulatory and enforcement
86 expenditures.

87 * * *

88 **53-106. Rates.**

89 (a) The County Executive must set taxicab rates by regulation to promote
90 the public interest after holding a public hearing and considering the
91 recommendations of the [Committee] Commission.

92 * * *

93 **53-110. [Customer service requirements.**

94 (a) A regulation issued by the Executive must establish:

95 (1) specific customer service requirements and minimum
96 performance criteria applicable to each licensee, but which may
97 vary by type of licensee:

98 (2) the required submission dates for any customer service plan and
99 other data that licensees must regularly submit;

100 (3) the dates certain minimum levels of service and other
101 performance requirements must be met; and

102 (4) the consequences of failure to meet any requirements.

103 The service requirements and performance criteria must focus on recurring
104 problems with customer service that the Department has identified through
105 customer complaints or otherwise.

106 (b) These regulations must also include:

- 107 (1) performance-based qualifications and requirements for
108 receiving additional licenses under Section 53-205;
- 109 (2) the standards and procedure by which the Director may deny or
110 revoke a license if a licensee does not meet any mandatory
111 customer service requirement;
- 112 (3) defined geographic areas of service, subject to modification as
113 provided in Section 53-222(b)(10), and minimum acceptable
114 service parameters for each geographic area;
- 115 (4) information required for a review or audit of performance
116 criteria and data submission;
- 117 (5) guidelines for a complaint resolution process for customer
118 complaints that employs, to the extent feasible, an independent
119 mediation or dispute resolution mechanism;
- 120 (6) guidelines for procedures each fleet or association must employ
121 to keep each person who calls for service informed of the status
122 of that person's request;
- 123 (7) any special procedures that the Executive concludes are
124 necessary to assign appropriate priority to service requests from
125 persons with special medical needs or non-emergency travel to
126 or from medical facilities; and
- 127 (8) the percentage of calls for prearranged service that should be
128 picked up within 10 minutes, and the percentage of calls for
129 immediate service that should be picked up within 20 minutes.

130 The Executive by regulation may set a different response
 131 standard for each type of service. “Prearranged service” is
 132 service requested, by telephone or electronically, at least 2
 133 hours before the passenger is scheduled to be picked up.

134 (c) As a condition of receiving a license under this Chapter, each licensee
 135 must agree that all data submitted under this Section is public
 136 information. The Director must regularly make that information
 137 available to the public in an annual report on taxicab service in a
 138 format set by regulation, and in any other fashion that the Director
 139 finds will inform the public.

140 (d) The Director, after consulting the Taxicab Services Advisory
 141 Committee, may use any reasonable mechanism to collect more data
 142 that may be used to measure and evaluate customer service
 143 performance, including complaint data, customer surveys, and service
 144 sampling techniques.]

145 **Centralized electronic dispatch system.**

146 (a) The Director must establish a centralized electronic dispatch system to
 147 dispatch taxicabs for trips that begin or end in the County through an
 148 Internet-enabled application, digital platform, or telephone dispatch
 149 system.

150 (b) The Director may enter into a contract with a licensee or other private
 151 party through the County procurement process to manage and operate
 152 the system. In selecting a contractor, the Director must give
 153 preferences to vendors who:

154 (1) use or creates an open standard in developing the system; and

155 (2) include the greatest number of jurisdictions in the Washington,
 156 D.C. region in the system.

- 157 (c) The Director may require every taxicab licensed under this Chapter to
 158 participate in the system.
- 159 (d) The Director may require dispatch fees, approved under Section 53-
 160 107, to be assessed to cover the costs of operating the system.
- 161 (e) The system must maintain verifiable records, in a form prescribed by
 162 the Director, summarizing responses to requests for service made
 163 under the system. The system must provide all required records to the
 164 Director upon request.
- 165 (f) Nothing in this Section prohibits a licensee from being affiliated with
 166 or dispatched by any other two-way dispatch system.

167 **53-111. Uniform agreements; maximum lease and affiliation rates and other**
 168 **charges.**

- 169 (a) The Executive must establish, by method (2) regulation:
- 170 (1) uniform lease and affiliation agreements which must conform
 171 to the minimum requirements of Section 53-219;
- 172 (2) maximum lease and affiliation rates that a licensee may charge
 173 a driver; and
- 174 (3) a list of types and amounts of other charges that a licensee may
 175 charge a driver.
- 176 (b) Maximum lease and affiliation rates, and other charges that a licensee
 177 may charge a driver, must be set at amounts determined by the
 178 Executive to:
- 179 (1) enable the licensee to receive adequate revenues to pay the
 180 licensee's reasonable expenses and receive a fair and reasonable
 181 rate of return on the licensee's investment; and
- 182 (2) provide drivers with an opportunity to earn a fair and
 183 reasonable income.

- 184 (c) In determining the maximum lease rates, the Executive must consider:
 185 (1) vehicle, equipment and license costs;
 186 (2) asset depreciation;
 187 (3) the costs of insurance, operation and maintenance, uninsured
 188 repairs, wages and salaries, garage storage, taxes, fees, two-way
 189 dispatching and administration, as well as all other periodic
 190 expenses paid by the licensee; and
 191 (4) any other factors that the Executive considers appropriate to
 192 further the purposes of this Chapter.
- 193 (d) The Executive must periodically review the maximum lease and
 194 affiliation rates, and other charges that a licensee may charge a driver,
 195 to ensure that the rates and charges are consistent with the objectives
 196 expressed in this section.
- 197 (e) The Executive may require all licensees to provide such financial
 198 information as may be reasonably necessary to establish maximum
 199 rates and charges allowed under this Section. Information submitted
 200 under this subsection is confidential and must not be disclosed to the
 201 public.

ARTICLE 2. TAXICAB LICENSES.

Division 1. General License Provisions.

53-201. Required.

- 205 (a) A person must not provide taxicab service without possessing a
 206 license as required under this Chapter.
- 207 (b) [A] Except as provided in subsection (c)(3), a license must be issued
 208 only to the owner of each taxicab.
- 209 (c) A [licensee] person must not operate a taxicab or provide taxicab
 210 service unless the [licensee] person either:

- 211 (1) holds a fleet license; [or]
- 212 (2) holds one or more individual licenses and is affiliated with an
- 213 association or a fleet[.]; or
- 214 (3) holds a sublicense granted by a holder of a fleet license under
- 215 Section 53-204A and is affiliated with that fleet.
- 216 (d) A licensee must hold a license for each taxicab.
- 217 (e) A licensee must own a taxicab associated with each license unless a
- 218 sublicense has been granted under Section 53-204A.

219 * * *

220 **53-203. Types of licenses; cross-ownership.**

221 * * *

- 222 (c) Nothing is this Section prohibits a fleet or association from providing
- 223 non-taxicab for-hire driving services as defined under State law and
- 224 not regulated by the County.

225 **53-204. Transferability; security interest.**

- 226 (a) Any license must not be transferred except as provided in this
- 227 Chapter.
- 228 (b) A license may be transferred only if:
 - 229 (1) the licensee notifies the Department in writing of the proposed
 - 230 transfer not less than 30 days before the date of the proposed
 - 231 transfer, specifying all terms and conditions of the proposed
 - 232 transfer and the identity of the proposed transferee;
 - 233 (2) the Director finds that the proposed transferee meets all
 - 234 requirements of this Chapter and applicable regulations; and
 - 235 (3) the licensee surrenders the license when the Director approves
 - 236 the transfer.

