



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Christine Wellons, Legislative Attorney  
**Purpose:** To receive testimony/final action - vote expected

AGENDA ITEM #13.5&19C  
December 14, 2021  
**Public Hearing/Action**

## **SUBJECT**

Expedited Bill 47-21, Taxicabs – Age of Vehicles

Lead Sponsor: Council President at the Request of the County Executive

## **EXPECTED ATTENDEES**

County Department of Transportation (DOT) Representatives  
Members of the Public

## **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

- Vote expected on whether to enact Expedited Bill 47-21.

## **DESCRIPTION/ISSUE**

Expedited Bill 47-21 would extend the permissible age that a taxicab may be in service in the County from eight model years to 10 model years. The taxicabs would continue to undergo annual safety inspections.

The bill is expedited and time-sensitive because, without the expedited bill, “a substantial number of taxicabs would be placed out of service on January 1, 2022, due to Montgomery County’s current age limit on taxicabs providing service.” (©5).

## **SUMMARY OF KEY DISCUSSION POINTS**

- The County Executive and DOT support the bill in order to extend the permissible service years of a taxi in the County from eight to 10.
- To remain in service, vehicles must pass annual Maryland State Inspections to prove road worthiness.
- Surrounding jurisdictions of Washington, DC, Arlington and Fairfax Counties, and the City of Alexandria permit taxi vehicles to remain in service for 10 years. Prince George’s County currently allows vehicles to remain in service for up to eight years.
- According to DOT: “A major contributing factor for this legislation is the impact that supply chain issues, mostly chip shortages, are having on the automobile industry. The cost of new vehicles has risen sharply, at the same time the supply of new vehicles has dwindled.”
- Several taxi companies in the County participate in County programs to provide free rides for COVID vaccination appointments, seniors with limited income, and individuals with disabilities.

## **This report contains:**

Staff Report  
Bill 47-21

Pages 1-3  
© 1

Memorandum from the County Executive  
Legislative Request Report  
Fiscal Impact Statement

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© 5  
© 8

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**M E M O R A N D U M**

December 9, 2021

TO: County Council

FROM: Christine Wellons, Legislative Attorney

SUBJECT: Expedited Bill 47-21, Taxicabs – Age of Vehicles

PURPOSE: Public Hearing/Final Action – vote expected

**Expected Attendees**

Montgomery County Department of Transportation Representatives

Expedited Bill 47-21, Taxicabs Age of Vehicles, sponsored by the Council President at the request of the County Executive, was introduced on December 7, 2021. Because the legislation is expedited and requires urgent consideration, a public hearing and action on the bill are scheduled for December 14, 2021.

The expedited bill would amend the County's taxicab law to permit vehicles to remain in service in the County for ten model years, as opposed to eight model years.

**PURPOSE**

The Taxicab Service Commission (TSC) anticipates that, without the expedited bill, a substantial number of taxicabs would be placed out of service as of January 1, 2022.

**BILL DESCRIPTION**

Under current County law, a taxicab may remain in service until the December 31 after its eighth model year ends, provided that it has passed a comprehensive safety inspection during the preceding August. The bill would extend the permissible age of the vehicle for two years, so that a taxicab could remain in service until the December 31 that occurs after its tenth model year.

The vehicle still would be required to pass an annual Maryland State safety inspection.

**ISSUES FOR THE COUNCIL'S CONSIDERATION**

The Council might wish to consider the following topics in connection Expedited Bill 47-21: (1) background and Taxicab Services Commission (TSC) input; (2) the impacts upon the taxicab industry if the bill were not enacted; (3) taxicab safety; (4) approaches of surrounding jurisdictions; (5) global supply chain issues; and (6) County programs involving free taxicab services.

Regarding these topics, County DOT staff has provided the following helpful information and additional context.

- 1. Background and TSC input.** At the October 26, 2021 Taxicab Services Commission (TSC) meeting, the issue of extending the length of in-service eligibility was raised by the owner of Action Taxi, Reza Raoofi. David Mohebbi, owner of Regency Taxi and a member of the TSC, concurred with Mr. Raoofi.

The Taxicab Services Commission is in favor of increasing the permissible number of years that a vehicle may be in service. The Commission initially requested that the Director of Transportation implement a moratorium on the eight-year in-service eligibility rule. Per Chapter 53 of the County Code, however, the Director does not have discretion to take that action. After continued discussion, Commission member Charles Kauffman made a motion to request that DOT explore legislative changes to Chapter 53 which would raise the in-service age eligibility from eight to ten years.

