

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED TAXICABS – AGE OF VEHICLES BILL 47-21:

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 47-21 will have a favorable impact on racial equity and social justice in the County as it is likely to disproportionately benefit Black, Indigenous, and Other People of Color (BIPOC) taxicab businesses, drivers, and riders. OLO anticipates a small impact of this bill on RESJ in the County.

PURPOSE OF RESJ IMPACT STATEMENT

The purpose of racial equity and social justice (RESJ) impact statements is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF EXPEDITED BILL 47-21

The purpose of Expedited Bill 47-21 is to extend the permissible age that a taxicab may be in service in the County from eight model years to 10 model years.³ The bill was introduced after members of the Taxicab Services Commission (TSC) raised concerns that, without a change in legislation, a substantial number of taxicabs would be placed out of service on January 1, 2022.⁴ Affected taxicabs would still be required to undergo annual safety inspections. Bill 47-21 was introduced on December 7, 2021 and was signed into law on December 27, 2021.

TAXICAB SERVICE SECTOR, TRANSPORTATION ACCESS, AND RACIAL EQUITY

Through extending the permissible age that a taxicab may remain in service, Bill 47-21 has potential RESJ implications for small business owners and independent contractors in the taxi service sector, as well as for transportation access in the County.

Taxi Service Sector. Because of entrenched racial economic inequities,⁵ including access to capital,⁶ minority-owned businesses tend to be smaller and concentrated in service sectors – such as food service and transportation – increasing their vulnerability to economic shocks.⁷ Reduced travel during the pandemic compounded the disruption the taxi service sector was already experiencing in recent years with the increased use of ridesharing apps. An April 2020 article from the Washington Post profiled Becaye Traore, co-founder of local taxi cooperative Anytime Taxi, and the challenges experienced by the taxi industry early in the pandemic.⁸

Three taxicab companies licensed by the County are minority-owned businesses.⁹ National data summarized in Table 1 suggests that business ownership in the taxi service sector is more representative of the population than business ownership as a whole. Whereas 2.3 percent of all employer firms were Black-owned, 9.5 percent of employer firms in the taxi service sector were Black-owned – a closer representation of the population of Black residents (11.7 percent). Similarly, 5.9 percent of all employer firms were Latinx-owned, compared to 10.5 percent of taxi service sector firms, which is more closely representative of the population of Latinx residents (16.8 percent).

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Table 1: Population Over 18 and Percent of Employer Firms in All Sectors and Taxi Service Sector by Race and Ethnicity, United States

Race and Ethnicity	Percent of Population Over 18	Percent of Employer Firms, All Sectors (NAICS 00)	Percent of Employer Firms, Taxi Service Sector (NAICS 48531)
American Indian and Alaska Native	0.6	0.4	0.0
Asian	6.1	10.1	9.4
Black or African American	11.7	2.3	9.5
White	60.8	87.1	80.5
Hispanic or Latino	16.8	5.9	10.5

Source: 2020 Decennial Census (Table P4), 2017 American Business Survey (Table AB1700CSA01), Census Bureau

Taxi drivers are typically classified as independent contractors,¹⁰ making them more prone to unstable pay, and giving them less access to employment protections and benefits such as health insurance.¹¹ In the County, workers in transportation occupations, which include taxi drivers, have lower median earnings (\$30,887) than overall median earnings in the County (\$56,049).¹²

Local data summarized in Table 2 demonstrates that Black residents are overrepresented among people employed as taxi drivers in the County. While 17.7 percent of County residents are Black, 74.7 percent of taxi drivers are Black. Conversely, White, Asian, and Latinx residents are underrepresented among taxi drivers. The overrepresentation of Black residents as taxi drivers is consistent with the occupational segregation of BIPOC in lower paying positions.¹³

Table 2: Comparison of Population Over 18 and Taxi Drivers by Race and Ethnicity, Montgomery County, Maryland

Race and Ethnicity	Percent of Population Over 18	Percent of Taxi Drivers
American Indian and Alaska Native	0.1	0.0
Asian	15.9	9.3
Black or African American	17.7	74.7
White	43.4	8.6
Hispanic or Latino	18.6	6.6

Source: 2020 Decennial Census (Table P4), OLO Analysis of 2020 American Community Survey Public Use Microdata Sample (PUMS), Census Bureau

As detailed in the Racial Equity Impact Assessment for Supplemental Appropriation #22-82, available information also suggests that most taxi drivers in the County are foreign-born.¹⁴ Immigrant residents often experience worse outcomes than US-born residents in various indicators of economic well-being, including lower median wages, higher rates of housing cost burden, and lower rates of homeownership.¹⁵

Transportation Access. Taxicabs offer an important transportation alternative for people without a vehicle. In the County, 14 percent of Black households and 7 of Latinx households do not have a vehicle, compared to 6 percent of White households.¹⁶ Taxicabs also offer an accessible mode of transportation for older adults and people with disabilities, a customer base that may be growing for the taxi service sector.¹⁷ The County issues special licenses to wheelchair accessible taxicabs that meet Americans with Disabilities Act requirements.¹⁸ The County also partners with local taxicab companies to provide accessible transportation services to Medicaid recipients through the Medical Assistance Transportation Program.¹⁹

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ANTICIPATED RESJ IMPACTS

The County Executive estimated that the enactment of Expedited Bill 47-21 would extend the in-service time of 35 percent of the current taxicab fleet.²⁰ Several taxicab companies licensed by the County are minority-owned, and taxi drivers in the County disproportionately are Black foreign-born residents. Further, taxicabs provide an accessible transportation alternative for residents without vehicles (who are more likely to be Black and Latinx), elderly residents, and residents with disabilities.