237 (c) [Except in the case of a transfer under subsection (f), a license issued
 238 to any licensee may be transferred only if the license was not issued or
 239 transferred within the previous three years.

240 (d)] The Director must not approve the transfer to an individual of a
 241 license issued to a fleet if]:

242 (1)] the same fleet has already transferred more than two licenses to
 243 individuals during that calendar year[; or

244 (2) the transfer would result in individuals holding more than 30%
 245 of the total number of licenses then in effect].

246 [Until December 31, 2009, the Director, after receiving a written
 247 request from a licensee, may waive either limit in this subsection on transferring a
 248 license issued to a fleet when the Director concludes that a waiver is necessary to
 249 avert a potential significant loss of service or to preserve or promote adequate
 250 taxicab service in all areas of the County, and the waiver will not reduce or impair
 251 competition, public welfare, and public safety. If the Director waives either limit
 252 for a fleet, the Director must at the same time waive the same limit for each other
 253 fleet so that each fleet's share of the waivers approved for all fleets is at least the
 254 same as that fleet's share of all fleet licenses when the application for a waiver was
 255 filed. The Director may attach reasonable conditions to any waiver, including
 256 requirements for purchase of commercial liability insurance and maintenance of
 257 minimum numbers of accessible vehicles and limits on the number of new licenses
 258 a company can apply for or receive in a 2-year period after it transfers existing
 259 licenses.

260 (e)](d)The Director must not approve a transfer of any license if the
 261 transferee already holds, or would then hold, more than 40% of the
 262 total number of licenses then in effect. This subsection does not
 263 prohibit the sale or transfer of a license to a licensee that held more

264 than 40% of the licenses in effect on October 1, 2004, or the sale or
 265 transfer of all or a majority of the licenses held by that licensee.

266 [(f)](e) A security interest may be created in a passenger vehicle license in
 267 accordance with the Maryland Uniform Commercial Code, subject to
 268 the Director's approval. The Executive may by regulation attach
 269 further conditions to the creation of a security interest, consistent with
 270 this subsection, as necessary to avoid significant disruptions in taxi
 271 service. The Director may approve the creation of a security interest
 272 only if:

273 * * *

274 [(g)](f) A transferred license is valid for the remainder of the term of the
 275 original license.

276 **53-204A. Sublicenses.**

277 (a) The holder of a fleet license may grant a sublicense to another person
 278 under this Section.

279 (b) A sublicense may be granted only if:

280 (1) the holder of a fleet license notifies the Department in writing
 281 of the proposed grant not less than 30 days before the date of
 282 the proposed grant, specifying all terms and conditions of the
 283 proposed grant and the identity of the proposed grantee;

284 (2) the Director finds that the proposed grantee meets all
 285 requirements for a licensee under this Chapter and applicable
 286 regulations; and

287 (3) the Director approves the grant of the sublicense.

288 (c) The Director must not approve a grant of a sublicense if the grantee
 289 already holds, or would then hold, more than 40% of the total number
 290 of licenses then in effect.

291 (d) The holder of a sublicense is subject to all of the requirements of this
292 Chapter that apply to a licensee.

293 * * *

294 **Sec. 53-212. [Special licenses.**

295 (a) In addition to the licenses regularly available for issuance, the
296 Director may issue special licenses to qualified applicants to provide
297 innovative taxicab service, on an experimental or permanent basis,
298 such as:

299 (1) transportation for persons with special transportation needs,
300 including:

- 301 (A) senior citizens;
- 302 (B) people with disabilities;
- 303 (C) citizens in up-county and rural areas; or
- 304 (D) citizens using hospital, senior centers, and other
305 underserved locations or areas;

306 (2) jitney service, which is service over a regular route on a flexible
307 schedule; or

308 (3) similar transportation services.

309 (b) The availability of licenses under this Section must be advertised in at
310 least one newspaper of general circulation in the County for 2
311 consecutive weeks. The Director should also notify, by electronic
312 mail or other reasonable means, any licensee or driver who requests to
313 be notified of the availability of new licenses.

314 (c) Licenses must be issued on a competitive basis using criteria set by
315 regulation that are intended to achieve a high level of taxicab service.
316 The Director may establish appropriate procedures, fees, and
317 conditions to issue a license under this Section.

318 (d) The Director may revoke a license issued under this Section at any
319 time for noncompliance with this Chapter or failure to provide the
320 service for which the license was issued.

321 (e) The licensee must return any license issued under this Section to the
322 Department:

323 (1) when the vehicle is no longer eligible to provide the required
324 service; or

325 (2) if the Director revokes the license because the service is no longer needed or
326 was underused during a reasonable time after the license was issued.

327 **53-213.] Criteria to deny a license.**

328 The Director must not issue or renew a license to any person, licensee, or
329 applicant:

330 (a) who, within 5 years before the application is submitted, was convicted
331 of, pled guilty or no contest to, or was placed on probation without a
332 finding of guilt for, or who when the application is submitted, has a
333 charge pending for, or who has, within 3 years before the application
334 was submitted, completed a sentence or period of probation based on
335 a charge for:

336 * * *

337 (5) [violation of] any felony [law governing] involving controlled
338 dangerous substances;

339 (6) [violation of any gaming law;

340 (7)] any offense involving driving under the influence of alcohol; or

341 [(8)](7) any act of moral turpitude;

342 * * *

343 **[53-214] 53-213. Additional criteria to deny a license.**

344 * * *

345 (b) The Director may decline to issue or renew a license to any licensee
346 or applicant:

347 * * *

348 (4) who has not [operated at the customer service levels required by
349 applicable regulations, or has not] complied after reasonable
350 notice with any required safety, operational, or inspection
351 requirement of this Chapter.

352 * * *

353 **[53-219] 53-218. Responsibility of licensees, affiliates, and drivers.**

354 * * *

355 (b) Each licensee must promptly take appropriate action when the
356 licensee becomes aware from any source that a driver of a taxicab for
357 which the licensee holds the license or regarding which the licensee is
358 a party to an affiliation agreement has not complied with all
359 requirements of this Chapter [and the customer service standards
360 adopted under this Chapter].

361 (c) Each licensee must exercise due diligence to monitor the activities of
362 each driver of a taxicab for which the licensee holds the license or
363 regarding which the licensee is a party to an affiliation agreement to
364 assure that the driver complies with all requirements of this Chapter
365 [and the customer service standards adopted under this Chapter].