- 2. Effects upon the Taxicab Industry.** Only Regency Taxi, the largest taxicab fleet operator in Montgomery County, would be impacted by this legislation this year. Regency has 28 model year 2013 vehicles scheduled to be placed out of service after December 31, 2021. In 2022 Action Taxi and Regency Taxi would be impacted. In 2023 all three taxicab fleet operators would be impacted. The exact number of drivers affected for this year is harder to ascertain. There are situations where, through shift work, two drivers may share one vehicle.
- 3. Taxicab Safety.** There is currently no data on the safety of taxicabs based on the age of the vehicle. The Taxicab Regulation Unit requires taxicabs operating in Montgomery County to provide one annual Maryland State Inspection (MSI) to attest to the vehicle's mechanical operation and road worthiness. Of the 28 model 2013 vehicles operated by Regency Taxi, 11 have failed the vehicle emissions test required by the Maryland Department of Motor Vehicles. Increasing the in-service age eligibility of these vehicles may incentivize the owner to make the necessary repairs to the vehicle instead of allowing them to be phased out of service. In addition to the MSI, taxicabs are subject to both annual and spot cosmetic inspections.
- 4. Surrounding Jurisdictions.** Arlington and Fairfax Counties allow for a taxicab vehicle to remain in service for ten years. The City of Alexandria also allows taxicab vehicles to remain in service for ten years and allows hybrid taxicab vehicles to remain in service for 12 years.

In December of 2020, Washington D.C. permanently changed its policy to allow taxicab vehicles to remain in service from eight years to ten years.

Prince George's County allows for vehicles to remain in service for six years, seven for hybrid vehicles. After six years, Prince George's County allows taxicab vehicle

owners to apply for a waiver for one additional year. Representatives from Prince George's County have indicated that vehicle in-service age eligibility may be an issue addressed by the director of the Prince George's County Department of Public Works and Transportation once that office normalizes operations.

5. **Global Supply Chain Issues.** A major contributing factor for this legislation is the impact that supply chain issues, mostly chip shortages, are having on the automobile industry. The cost of new vehicles has risen sharply, at the same time the supply of new vehicles has dwindled. The problem is so pronounced that automobile manufacturers General Motors and Ford are working with semiconductor manufacturers to produce their own chips in-house without having to rely on an outside third party. As noted, the overall shortage of vehicles has led to higher prices, with some consumers paying above retail price for vehicles. These issues, coupled with an industry that has been struggling since the arrival and rise of Transportation Network Companies like Uber and Lyft, and the global pandemic which at its peak reduced ridership in taxicabs by 90 percent has left the taxicab industry in a financially precarious position.
6. **Related County Programs for Residents.** Action Taxi, Montgomery Union "Anytime" Taxi, and Regency Taxi each participate in Montgomery County's program that provides free transportation to residents for COVID-19 vaccination appointments. Another taxicab specific program is the County's Call-n-Ride program, where each taxicab company provides transportation services for individuals who are disabled and seniors with limited incomes. Additional programs include Same Day Access, and Medicaid Transportation. MetroAccess service is also provided by Action Taxi and Regency Taxi.

**NEXT STEP:** Roll call vote on whether to enact Expedited Bill 47-21.

This packet contains:

Bill 47-21

Memorandum from the County Executive

Legislative Request Report

Fiscal Impact Statement

Circle #

© 1

© 3

© 5

© 8

Expedited Bill No. 47-21  
Concerning: Taxicabs – Age of Vehicles  
Revised: 12/2/2021 Draft No. 1  
Introduced: December 7, 2021  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: The Council President at the Request of the County Executive

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**AN EXPEDITED ACT** to:

- (1) extend the age of vehicles allowed to provide taxicab service in Montgomery County; and
- (2) generally amend the laws governing the licensing and regulation of taxicabs.