In the absence of this legislation, a significant reduction of the taxicab fleet is likely to negatively affect RESJ through reducing the revenues of minority-owned taxicab companies, reducing the earnings of Black residents employed as taxi drivers, and reducing the availability of an accessible transportation option. OLO thus anticipates a favorable RESJ impact from the Bill, as it will mitigate these potential negative effects. Since the Bill essentially maintains the status quo of taxi operations temporarily, OLO estimates that the favorable RESJ impact of the Bill will be small.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.²¹ OLO finds that the Bill is likely to have a favorable impact on RESJ, and as such, does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement with assistance from Elaine Bonner-Tompkins, OLO Senior Legislative Analyst.

¹ Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools, <https://www.racialequitytools.org/glossary>

² Ibid

³ Expedited Bill 47-21, Taxicabs – Age of Vehicles, Montgomery County Council, Montgomery County, Maryland, Introduced December 7, 2021, https://apps.montgomerycountymd.gov/cclims/DownloadFilePage?FileName=2738_1_17870_Bill_47-2021_Introduction_20211207.pdf

⁴ Ibid

⁵ “Turning the Floodlights on the Root Causes of Today’s Racialized Economic Disparities: Community Development Work at the Boston Fed Post-2020,” Federal Reserve Bank of Boston, December 2020

⁶ Robert W. Fairlie, Alicia Robb and David T. Robinson, “Black and White: Access to Capital among Minority-Owned Startups,” National Bureau of Economic Research, November 2020, https://www.nber.org/system/files/working_papers/w28154/w28154.pdf

⁷ Maude Toussaint-Comeau and Victoria Williams, “Secular Trends in Minority-Owned Businesses and Small Business Finance,” Federal Reserve Bank of Chicago, May 2020, <https://www.chicagofed.org/publications/profitwise-news-and-views/2020/secular-trends-minority-owned-businesses-small-business-finance>

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⁸ Luz Lazo, “Another Casualty of the Coronavirus Pandemic: The Taxi Industry,” The Washington Post, April 25, 2020, https://www.washingtonpost.com/local/trafficandcommuting/another-casualty-of-the-coronavirus-pandemic-the-taxi-industry/2020/04/25/f96a085a-8009-11ea-8013-1b6da0e4a2b7_story.html

⁹ Memorandum from County Executive to Council President, “Expedited Bill to Extend the Age of Vehicle In-Service Eligibility for Taxicabs,” Expedited Bill 47-21, Taxicabs – Age of Vehicles, Montgomery County Council, Montgomery County, Maryland, December 1, 2021

¹⁰ “Independent Contractor Defined,” Internal Revenue Service, Accessed May 6, 2022, <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-defined>

¹¹ Corey Husak, “How U.S. Companies Harm Workers By Making them Independent Contractors,” Washington Center for Equitable Growth, July 31, 2019, <https://equitablegrowth.org/how-u-s-companies-harm-workers-by-making-them-independent-contractors/>

¹² Table B24011: Occupation by Median Earnings in the Past 12 Months, 2020 American Community Survey, Census Bureau

¹³ Kate Bahn and Carmen Sanchez Cumming, “Factsheet: U.S. Occupational Segregation By Race, Ethnicity, and Gender,” Washington Center for Equitable Growth, July 1, 2020, <https://equitablegrowth.org/factsheet-u-s-occupational-segregation-by-race-ethnicity-and-gender/>

¹⁴ Memorandum from Director of Office of Racial Equity and Social Justice to Council President, “Racial Equity Impact Assessment (REIA) for Supplemental Appropriation #22-82 Transportation Services Improvement Fund Fuel Reimbursement Disbursement,” Office of Racial Equity and Social Justice, Montgomery County, Maryland, April 22, 2022, <https://www.montgomerycountymd.gov/ore/Resources/Files/22-82.pdf>

¹⁵ Ibid

¹⁶ “Percent of Households Without a Vehicle by Race/Ethnicity,” Car Access, National Equity Atlas, Policy Link, Accessed 5/12/2022, https://nationalequityatlas.org/indicators/Car_access#/?geo=0400000000024031

¹⁷ Luz Lazo, “Another Casualty of the Coronavirus Pandemic: The Taxi Industry”

¹⁸ “Taxicab Companies,” Transportation Network for People with Disabilities and Adults 50+, Department of Health and Human Services, Montgomery County, Maryland, Accessed May 6, 2022, <https://www.montgomerycountymd.gov/HHS-Program/ADS/Transportation/Taxicabs.html>

¹⁹ “Medical Assistance Transportation Program” Transportation Network for People with Disabilities and Adults 50+, Department of Health and Human Services, Montgomery County, Maryland, Accessed May 6, 2022, <https://www.montgomerycountymd.gov/HHS-Program/ADS/Transportation/MedAssist.html>

²⁰ Memorandum from County Executive to Council President, “Expedited Bill to Extend the Age of Vehicle In-Service Eligibility for Taxicabs”

²¹ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council