366 (d) Notwithstanding the legal status of any driver as an independent
367 contractor rather than an employee of the licensee, for the purposes of
368 this Chapter, [(and particularly the customer service standards adopted
369 under this Chapter)] the responsibility of each licensee for the conduct
370 and performance of drivers under this Chapter:

371 (1) applies to each driver, including affiliates of the licensee; and

- 372 (2) prevails over any inconsistent contract or other agreement
 373 between a licensee and an affiliate or a driver.
- 374 (e) Any contract or other operating agreement between a licensee and any
 375 affiliate or driver must use the applicable uniform agreement adopted
 376 by regulation under Section 53-111 and must:
- 377 (1) inform the driver of:
- 378 (A) the driver’s obligation to comply with all requirements of
 379 this Chapter [and the customer service standards adopted
 380 under this Chapter]; and
- 381 (B) the licensee’s obligation to take appropriate action when
 382 the licensee becomes aware that a driver has not
 383 complied with any requirement of this Chapter [or
 384 customer service standard];
- 385 (2) empower the licensee to take appropriate action, as required in
 386 subsection (b); [and]
- 387 (3) not restrict a driver, affiliate, or taxicab owner from providing
 388 taxicab service in the County after the contract or agreement
 389 expires or is terminated[.];
- 390 (4) not exceed a term of one year;
- 391 (5) not require a driver or affiliate to use the fleet or association
 392 system for processing credit card transactions; and
- 393 (6) not be subject to automatic renewal.
- 394 (f) [(1) Any contract or other operating agreement between a licensee
 395 and any affiliate or driver must require both parties, at either
 396 party’s request, to participate in good faith in an independent,
 397 third-party mediation or alternative dispute resolution process,

398 which may be administered by the Department or the
 399 Department's designee.

400 (2) A dispute is subject to the process required by this subsection if
 401 the dispute is connected with the operation of the contract or
 402 agreement or involves the affiliate's or driver's compliance
 403 with any requirement of this Chapter or a customer service
 404 standard adopted under this Chapter. The implementing
 405 regulations may specify that certain classes of disputes are not
 406 subject to this process.

407 (3) The dispute resolution administrator may stay the operation of
 408 any action taken by a party when a stay is necessary to preserve
 409 the rights of any party.

410 (4) This subsection does not preclude either party from taking any
 411 other lawful action to enforce any contract or agreement.]

412 A licensee must not impose on a driver or affiliate:

413 (1) a charge of more than 5% of the transaction for processing a
 414 credit card payment; or

415 (2) any other charge of a type or amount other than those on the list
 416 adopted by regulation under Section 53-111.

417 **53-219. Dispute Resolution.**

418 (a) Definitions. In this Section:

419 (1) Dispute means a disagreement between a person who holds a
 420 taxicab driver identification card issued under this Chapter and
 421 the fleet or association under whose colors the person drives
 422 over whether an action taken by the fleet or association to
 423 terminate, suspend or impair the person's ability to drive under
 424 the fleet or association's colors, or to terminate, suspend or

425 impair the person's right to enjoy the resources and benefits
426 provided by the fleet or association, on the same basis as other
427 similarly situated fleet or association drivers, was reasonable
428 and based upon good cause.

429 (2) Good cause means one or more of the causes for revocation of
430 an identification card under Section 53-604, or a material
431 failure of a driver to comply with established, written rules or
432 practices of the company or to perform in accordance with his
433 or her written contract with the company, after reasonable
434 notice and an opportunity to comply or perform.

435 (b) Each fleet or association may have a written dispute resolution
436 procedure as part of its agreements with its affiliates or drivers, so
437 long as such dispute resolution procedure incorporates, at a minimum,
438 binding arbitration pursuant to the American Arbitration Association
439 Commercial Arbitration Rules, R-1 through R-58.

440 (c) If a fleet or association has an agreement with an affiliate or driver
441 that does not include a dispute resolution procedure meeting the
442 requirements of subsection (b), then disputes will be subject to
443 resolution under this subsection.

444 (1) disputes must first be the subject of an internal grievance
445 procedure conducted as follows:

446 (A) the aggrieved party must submit a complaint in writing to
447 the fleet or association within 30 days from the date of
448 the fleet or association's action, containing a written
449 statement of the matter in dispute and the names,
450 addresses and telephone numbers of each party to the
451 dispute.

452 (B) within two weeks after the submission of the written
 453 complaint, the fleet or association must appoint a
 454 representative from within the fleet or association to hear
 455 the dispute. The representative must have had no direct
 456 or indirect involvement in the dispute.

457 (C) within two weeks after appointment, the representative
 458 must conduct an informal hearing concerning the dispute.

459 (D) both parties must use best efforts to resolve the dispute.

460 (E) within two weeks after the hearing has been concluded,
 461 the fleet or association representative must provide a
 462 written decision.

463 (2) If the dispute is not resolved through the internal grievance
 464 procedure, both parties may agree to informal or formal
 465 mediation of the dispute, pursuant to paragraph (3). If the
 466 parties fail to agree to mediation, either party may elect to
 467 proceed to arbitration, pursuant to paragraph (4).

468 (3) Informal or formal mediation.

469 (A) within two weeks after the internal grievance procedure
 470 has been concluded, any party requesting mediation must
 471 submit a written notice requesting mediation to all
 472 parties.

473 (B) within two weeks after such notice has been submitted,
 474 the parties may agree to an impartial person to mediate
 475 the dispute in an informal process. If the parties do not
 476 agree to informal mediation, the party requesting
 477 mediation must submit a written Request for Mediation
 478 to the American Arbitration Association (AAA). If the

479 parties are unable to agree to mediation, either party may
 480 elect to proceed to arbitration, pursuant to paragraph (4).

481 (C) a request for mediation must contain a brief statement of
 482 the dispute, and the names and addresses and telephone
 483 numbers of each party to the dispute.

484 (D) the mediator must notify all parties of the time, date and
 485 place of the mediation.

486 (E) the costs of the mediation must be borne equally by the
 487 parties unless they agree otherwise in writing.

488 (F) the mediation conducted by AAA must be in substantial
 489 accord with the American Arbitration Association
 490 Commercial Mediation Rules, M-1 through M-17.

491 (G) the mediator may end the mediation if, in the sole
 492 discretion of the mediator, the continuation of the
 493 mediation would not be useful.

494 (H) the parties in mediation must use their best efforts to
 495 resolve the issues in controversy and the mediator may
 496 execute a written settlement agreement if agreed on by
 497 the parties but may not impose a settlement on the
 498 parties.

499 (4) Where neither the internal grievance procedure nor mediation,
 500 if attempted, has resolved the dispute, either party may submit
 501 the matter to arbitration, which is binding upon the parties.
 502 Such arbitration must be conducted as follows:

503 (A) within two weeks after the mediation process or the
 504 internal grievance procedure has been concluded, the

- 505 party requesting arbitration must submit a written notice
506 of intent to arbitrate to all parties.
- 507 (B) within two weeks after such notice has been submitted,
508 an impartial person to arbitrate the dispute must be
509 agreed upon by the parties, or, if the parties do not agree,
510 the party requesting arbitration must submit a written
511 request for arbitration to the (AAA) and simultaneously
512 mail a copy of the request for arbitration to every party to
513 the dispute.
- 514 (C) a request for arbitration must contain a brief statement of
515 the dispute, and the names and addresses and telephone
516 numbers of each party to the dispute.
- 517 (D) the arbitrator must notify all parties and their
518 representatives, if any, of the time, date and place of the
519 arbitration.
- 520 (E) the costs of the arbitration must be borne by the party
521 which does not prevail, unless the parties agree otherwise
522 in writing, or the costs are otherwise apportioned by the
523 arbitrator if there is no prevailing party.
- 524 (F) the arbitration, whether conducted by AAA or another
525 arbitrator chosen by the parties, must be in substantial
526 accord with the American Arbitration Association
527 Commercial Arbitration Rules, R-1 through R-56.
- 528 (G) the arbitrator may conclude the arbitration hearing if in
529 the sole discretion of the arbitrator, continuation of the
530 hearing would not be useful.

