

MEMORANDUM

January 15, 2016

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Public Hearing:** Expedited Bill 53-15, Taxicabs – Credit Card Transactions

Expedited Bill 53-15, Taxicabs – Credit Card Transactions, sponsored by Lead Sponsors Councilmembers Elrich, Riemer and Navarro, was introduced on December 8, 2015. A Transportation, Infrastructure, Energy and Environment Committee worksession is tentatively scheduled for February 4, 2016 at 9:30 a.m.

Bill 53-15 would:

- (1) limit the amount a licensee may charge a driver or affiliate for processing a credit card transaction;
- (2) amend the requirements for credit card processing systems in taxicabs; and
- (3) generally amend County law concerning taxicabs.

Expedited Bill 53-15 would refine existing provisions of the law related to processing credit card payments for taxicab service. These provisions were added to the law by Expedited Bill 53-14, which was enacted earlier this year and substantially revised Chapter 53. Specifically, the Bill will prohibit licensees from charging drivers and affiliates more than the actual cost to the licensee for processing a credit card transaction, and will make it easier for drivers to use their own credit card processing systems.

This packet contains:

Expedited Bill 53-15
Legislative Request Report

Circle #

1
3

Expedited Bill No. 53-15
Concerning: Taxicabs – Credit Card
Transactions
Revised: 12/03/2015 Draft No. 1
Introduced: December 8, 2015
Expires: June 8, 2017
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Elrich and Riemer

AN EXPEDITED ACT to:

- (1) limit the amount a licensee may charge a driver or affiliate for processing a credit card transaction;
- (2) amend the requirements for credit card processing systems in taxicabs; and
- (3) generally amend County law concerning taxicabs.

By amending

Montgomery County Code
Chapter 53, Taxicabs
Sections 53-218 and 53-313

| | |
|------------------------------|--|
| 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:

1 **Sec 1. Sections 53-218 and 53-313 are amended as follows:**

2 **53-218. Responsibility of licensees, affiliates, and drivers.**

3 * * *

4 (f) A licensee must not impose on a driver or affiliate:

- 5 (1) a charge of more than [1% over bank, merchant services and
- 6 equipment provider] the fees paid by the licensee [on] for
- 7 processing any credit card transaction; or
- 8 (2) any other charge of a type or amount other than those on the list
- 9 adopted by regulation under Section 53-111.

10 * * *

11 **53-313. Passenger receipts; credit card transactions.**

12 * * *

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

- 14 (1) be compliant with all applicable tax laws; and
- 15 (2) [accept payment through any County user-side subsidy program;
- 16 and
- 17 (3)] be approved by the Director.

18 * * *

19 **Sec. 2. Expedited Effective Date.** The Council declares that this legislation
20 is necessary for the immediate protection of the public interest. This Act takes effect
21 on the date when it becomes law.

22 *Approved:*

23 _____
Nancy Floreen, President, County Council

_____ Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 53-15 *Taxicabs – Credit Card Transactions*

| | |
|---|---|
| DESCRIPTION: | Expedited Bill 53-15 would refine existing provisions of the law related to processing credit card payments for taxicab service. These provisions were added to the law by Expedited Bill 53-14, which was enacted earlier this year and substantially revised Chapter 53. Specifically, the Bill will prohibit licensees from charging drivers and affiliates more than the actual cost to the licensee for processing a credit card transaction, and will make it easier for drivers to use their own credit card processing systems. |
| PROBLEM: | Some PVL licensees continue to charge drivers and affiliates substantial fees for processing credit card transactions. |
| GOALS AND OBJECTIVES: | Ensure that taxicab drivers and affiliates are able to reliably process credit card transactions at the lowest cost. |
| COORDINATION: | MCDOT |
| FISCAL IMPACT: | To be requested. |
| ECONOMIC IMPACT: | To be requested. |
| EVALUATION: | To be requested. |
| EXPERIENCE ELSEWHERE: | To be researched. |
| SOURCE OF INFORMATION: | Josh Hamlin, Legislative Attorney |
| APPLICATION WITHIN MUNICIPALITIES: | To be researched. |
| PENALTIES: | N/A |