By amending

Montgomery County Code  
Chapter 53, Taxicabs  
Section 53-228

<b>Boldface</b>	<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. Section 53-228 is amended as follows:**

2  
3   **53-228. Age of vehicles.**

4           (a)   A licensee must not use any vehicle that is more than [eight] ten model  
5               years old to provide taxicab service in the County. As used in this  
6               Chapter, the “model year” of a vehicle is the year designated by the  
7               vehicle manufacturer, as indicated on the vehicle or in the  
8               manufacturer’s records. A licensee may maintain a vehicle in service  
9               until the next December 31 after its [eighth] tenth model year ends if  
10              the vehicle passes a comprehensive safety inspection performed during  
11              the preceding August by a state-certified inspector in good standing.

12       \*       \*       \*

13  
14           **Sec. 2. Expedited Effective Date.** The Council declares that this legislation is  
15       necessary for the immediate protection of the public interest. This Act takes effect on  
16       the date it becomes law.




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

M E M O R A N D U M

December 1, 2021

TO: Tom Hucker, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Expedited Bill to extend the age of vehicle in-service eligibility for taxicabs

I am transmitting the attached legislation to extend the age of vehicle in-service eligibility for taxicabs operating in Montgomery County. At a recent meeting of the Montgomery County Taxicab Services Commission (TSC), commission members raised concerns that a substantial number of taxicabs would be placed out of service on January 1, 2022, due to Montgomery County's current age limit on taxicabs providing service. Chapter 53, Section 53-228 specifies that a licensee must not use any vehicle that is more than eight model years old to provide taxicab service in the County.

Increasing the age of in-service eligibility for taxicabs would provide much needed relief for the taxicab industry. All three taxicab companies are minority-owned and operated small businesses that provide transportation services for an increasing number of high-needs clients including individuals who are disabled, individuals with limited income, and seniors. Individual licensees and sublicensees who are required to affiliate with a taxicab company will also benefit from this legislation by allowing vehicles to remain in service for an additional two years. If taxicab drivers are unable to rent an eligible vehicle, they may face unemployment.

The taxicab industry has experienced a significant downturn in market share for ride-hailing services due to the rise of Transportation Network Companies such as Uber and Lyft and the COVID-19 pandemic. Supply chain issues, coupled with the shrinking availability of vehicles and the steep increase in the price of vehicles due to inflationary pressures, have also hampered the taxicab industry's ability to locate and acquire affordable vehicles.

The Montgomery County Department of Transportation (MCDOT) has worked closely with the taxicab industry and the TSC to explore ways to keep taxicab service readily available for County residents, especially the County's most vulnerable residents. Having the maximum number of road-ready taxicabs available and in-service will provide the industry the opportunity to stabilize operational costs as the County reopens. It will also ensure that residents have access to a viable



transportation option. Vehicles owned by Passenger Vehicle License (PVL) holders and taxicab fleet operators would still be required to undergo safety inspections via an annual Maryland State Inspection, which evaluates the vehicle's mechanical equipment and a Montgomery County authorized taxicab cosmetic inspection. The County's cosmetic inspection evaluates the functionality of taxicab related equipment in the vehicle as well as the vehicle's overall cleanliness. Enacting this legislation will extend the in-service time for approximately 35 percent of the taxicabs across the three companies which currently provide service to residents.

Arlington and Fairfax Counties and the City of Alexandria in Virginia currently allow for taxicabs to remain in service for ten years. Washington D.C. recently increased the in-service age eligibility for taxicab vehicles from eight to ten years. Increasing the in-service age eligibility allows Montgomery County businesses to remain competitive with neighboring jurisdictions.

A Fiscal Impact Statement for this legislation is currently being evaluated by the Office of Management and Budget and will be provided at a later date.

Your consideration of this proposed legislation is appreciated.

## LEGISLATIVE REQUEST REPORT

Expedited Bill XX-21

*Taxicab Age of Vehicle*

<b>DESCRIPTION:</b>	This legislation provides for an extension of the age of vehicles allowed to provide taxicab service in Montgomery County from eight years to ten years, under Section 53-228 (a) of Chapter 53 of the Montgomery County Code.
<b>PROBLEM:</b>	Several taxicabs are scheduled to be placed out of service on January 1, 2022 due to Montgomery County's current age limit on taxicabs providing service. The taxicab industry faces challenges in locating available and affordable replacement vehicles.
<b>GOALS AND OBJECTIVES:</b>	Provide regulatory relief and financial certainty for a struggling industry with an increasing client base of high needs customers. Keep Montgomery County's taxicab industry regionally competitive by aligning certain regulations with neighboring jurisdictions.
<b>COORDINATION:</b>	Department of Transportation
<b>FISCAL IMPACT:</b>	Information attached.
<b>ECONOMIC IMPACT:</b>	To be requested.
<b>EVALUATION:</b>	To be requested.
<b>EXPERIENCE ELSEWHERE:</b>	N/A
<b>SOURCE OF INFORMATION:</b>	Walton Harris, Manger, Taxicab Office
<b>PENALTIES:</b>	N/A