531 (H) within two weeks after the arbitration hearing has been
532 concluded, the arbitrator must render an award in writing,
533 which must be binding upon the parties and which may
534 be enforced by any court having jurisdiction over the
535 parties.

536 **Division 4. Additional Duties of Fleets and Associations.**

537 **53-220. Essential requirements.**

538 Each fleet and association must:

539 (a) provide [its own] centralized administrative, vehicle maintenance,
540 customer service, complaint resolution, dispatch, management,
541 marketing, operational, and driver training services located in the
542 County, or at one or more [other] locations approved by the Director[,
543 that are physically separate from any other association or fleet]. A
544 fleet or association may obtain these services, with the approval of the
545 Director:

546 (1) from another person or entity who does not hold, or have an
547 interest in, a license issued under this Chapter; or

548 (2) from another fleet or association if the Director finds that joint
549 operations of this type:

550 (A) would promote competition and improve customer
551 service; and

552 (B) would not impair the independence of any fleet or
553 association;

554 * * *

555 (c) operate under [uniform] colors and markings approved by the
556 Director;

- 557 (d) [submit a customer service plan as required by applicable regulations
 558 that specifies how the fleet or association will achieve the plan’s goals
 559 for safe, reliable customer service and on-time performance;
 560 (e)] submit accurate, verifiable operating and statistical data reports as
 561 required under this Chapter;
 562 [(f)](e)provide an adequate number of taxicabs to meet service demand 24
 563 hours a day, 7 days a week, as defined by applicable regulations; and
 564 [(g)](f)comply with all requirements of this Chapter regarding the provision
 565 of accessible taxicabs.

566 * * *

567 **[53-222. Customer Service Plan.**

- 568 (a) Each fleet and association is responsible for providing timely, safe,
 569 reliable quality taxicab service. To that end, each fleet and
 570 association must submit to the Director a customer service plan as
 571 required by Section 53-110 and applicable regulations.
 572 (b) At a minimum, each fleet and association’s initial customer service
 573 plan must:
 574 (1) specify the fleet or association’s anticipated percentage of trips
 575 that will achieve the applicable response time standards set
 576 under Section 53-110(b)(8) for prearranged service requests and
 577 calls for immediate service, or submit proposed response times
 578 for immediate and prearranged service that are different in any
 579 service area specified by the fleet or association. When
 580 different response times are proposed, the plan must describe
 581 why the differences are proposed, considering growth in a
 582 service area or the fleet or association’s willingness to serve
 583 areas that need additional service;

- 584 (2) include timelines to achieve the proposed standards if they will
585 not be met in the next year;
- 586 (3) describe any operational changes the fleet or association intends
587 to implement that would result in improved service;
- 588 (4) describe what procedures the fleet or association will employ to
589 keep each person who calls for service informed of the status of
590 that person's request;
- 591 (5) describe any special procedures the fleet or association will use
592 to assign appropriate priority to service requests that involve
593 persons with special medical needs or non-emergency trips to
594 or from medical facilities;
- 595 (6) specify the number of taxicabs needed to achieve response
596 times, and justify an increase in taxicab licenses, if requested,
597 based on public convenience and necessity;
- 598 (7) include a phased-in plan for service improvements, particularly
599 noting any improvements intended to achieve better service to
600 senior citizens, people with disabilities, or other underserved
601 populations identified by the Directors;
- 602 (8) describe the fleet or association's participation, and goals for
603 participation, in user-side subsidy programs;
- 604 (9) calculate the fleet's or association's user-side subsidy program
605 participation data for the previous 12 months;
- 606 (10) describe the fleet or association's geographic areas of service,
607 including any planned expansion in a service area or a
608 willingness to serve areas that need additional service;
- 609 (11) calculate prior taxicab productivity, measured by the number of
610 daily trips per cab or an equivalent measurement;

- 611 (12) describe the fleet or association's development of and
- 612 participation in innovative taxicab services;
- 613 (13) list the number of consumer complaints involving the fleet or
- 614 association, by type, filed with the County or another
- 615 government agency in the past 24 months; and
- 616 (14) list the number of enforcement actions against the fleet or
- 617 association or its drivers of which the fleet or association is
- 618 aware, started and completed during the past 24 months.
- 619 (c) Any customer service plan filed after the initial plan must show any
- 620 changes in the data included in the initial plan, and any new data
- 621 required by applicable regulations.]

622 * * *

623 **53-227: Continuous operation.**

- 624 (a) Each licensee must keep each licensed taxicab in continuous operation
- 625 as defined by applicable regulation.
- 626 (b) The Executive must by method (2) regulation define continuous
- 627 operation using a formula that:
 - 628 (1) uses calendar-quarterly reports submitted by each fleet and
 - 629 association showing mileage driven by each vehicle associated
 - 630 with a license held by, or affiliated with, each fleet and
 - 631 association;
 - 632 (2) requires average per-vehicle mileage to be at least 85% of the
 - 633 County-wide average for each quarter, unless the Director, by
 - 634 written request, waives the requirement.
- 635 (c) Each licensee must notify the Department in writing at any time that:
 - 636 (1) a taxicab will be or has been out of service for more than 30
 - 637 days, or

638 (2) an average of more than 15% of the taxicab whose licenses are
 639 held by that licensee have been inactive during the previous
 640 calendar month.

641 [(b)](d) Each notice must:

- 642 (1) explain the reasons for each period of inactivity; and
- 643 (2) show why the Director should not revoke the license of each
 644 inactive taxicab for lack of use.

645 **53-228. Procedure when vehicle placed in or removed from service.**

646 * * *

647 (f) Each licensee must receive the Department’s approval before taking a
 648 taxicab out of service for a period longer than 30 days. The licensee
 649 must explain why the taxicab is out of service and list its license
 650 number, assigned vehicle number, and registration numbers. If the
 651 Department finds that the licensee has good cause, as defined by
 652 applicable regulations, to take the taxicab out of service, the
 653 Department may approve that action. If the Department rejects the
 654 application, the licensee must promptly reinstate the taxicab in service
 655 or return the license.

656 (g) Any vehicle placed in service as a taxicab must not be more than [4]
 657 five model years old.

658 **53-229. Age of vehicles.**

659 (a) A licensee must not use any vehicle that is more than [7] eight model
 660 years old to provide taxicab service in the County. As used in this
 661 Chapter, the “model year” of a vehicle is the year designated by the
 662 vehicle manufacturer, as indicated on the vehicle or in the
 663 manufacturer’s records. A licensee may maintain a vehicle in service
 664 until the next December 31 after its [seventh] eighth model year ends

665 if the vehicle passes a comprehensive safety inspection performed
 666 during the preceding August by a state-certified inspector in good
 667 standing.

668 * * *

669 **53-231. Vehicle numbering, lettering, and markings; rate chart.**

670 (a) When a license for a taxicab is issued under this Chapter, the
 671 Department must assign a license number to the taxicab. The licensee
 672 (or the fleet, if the vehicle is affiliated with a fleet) must assign a
 673 vehicle number to each taxicab. The vehicle number must be
 674 permanently applied[,] and plainly visible[, and not less than 3 inches
 675 high, on each of the 2 sides, on each of the 2 rear door roof columns,
 676 and on the rear of each taxicab].

