

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 19-24: TAXICAB LICENSES – AMENDED REQUIREMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 19-24 will have a positive impact on racial equity and social justice (RESJ) in the County. Bill 19-24 would maintain the status quo of taxicab operations in the County. However, the absence of this legislation could risk job stability for taxicab drivers (who are disproportionately Black), increase costs for taxicab companies owned by Black, Indigenous, and other people of color (BIPOC), and reduce the availability of an accessible transportation option in the County.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) 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 inequities that have caused racial and social disparities.²

PURPOSE OF BILL 19-24

In 2021, the County Council passed Expedited Bill 47-21, which increased the permissible age of taxicabs in the County from eight to ten years. Bill 47-21 included a sunset clause that set the Bill to expire on December 31, 2024. If no action is taken on the clause, the permissible age of taxicabs in the County will return to eight years on this date.³

The purpose of Bill 19-24 is to repeal the sunset clause under Expedited Bill 47-21 and make other changes to taxicab laws in the County. If enacted, Bill 19-24 would:⁴

- Permanently increase the permissible age of taxicabs from eight to ten years;
- Allow hybrid, electric, and wheelchair accessible (WAV) taxicabs to be in use for twelve years; and
- Require taxicab drivers who are in an accident to submit accident reports to the Department of Transportation in addition to the holder of the taxicab license.

According to the County Executive, permanently changing the permissible age of taxicabs to ten years will allow “Montgomery County’s taxicab industry to remain competitive with neighboring jurisdictions,”⁵ which allow taxicabs to be operated for at least ten years. Further, creating a new category for alternative-fuel and WAV taxicabs and allowing these vehicles to operate for two additional years “may incentivize PVL [Passenger Vehicle License] holders to transition to and invest more heavily in those vehicles.”⁶

The Council introduced Bill 19-24, Taxicab Licenses – Amended Requirements, at the request of the County Executive on September 17, 2024.

This RESJIS builds on the RESJIS for Bill 47-21, Taxicabs – Age of Vehicles, which OLO published in May 2022.⁷ Please refer to this RESJIS for background on the taxicab service sector, transportation access, and racial equity.

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ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 19-24 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

To answer these questions, OLO considered the various stakeholders that would be directly impacted by Bill 19-24 in the near term:

- **Taxicab drivers** who work as independent contractors (i.e., affiliate drivers) and who own taxicabs that are eight years old would benefit from being able to use their vehicles for two additional years, or for four additional years if the vehicles are alternative-fuel or wheelchair accessible. In the near-term, this could save affiliate drivers the cost of purchasing a replacement vehicle. According to the County Executive, most taxicabs in the County are owned by individuals.⁸

Allowing affiliate drivers to retain their vehicles could help provide them with some job security in the short-term. Affiliate drivers are prone to unstable pay and often lack basic employment protections and benefits due to their status as independent contractors.⁹ Further, transportation occupations such as taxi driving have among the lowest earnings in the County.¹⁰ This could pose a significant financial barrier for affiliate drivers to be able to purchase replacement vehicles.

Census data summarized in Table 1 suggests that Black community members are overrepresented among people employed as taxi drivers in the County. While Black community members account for 18 percent of the County population, they account for 70 percent of community members employed as taxi drivers. Conversely, White, Latinx, and to a lesser extent, Asian community members are underrepresented among taxi drivers while Native American and Pacific Islander community members are proportionately represented. The overrepresentation of Black community members as taxi drivers is consistent with the occupational segregation of BIPOC in lower paying positions.¹¹

Table 1: Taxi Drivers by Race and Ethnicity, Montgomery County, Maryland¹²

Race and Ethnicity	Percent of Taxi Drivers	Percent of Population Over 18
Asian	13.3	16.1
Black	69.5	18.2
Native American	0.0	0.4
Pacific Islander	0.0	0.1
White	8.8	48.9
Latinx	8.0	18.1

Source: OLO Analysis of 2021 American Community Survey 5-Year Estimates Public Use Microdata Sample (PUMS) and [Table S2101](#), 2022 American Community Survey 5-Year Estimates, Census Bureau.