Expedited Bill No. XX-21  
Concerning: Taxicabs – Age of Vehicles  
Revised: \_\_\_\_\_ Draft No. \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. 53, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: The Council President on behalf of the County Executive

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**AN EXPEDITED ACT** to:

- (1) provide for an extension of the age of vehicles allowed to provide taxicab service in Montgomery County; and
- (2) generally amend the laws governing the licensing and regulation of taxicabs.

By amending

Montgomery County Code  
Chapter 53, Taxicabs  
Section 53-228 (a)

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
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<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:*

**Sec. 1. Section 53-228 is amended as follows:**

**53-228. Age of Vehicles.**

(a) A licensee must not use any vehicle that is more than [eight] ten model years old to provide taxicab service in the County. As used in this Chapter, the “model year” of a vehicle is the year designated by the vehicle manufacturer, as indicated on the vehicle or in the manufacturer’s records. A licensee may maintain a vehicle in service until the next December 31 after its [eighth] tenth model year ends if the vehicle passes a comprehensive safety inspection performed during the preceding August by a state-certified inspector in good standing.

\* \* \*

**Sec. 2. Expedited Effective Date.**

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date it becomes law.

**Fiscal Impact Statement**  
**Expedited Bill 47-21, Montgomery County Department of Transportation – Taxicab Regulation - Extending the Age of Vehicle In-Service Eligibility for Taxicabs**

**1. Legislative Summary.**

This legislation extends the age of in-service eligibility of taxicabs providing service in Montgomery County from the current limit of eight years to ten years. Increasing the age of in-service eligibility would provide financial relief and fiscal certainty to the taxicab industry whose customer base increasingly consists of residents that are high needs.

**2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

**Revenue:** This legislation would generate a slight increase in revenue by allowing the County to collect fees associated Passenger Vehicle License (PVL) renewals and annual vehicle inspections for vehicles across three taxicab fleets for an additional two years.

There is no anticipated impact on County expenditures.

**3. Revenue and expenditure estimates covering at least the next six fiscal years.**

The revenues listed below represent an estimate of each PVL holder electing to renew each PVL that is associated with the age of the eligible vehicle model from 2013 through 2018 to reflect the updated eligibility age of ten years.

<b>Fiscal Year</b>	<b>Taxicab Fee Revenues</b>
FY23	\$8,400
FY24	\$16,800
FY25	\$17,100
FY26	\$21,300
FY27	\$24,900
FY28	\$17,100
Six-Year Total	\$105,600

There are no anticipated expenditure impacts to the County over the next six years.

- 4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

Not Applicable

- 5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

Not Applicable.

- 6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

Expedited Bill 47-21 does not authorize future spending.

- 7. An estimate of the staff time needed to implement the Bill.**

No impact on staff beyond updating documents.

- 8. An explanation of how the addition of new staff responsibilities would affect other duties.**

No impact.

- 9. An estimate of costs when an additional appropriation is needed.**

No additional appropriation is needed to implement Expedited Bill 47-21.

- 10. A description of any variable that could affect revenue and cost estimates.**

The decision of PVL holders to allow certain older model vehicles to be phased out due to mechanical issues or other market forces may result in a reduced revenue amount than projected.

- 11. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not Applicable.

- 12. If a bill is likely to have no fiscal impact, why that is the case.**

Not Applicable.

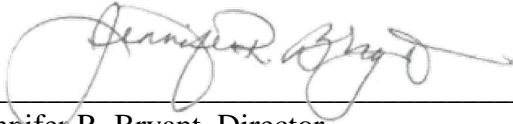
- 13. Other fiscal impacts or comments.**

None.

**14. The following contributed to and concurred with this analysis:**

Walton Harris, Department of Transportation

Gary Nalven, Office of Management and Budget



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Jennifer R. Bryant, Director  
Office of Management and Budget

12-8-21

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Date