677 * * *

678 **53-232. Doors; lettering; color; special equipment.**

- 679 (a) Each taxicab operated in the County must have at least 3 doors. All
 680 doors must operate safely.
- 681 (b) A licensee or driver must not operate a taxicab unless the taxicab
 682 bears markings in letters plainly distinguishable [and not less than 3
 683 inches high,] on each of the 2 sides of the taxicab, showing the
 684 approved name [and telephone number] of the fleet or association by
 685 whom the taxicab is owned or operated[, and the word "taxicab,"
 686 "taxi" or "cab."].
- 687 (c) [All taxicabs in a fleet or association] Each fleet or association must
 688 [be uniform in color] register its colors with the Department. A fleet
 689 or association may register one or more color combinations, and any
 690 fleet or association may register black as one of its colors. A fleet or
 691 association must not use colors that are similar to those of another

692 fleet or association so that the public can readily identify taxicabs
 693 operated by that fleet or association. [However, the] The Director
 694 may approve advertising in different colors or markings as long as the
 695 public can still readily identify taxicabs operated by that licensee, or
 696 the use of a set of different colors and markings to identify a
 697 specialized service provided by or geographic area served by a fleet or
 698 association. Any color or color combination approved by the
 699 Department, other than black, must be reserved for the exclusive use
 700 of that fleet or association when the fleet or association is operating
 701 taxicabs in the County.

- 702 (d) Each licensee must insure that each fleet or association uses only the
 703 approved name of the fleet or association in advertising or listing its
 704 service to the public.

705 **53-233. Cruising lights.**

706 Each taxicab must have cruising lights that operate electrically as a sign or
 707 insignia mounted on the forward portion of the roof or on the dashboard of the
 708 taxicab. These lights must not be used until approved by the Department. These
 709 lights may be removable, but must be mounted when the vehicle is in use as a
 710 taxicab, and must be designed so that the vehicle can be easily identified as a
 711 taxicab.

712 * * *

713 **53-235. Taxicab meters.**

- 714 (a) Each taxicab must be equipped with:
- 715 (1) an accurate, properly installed and connected taximeter which
 716 has a security seal affixed by the Department[.]; or
- 717 (2) a reliable, independently verifiable software-based metering
 718 system, approved by the Department.

719 (b) In addition to regular inspections, the Department may conduct
 720 periodic tests of these meters or metering systems. Upon successful
 721 completion of the tests, [the] a taximeter must be affixed with a
 722 security seal, and a software-based metering system must be marked
 723 in a manner acceptable to the Department. These tests should be
 724 scheduled in a manner that minimizes interruption of taxicab service
 725 to the public.

726 * * *

727 **53-236. Inspections.**

728 * * *

729 (d) Each taxicab licensed under this Chapter must undergo a complete
 730 inspection of its mechanical condition and any special equipment used
 731 to transport persons with disabilities every [6] 12 months at a time and
 732 place designated by the Department. The inspection must be
 733 performed by a licensed state inspector at a state-certified inspection
 734 station in good standing. The Director must immediately, without
 735 holding a hearing, suspend the license of any taxicab in an unsafe
 736 physical or mechanical condition. The Director must immediately
 737 reinstate any unexpired suspended license after receiving satisfactory
 738 proof that the violation or defect has been corrected.

739 * * *

740 **53-306. Application; temporary card.**

741 (a) A person who holds a valid identification card must apply [to] for a
 742 renewal card not less than 30 days before the current card expires.

743 * * *

- 744 (c) (1) An applicant who has not held an identification card, or who
745 held a card that has expired, may apply for a short-term
746 temporary identification card under applicable regulations.
- 747 (2) The Director must not issue a temporary identification card
748 unless the applicant has:
- 749 (A) properly verified his or her identity;
- 750 (B) a valid driver's license issued by Maryland or a bordering
751 state (including the District of Columbia);
- 752 (C) submitted his or her driving records, as compiled by the
753 appropriate state motor vehicle agency, for the previous 3
754 calendar years from any jurisdiction where the applicant
755 held a license to drive a motor vehicle; and
- 756 (D) undergone a criminal background check, conducted by
757 the appropriate state agency, showing that the applicant is
758 not disqualified because of a criminal conviction, receipt
759 of probation before judgment in lieu of a conviction, or
760 pending criminal charge from operating a taxicab[; and]
- 761 [(E) passed the examination required under Section 53-308].
- 762 (3) [After August 31, 2007, the] The Director must not issue a
763 temporary or annual identification card unless the applicant has
764 shown, through a complete criminal background check, that the
765 applicant is not disqualified for any reason mentioned in
766 Section 53-309(a).
- 767 (4) Any temporary identification card issued under this subsection
768 must differ conspicuously in style and color from the annual
769 identification card.
- 770 (5) A temporary identification card expires [on the earlier of:

- 771 (A) five days after the Department receives the results of the
 772 nationwide criminal background check; or
 773 (B) 90] 45 days after the card was issued.
- 774 (6) The holder of a temporary identification card must return it to
 775 the Department, without further proceedings, on the earlier of:
 776 (A) the day the Department issues the holder an annual
 777 identification card under this Chapter;
 778 (B) the [90th] 45th day after the card was issued; or
 779 (C) one business day after the Department notifies the holder
 780 that the card has expired under subsection (c)(5)[(A)].
- 781 (7) By accepting a temporary identification card, the holder by
 782 operation of law waives any cause of action against the County
 783 or any officer, employee, or agency of the County for
 784 improperly issuing a license to the holder. By employing or
 785 leasing a taxicab to any person who holds a temporary
 786 identification card, a taxicab licensee by operation of law
 787 waives any cause of action against the County or any officer,
 788 employee, or agency of the County for improperly issuing a
 789 license to that person.
- 790 (d) The Director may extend the expiration date of an identification card
 791 [(including a temporary identification card issued under subsection
 792 (c))] up to 60 days if:
 793 (1) the applicant has submitted all required documentation; and
 794 (2) processing of required state or federal criminal background
 795 checks has been delayed through no fault of the applicant.

796 **53-307. Physician's certificate.**

797 (a) Before the Director issues an identification card, [including] other
798 than a temporary card issued under Section 53-306(c), the applicant
799 must furnish a physician's certificate, issued within the previous 30
800 days, which certifies that:

801 * * *

802 **53-308. [Examination of applicant.**

803 Before issuing an identification card, other than a temporary card issued
804 under Section 53-306(c), the Director must require the applicant to show that the
805 applicant is able to:

- 806 (a) perform the duties and responsibilities of a taxicab driver; and
- 807 (b) pass an examination on knowledge of traffic laws, duties under this
808 Chapter, and general qualifications to operate a taxicab in the County.

809 **53-309.] Criteria to deny an identification card.**

810 The Director must not issue or renew an identification card to any driver or
811 applicant:

- 812 (a) who, within 5 years before the application is submitted, was convicted
813 of, pled guilty or no contest to, or was placed on probation without a
814 finding of guilt for, or who when the application is submitted, has a
815 charge pending for, or who has, within 3 years before the application
816 was submitted, completed a sentence or period of probation based on
817 a charge for:

818 * * *

- 819 (5) [violation of] any felony [law governing] involving controlled
820 dangerous substances;
- 821 (6) [violation of any gaming law;
- 822 (7)] any offense involving driving under the influence of alcohol; or
823 [(8)](7) any act of moral turpitude;

824

* * *

825 **Sec. 53-314. Passenger receipts; credit card transactions.**

826 (a) A driver must give each passenger a receipt showing the name of the
827 fleet or association, the taxicab number, the time and place of origin
828 and destination of each trip, and the amount of the fare, on a form
829 authorized by the Department, unless the passenger declines to receive
830 the receipt.