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- **Taxicab companies** would benefit from being able to retain their inventory of eight-year-old taxicabs for two additional years, or for four additional years if the vehicles are alternative-fuel or wheelchair accessible. In the short-term, this would help companies save on the costs of having to purchase replacement vehicles. Retaining this inventory of taxicabs could also provide some job security to drivers that are directly employed by the taxicab companies, since it is not guaranteed that replacement vehicles will be purchased.

According to the County Executive, the three taxicab companies based in Montgomery County are BIPOC-owned.¹³ Further, based on the previously described data, Black community members are likely overrepresented among drivers that are directly employed by taxicab companies.

- **Community members who use taxis** would benefit from minimized interruption to the current level of taxicab service. According to data from the County Executive,¹⁴ nearly 40 percent of the current taxicab fleet would be impacted by Bill 19-24. As described in the RESJIS for Bill 47-21, taxicabs can serve as an accessible transportation alternative for households without vehicles (who are more likely to be Black¹⁵), older adult community members, and community members with disabilities. Allowing wheelchair accessible taxicabs to remain in operation for more years could also serve to increase the inventory of accessible taxicabs in the County. However, as noted in the Racial Equity Impact Assessment for Supplemental Appropriation #22-92, “the mere presence or quantity of transportation options does not translate into equitable access or experience for all residents.”¹⁶

OLO anticipates Bill 19-24 will have a positive impact on RESJ in the County. The absence of this legislation could cause a significant reduction in the taxicab fleet. This would negatively impact RESJ through risking the job stability of taxi drivers (who are disproportionately Black), increasing costs for BIPOC-owned taxicab companies, and reducing the availability of an accessible transportation option in the County. Though the Bill essentially maintains the status quo of taxi operations, OLO anticipates a favorable RESJ impact since it will mitigate these negative effects.

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.¹⁷ OLO anticipates Bill 19-24 will have a positive impact on RESJ in the County. As such, OLO 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.

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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 [Introduction Staff Report for Bill 19-24](#), Montgomery County Council, Introduced September 17, 2024, PDF pg. 3.

⁴ Ibid.

⁵ Memorandum from County Executive to Council President, Introduction Staff Report for Bill 19-24, PDF pg. 9.

⁶ Ibid.

⁷ [RESJ Impact Statement for Expedited Bill 47-21](#), Office of Legislative Oversight, May 2022.

⁸ Memorandum from County Executive to Council President, Introduction Staff Report for Bill 19-24, PDF pg. 9.

⁹ RESJ Impact Statement for Expedited Bill 47-21, pg. 2.

¹⁰ [Table B24011: Occupation by Median Earnings in the Past 12 Months](#), 2022 American Community Survey 5-Year Estimates, Census Bureau.

¹¹ Kate Bahn and Carmen Sanchez Cumming, “[Factsheet: U.S. Occupational Segregation By Race, Ethnicity, and Gender](#),” Washington Center for Equitable Growth, July 1, 2020.

¹² Estimates based on Census microdata. Margins of error have not been calculated for these data points and may be large.

¹³ Memorandum from County Executive to Council President, [Introduction Staff Report for Expedited Bill 47-21](#), Montgomery County Council, December 1, 2021, PDF pg. 5.

¹⁴ Memorandum from County Executive to Council President, Introduction Staff Report for Bill 19-24, PDF pg. 8.

¹⁵ [Percent of Households Without a Vehicle by Race/Ethnicity in 2020](#), Montgomery County, MD, National Equity Atlas, Policy Link.

¹⁶ [Racial Equity Impact Assessment for Supplemental Appropriation 22-92](#), Office of Racial Equity and Social Justice, June 23, 2022, pg. 2.

¹⁷ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council