831 (b) Any system or service used to process credit card transactions must:

832 (1) be compliant with all applicable tax laws;

833 (2) accept payment through any County user-side subsidy program;

834 and

835 (3) be approved by the Director.

836

* * *

837 **53-315. Trip records.**

838 (a) Each driver, or the fleet or association on behalf of an affiliated
839 individual licensee, must keep [an original written] a record, for a
840 period of six months, of all in- service trips [on] in a form approved
841 by the Department. Each in-service trip must be entered on the trip
842 record at the point of pickup.

843 (b) The driver, or the fleet or association on behalf of an affiliated
844 individual licensee, must submit trip records to the Department
845 whenever the Director requires.

846 (c) Each trip record must include the date, the driver's starting and ending
847 time, and the taxicab's starting and ending mileage for the driver's
848 work day.

849 (d) Each rest break the driver takes must be entered on the trip record.

850

* * *

851 **53-503. Training.**

852 Any licensee who transports passengers who use wheelchairs or scooters
 853 must train each driver on the special needs of persons with disabilities. The
 854 training program must be approved by the Department after consulting the
 855 Commission on People with Disabilities, the Department of Health and Human
 856 Services, and the Taxicab Services [Advisory Committee] Commission. This
 857 training should be made available to any driver who is issued an identification card
 858 under this Chapter.

859 * * *

860 **53-506. Number of accessible taxicab licenses.**

- 861 (a) The overall number of accessible taxicab licenses must not be less
 862 than 5% of the total of available County taxicab licenses.
- 863 (b) The Department must set the number of new accessible taxicab
 864 licenses by regulation, based on past and current demand and after
 865 consulting the Taxicab Services [Advisory Committee] Commission,
 866 the Commission on People with Disabilities, and the Department of
 867 Health and Human Services.
- 868 (c) After considering the recommendations of the Taxicab Services
 869 [Advisory Committee] Commission, the Department may establish,
 870 by regulation, a method to allow temporary replacement of accessible
 871 vehicles with sedans.

872 * * *

873 **53-604. Suspension or revocation of license or identification card.**

- 874 (a) The Director may revoke or suspend any license or identification card,
 875 as appropriate, if, after notice and opportunity for a hearing, the
 876 Director finds that:

877 * * *

878 (3) a licensee or driver has been convicted of any crime of moral
879 turpitude, including a crime of violence, sex offense, or
880 [violation of] a felony involving a controlled dangerous
881 substance [or gaming law];

882 * * *

883 (5) a licensee or driver operated a taxicab, or allowed a taxicab to
884 be operated, in a manner that endangered the public health,
885 safety, or welfare[, or with a record of substandard customer
886 service as defined by applicable regulation].

887 * * *

888 **Sec. 2. Sections 53-215, 53-216, 53-217, 53-218, 53-223, 53-224, 53-225,**
889 **53-226, 53-310, 53-311, 53-312, 53-313, 53-314, 53-316, 53-317, 53-318, 53-319,**
890 **53-320, 53-321, 53-322, 53-323, 53-324, and 53-325 are renumbered as follows:**

891 **[53-215] 53-214. Expiration of license.**

892 * * *

893 **[53-216] 53-215. Renewal of license.**

894 * * *

895 **[53-217] 53-216. Notice of change of address.**

896 * * *

897 **[53-218] 53-217. Quarterly accident reports.**

898 * * *

899 **[53-223] 53-222. User-side subsidy programs — participation.**

900 * * *

901 **[53-224] 53-223. Mechanical inspection certificate.**

902 * * *

903 **[53-225] 53-224. Insurance required.**

904 * * *

- 905 [53-226] 53-225. State registration required.
 906 * * *
- 907 [53-310] 53-309. Expiration of identification card.
 908 * * *
- 909 [53-311] 53-310. Taxicabs from other jurisdictions.
 910 * * *
- 911 [53-312] 53-311. Notice of change of address.
 912 * * *
- 913 [53-313] 53-312. Duty to accept and convey passengers.
 914 * * *
- 915 [53-314] 53-313. Passenger receipts.
 916 * * *
- 917 [53-316] 53-314. Out of service notice.
 918 * * *
- 919 [53-317] 53-315. Parking at taxicab stands.
 920 * * *
- 921 [53-318] 53-316. Parking to solicit business.
 922 * * *
- 923 [53-319] 53-317. Trips to be made by most direct route.
 924 * * *
- 925 [53-320] 53-318. Accident reports.
 926 * * *
- 927 [53-321] 53-319. Use by other persons prohibited.
 928 * * *
- 929 [53-322] 53-320. Hours of operation.
 930 * * *
- 931 [53-323] 53-321. Driver and passengers only permitted in vehicle; exception.

932 * * *

933 [53-324] 53-322. Maximum number of passengers.

934 * * *

935 [53-325] 53-323. Group riding.

936 *Approved:*

937

George Leventhal, President, County Council Date

938 *Approved:*

939

Isiah Leggett, County Executive Date

940 *This is a correct copy of Council action.*

941

Linda M. Lauer, Clerk of the Council Date

Remaining Amendments to Substitute Bill

Offered by

Councilmember Berliner

1 **53-204. Transferability; security interest.**

2 (a) Any license must not be transferred except as provided in this Chapter.

3 (b) A license may be transferred only if:

4 (1) the licensee notifies the Department in writing of the proposed
5 transfer not less than 30 days before the date of the proposed
6 transfer, specifying all terms and conditions of the proposed
7 transfer and the identity of the proposed transferee;

8 (2) the Director finds that the proposed transferee meets all
9 requirements of this Chapter and applicable regulations; and

10 (3) the licensee surrenders the license when the Director approves
11 the transfer.

12 (c) [Except in the case of a transfer under subsection (f), a license issued
13 to any licensee may be transferred only if the license was not issued or
14 transferred within the previous three years.

15 (d) The Director must not approve the transfer to an individual of a license
16 issued to a fleet if:

17 (1) the same fleet has already transferred more than two licenses to
18 individuals during that calendar year; or

19 (2) the transfer would result in individuals holding more than 30%
20 of the total number of licenses then in effect.

21 Until December 31, 2009, the Director, after receiving a written request
22 from a licensee, may waive either limit in this subsection on transferring a license
23 issued to a fleet when the Director concludes that a waiver is necessary to avert a

24 potential significant loss of service or to preserve or promote adequate taxicab
25 service in all areas of the County, and the waiver will not reduce or impair
26 competition, public welfare, and public safety. If the Director waives either limit
27 for a fleet, the Director must at the same time waive the same limit for each other
28 fleet so that each fleet's share of the waivers approved for all fleets is at least the
29 same as that fleet's share of all fleet licenses when the application for a waiver was
30 filed. The Director may attach reasonable conditions to any waiver, including
31 requirements for purchase of commercial liability insurance and maintenance of
32 minimum numbers of accessible vehicles and limits on the number of new licenses
33 a company can apply for or receive in a 2-year period after it transfers existing
34 licenses.

35 (e)] The Director must not approve a transfer of any license if the transferee
36 already holds, or would then hold, more than 40% of the total number
37 of licenses then in effect. This subsection does not prohibit the sale or
38 transfer of a license to a licensee that held more than 40% of the licenses
39 in effect on October 1, 2004, or the sale or transfer of all or a majority
40 of the licenses held by that licensee.

41 [(f)](d)A security interest may be created in a passenger vehicle license in
42 accordance with the Maryland Uniform Commercial Code, subject to
43 the Director's approval. The Executive may by regulation attach
44 further conditions to the creation of a security interest, consistent with
45 this subsection, as necessary to avoid significant disruptions in taxi
46 service. The Director may approve the creation of a security interest
47 only if:

48 * * *

49 [(g)](e)A transferred license is valid for the remainder of the term of the
50 original license.

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53-205. Periodic issuance of new licenses.

- (a) *Notice.* The Director may periodically issue new licenses to qualified applicants [or reissue any license that has been revoked or not renewed under this Chapter,] as provided in this Section. The Director must advertise the availability of these licenses in at least one newspaper of general circulation in the County for [2] two consecutive weeks before accepting applications. The Director should also notify, by electronic mail or other reasonable means, any licensee or driver who requests to be notified of the availability of new [or reissued] licenses.
- (b) *Criteria.* The Director may issue new [or reissued] licenses to qualified applicants, including existing licensees and persons who do not then hold licenses, who meet criteria defined by regulation which promote competition and further the purposes of this Chapter. The criteria must:
 - (1) be based on public convenience and necessity, such as the need for more taxicab services in the County generally or in certain geographic areas of the County, or for certain types of passengers, as shown by such measurements as taxi utilization rates and response times; and
 - (2) consider the performance record of each applicant in providing taxicab service in the County or elsewhere.
- (c) *Individual allocation.* Of the new [or reissued] licenses issued in any 2-year period, [20%] at least 50% must be allocated to individuals who:
 - (1) have held a Taxicab Driver Identification Card, and have regularly driven a taxicab in the County, during the preceding three years;
 - (2) have a superior driving record, as defined by regulation; and

78 (3) do not already hold a license under this Chapter.

79 In deciding among individuals who qualify under this subsection, the Director must
80 rank them by the number of years that each individual has regularly driven a taxicab
81 in the County. If a sufficient number of qualified individuals do not apply for a
82 license under this subsection, the Director may allocate the remaining licenses to
83 individuals who already hold a license under this Chapter.

84 (d) *Biennial limit.* During calendar year [2006] 2016 the Director must not
85 issue more than 70 new licenses. In each later even-numbered year, the
86 Director may issue a total number of new licenses that does not exceed
87 10% of the number of licenses then in effect.

88 (e) *Additional licenses - extraordinary authority; population limit.* The
89 Director may issue more licenses than are authorized under subsection
90 (d) if the Director finds, after holding a public hearing, that additional
91 taxicabs are necessary to improve service to specified geographic areas
92 or types of taxicab users or generally to increase competition.
93 However, the total number of licenses issued must not exceed [1] one
94 license for each 1,000 County residents, as computed in the most recent
95 decennial U.S. Census or any census update published by the
96 appropriate federal agency.

97 (f) *Individual limit.* Notwithstanding any other provision of this Section,
98 the Director must not issue [more than 10] a new [or reissued licenses]
99 license [in any 2-year period] to any licensee that holds or controls more
100 than 40% of the licenses then in effect.

101 **53-206. Reissuance of revoked or non-renewed licenses.**

102 (a) The Director must reissue licenses that are revoked or not renewed as
103 provided in this Section.

104 (b) Eligibility list. The Director must compile and maintain a list of
105 individuals that have submitted applications and who:

106 (1) have held a Taxicab Driver Identification Card, and have
107 regularly driven a taxicab in the County, during the preceding
108 three years;

109 (2) have a superior driving record, as defined by regulation; and

110 (3) do not already hold a license under this Chapter.

111 (c) Ranking. The Director must rank individuals on the applicant list by
112 the number of years that each individual has regularly driven a taxicab
113 in the County.

114 (d) Reissuance. As licenses become available for reissuance, the
115 Department must notify the applicant highest on the eligibility list that
116 a license is available and of the applicable acceptance procedures and
117 deadlines. The Department must send notice by mail to the address
118 listed by the applicant on the application or to any updated address
119 provided by the applicant in writing to the Department. If the taxicab is
120 not placed in service within 90 days after the license is issued, the
121 Director must revoke the applicant's eligibility and notify the next
122 applicant on the eligibility list. The Director may extend the time to
123 place a taxicab in service to permit the taxicab to be retrofitted for use
124 as an accessible taxicab.

125 * * *
126 [53-206] 53-207. License issuance; initial fee.

127 * * *

128 [53-207] 53-208. License application.

129 * * *

130 [53-208] 53-209. Individual licenses.

131 * * *

132 [53-210] 53-211. Individual new license lottery.

133 (a) If the number of applications filed by qualified individual applicants as
134 defined under Sections 205 and 209 equals or is less than the number
135 of new licenses authorized for individual use in a 2-year period, the
136 Director must issue a license to each qualified applicant. If the number
137 of applicants from qualified individuals exceeds the number of new
138 individual licenses authorized for that period, the Director must conduct
139 a lottery among each group of qualified individuals with an equal
140 number of years' experience regularly driving a taxicab in the County
141 to determine the priority of issuance.

142 (b) Licenses issued by lottery must be awarded under the procedures of this
143 Section and Section 205.

144 (c) The Director may conduct a separate lottery for:
145 (1) new licenses for accessible taxicabs; and
146 (2) other new licenses that become available[; and
147 (3) any other authorized license that become available].

148 (d) A lottery must be conducted so that each qualified applicant has an
149 equal probability of receiving a license, subject to the seniority ranking
150 required by Section 205(c).

151 (e) A lottery may be conducted in 2 separate phases. Phase 1 would
152 determine the recipients of available individual licenses and continue
153 until all available licenses have been awarded. Phase 2 would create an
154 eligibility list for issuance of individual licenses that later become
155 available. The drawing in Phase 2 must continue until twice the number
156 of available licenses have been drawn, or a smaller number if sufficient

157 applicants did not apply for an individual license. The eligibility list
158 created under Phase 2 is valid for the remainder of the 2 year period, or
159 until the next lottery is conducted if longer than 2 years.

160 [(f) As licenses become available for reissuance, the Department must
161 notify the applicant highest on the eligibility list that a license is
162 available and of the applicable acceptance procedures and deadlines.
163 The Department must send notice by mail to the address listed by the
164 applicant on the application or to any updated address provided by the
165 applicant in writing to the Department. If the taxicab is not placed in
166 service within 90 days after the license is issued, the Director must
167 revoke the applicant's eligibility and notify the next applicant on the
168 eligibility list. The Director may extend the time to place a taxicab in
169 service to permit the taxicab to be retrofitted for use as an accessible
170 taxicab.]

171 * * *

172 Sec. 2. Not later than June 1, 2016, the Director must issue 50 new licenses
173 to individuals who do not already hold a license under this Chapter following the
174 procedures in Sections 53-205 and 53-210.

175 Sec. 3. Notwithstanding the provisions of Section 53-206, the Director must
176 not reissue the first 50 licenses that are revoked or not renewed after the effective
177 date of this Act.

Department of Transportation
Suggested Amendments to Substitute Bill

1 **53-101. Definitions.**

2 * * *

3 *Association* means [5 or more] individual licensees who join together to form
4 a business entity to provide taxicab service utilizing a single trade name consisting
5 of a minimum of six licenses.

6 * * *

7 *Entity* means a legally formed business organization in good standing,
8 including any form of sole proprietorship, limited liability company, corporation or
9 partnership.

10 *Fleet* means any entity that holds in its own name [5] six or more licenses.

11 * * *

12 *Individual Licensee* means a person or entity who has an ownership interest
13 in no more than five licenses and who is required to either affiliate with a Fleet or
14 an Association in order to provide Taxicab Service.

15 * * *

16 *Taxicab Service* means carrying one or more passengers for compensation
17 between points chosen by the passenger:

- 18 (1) regardless of how or when engaged, for a fare that is based on the
19 distance traveled, time elapsed, or both, except as expressly authorized
20 in this Chapter; or
21 (2) after being engaged by hail from a street, or from a parking lot, taxi
22 stand, or other location where the vehicle is waiting for a request for
23 service.

24 A person who provides for-hire transportation service without a valid license
25 or permit from an appropriate governmental authority is a provider of illegal taxicab
26 service irrespective of the type of vehicle used.

27 * * *

28 **53-218. Quarterly [accident] reports.**

29 (a) Each licensee, or fleet or association on behalf of an affiliated
30 individual licensee, must submit a quarterly report that:

31 (1) [detailing] details all accidents involving any of its taxicabs to
32 the Department on a form approved by the Director; and

33 (2) shows the mileage driven by the vehicle associated with each
34 license.

35 (b) The Director may require a more frequent report.

36 * * *

37 **53-223. User-side subsidy programs - participation.**

38 Any fleet or association must participate in the County's user-side subsidy
39 programs, as required by applicable regulations[, unless the Director waives this
40 requirement for good cause].

41 * * *

42 **53-311. Taxicabs from other jurisdictions.**

43 (a) This Chapter does not prohibit a driver from bringing passengers into
44 the County if the trip originated in a jurisdiction where the driver and
45 the taxicab are authorized to operate.

46 (b) Except to the extent expressly permitted by federal or state law, a
47 person who does not have a license and identification card issued by
48 the County, but holds a license issued by another jurisdiction, must not
49 solicit business or pick up and transport passengers in the County
50 unless:

51 (1) a passenger engaged the taxicab to bring the passenger into the
52 County, wait for the passenger, and then take the passenger to
53 another location; or

54 (2) the jurisdiction from which the individual holds a license has
55 entered into a reciprocal agreement with the Director under
56 subsection (c) of this Section.

57 * * *

58 **53-505. Accessible taxicab trip records.**

59 Each driver, or the fleet or association on behalf of an affiliated individual
60 licensee, must keep a current [written] record of all accessible taxicab trips on a form
61 approved by the Department. The driver must submit these trip records to the
62 licensee. The licensee must submit quarterly trip records to Department listing the
63 number of wheelchair and scooter users transported in each vehicle.

64 * * *

65 **53-604. Suspension or revocation of license or identification card.**

66 * * *

67 (f) If the Director finds an immediate threat to the public safety or health,
68 the Director, before holding a hearing, may immediately suspend,
69 revoke, or deny the issuance or renewal of, a license or identification
70 card. Without limiting the Director's discretion in finding an
71 immediate threat to the public health and safety, any pending charge or
72 conviction that would preclude the issuance or renewal of a license or
73 identification card constitutes an immediate threat to the public safety
74 and health.

75 * * *

76 **53-702. Hearing on suspension or revocation.**

77 * * *

- 78 (c) The written notice must:
- 79 (1) notify the recipient that the Director has suspended or revoked
- 80 the license or the identification card or found that the license or
- 81 identification card may be subject to suspension or revocation;
- 82 (2) specify the grounds for the Director's finding of an immediate
- 83 suspension or revocation or proposed suspension or revocation;
- 84 and
- 85 (3) set a date for a hearing to determine if the Director's action or
- 86 suggested action is appropriate.

87 * * *

88 (g) A licensee or driver who does not appear at the hearing waives the right

89 to a hearing and consents to the action that the Director proposed in the

90 notice or has already taken. The Director may then suspend or revoke

91 the license or identification card as proposed in the notice.

92 (h) A licensee or driver may surrender his license or identification card in

93 lieu of a hearing. A licensee or driver who surrenders his license or

94 identification card waives his right to a hearing and consents to the

95 action or proposed action of the Director to suspend or revoke.

96 [(h)](i) A licensee or driver who does not appear at the hearing must pay

97 the costs of the hearing unless that person notifies the Director that he

98 or she will not appear at least 5 days before the scheduled hearing. Fees

99 and costs for hearings may be established by regulation.

100 [(i)](j) A suspension or revocation takes effect on the earlier of the day

101 that the Director's or hearing officer's written decision is delivered in

102 person or 3 days after it is placed in the U.S. mail, first class, postage

103 prepaid, addressed to the last known address of the licensee or driver.

104 To facilitate enforcement of this provision, the Director may require the

105 licensee or driver to appear at the Director's office at a specific time to
106 receive a copy of the decision and surrender the license or identification
107 card. The licensee or driver must comply with the Director's order.

Revised Proposal for Centralized Electronic Dispatch System
Offered by Councilmember Riemer

1 **53-111. Centralized electronic dispatch system.**

2 (a) The Executive, by method (2) regulation, may approve one or more
3 centralized electronic dispatch systems to dispatch taxicabs for trips
4 that begin in the County through an Internet-enabled application, digital
5 platform, or telephone dispatch system.

6 (b) Within six months after the approval of the first system, every taxicab
7 driver licensed under this Chapter must use a centralized electronic
8 dispatch system approved under this Section.

9 (c) A centralized electronic dispatch system approved under this Section
10 must:

11 (1) offer an Application Programming Interface that allows other
12 approved systems to dispatch all drivers using that system;

13 (2) dispatch the taxicab closest to the person requesting service,
14 regardless of which system that taxicab is using;

15 (3) adequately protect the privacy of passengers and the security of
16 passengers and drivers;

17 (4) allow only licensed taxicab drivers to use the system;

18 (5) upon written authorization from a driver, deduct an amount
19 designated by the driver from the driver's fare reimbursement
20 and forward that amount to a third party trade or advocacy
21 organization designated by the driver;

22 (6) maintain, and make available to the Director upon request,
23 verifiable records, in a form prescribed by the Director,

24 summarizing responses to requests for service made under the
25 system.

26 (7) provide users with an option to see and request an accessible
27 taxicab; and

28 (8) be accessible to the blind and visually impaired and the deaf and
29 hard of hearing.

30 (d) A centralized electronic dispatch system approved under this Section
31 may charge processing fees as allowed by regulation.

32 (e) Nothing in this Section prohibits a licensee from using or being
33 dispatched by any other two-way dispatch system.

34