


**MEMORANDUM**

March 30, 2018

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Introduction:** Expedited Bill 13-18, Taxicabs – Transportation Services Improvement Fund – Use of Fund

PURPOSE: Introduction; No Council votes required

Expedited Bill 13-18, Taxicabs – Transportation Services Improvement Fund – Use of Fund, sponsored by Lead Sponsor Council President at the request of the County Executive, is scheduled to be introduced on April 3, 2018. A public hearing is tentatively scheduled for April 24, 2018 at 1:30 p.m.

Bill 13-18 would expand the purpose and use of the Transportation Services Improvement Fund to allow its use “for transportation purposes in the County.”

**Background**

In 2015, the Council enacted Bill 33-15 to impose a charge authorized by the State in its then-newly enacted law regulating “transportation network companies” (TNCs) – ride-hailing services such as Uber and Lyft. In addition to imposing the charge, Bill 33-15 created the Transportation Services Improvement Fund to receive and distribute the revenue generated by the charge. Money from the Fund is to be used to offset higher costs of operating accessible taxicabs in the County, and to provide incentives for improving or expanding transportation options for eligible senior citizens and persons of limited income. The Bill required the Executive to establish the procedure for making disbursements from the Fund by regulation.

The State law that authorized the charge imposed under Bill 33-15 was enacted by the Maryland General Assembly in its 2015 session to regulate TNCs statewide. In addition to its regulatory function, the law also authorizes a county or municipality that licensed or regulated taxicab services on or before January 1, 2015, including Montgomery County, to impose an assessment on TNC trips that originate within the county or municipality. “Assessment” means a charge imposed by a local jurisdiction on each transportation network service that includes a

passenger trip. The assessment may be up to 25 cents per trip, other than in an exempt jurisdiction. The revenue generated from the assessments must be used for “transportation purposes.”

The Transportation, Infrastructure, Energy, and Environment (T&E) Committee first considered such an assessment in its discussion of Bill 54-14, which would have regulated TNCs at the County level. The T&E Committee considered the problem that TNCs generally do not provide accessible transportation and generally do not participate in programs such as Call-n-Ride, a County subsidized taxi service program for low-income seniors (65 and older) and low-income persons with disabilities (aged 18-64). In view of the ascendancy of ride-hailing services as transportation providers, and in order to improve accessible transportation, the T&E Committee discussed the possibility of imposing a surcharge on TNCs and a creating a fund used to incentivize accessible taxicab service. When the General Assembly took up the matter of TNC regulation, Councilmember Berliner advocated on behalf of the authorization of the local charge that was ultimately included in the State law.

Bill 13-18 would remove the existing requirements in the law that limit the purposes and uses of the Fund to offsetting additional costs associated with providing accessible transportation and providing incentives to improve or expand transportation options for eligible senior citizens and persons of limited income. It would instead allow use of the fund for any transportation purpose in the County.

This packet contains:

Expedited Bill 13-18

Legislative Request Report

County Executive Memorandum

Circle #

1

4

5

Expedited Bill No. 13-18  
Concerning: Taxicabs – Transportation  
Services Improvement Fund – Use of  
Fund  
Revised: 03/26/2018 Draft No. 1  
Introduced: April 3, 2018  
Expires: October 3, 2019  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

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

---

**AN EXPEDITED ACT** to:

- (1) provide for disbursements from the Transportation Services Improvement Fund for any transportation purpose; and
- (2) generally amend the law governing the licensing and regulation of taxicabs.

By amending

Montgomery County Code  
Chapter 53, Taxicabs  
Section 53-801

<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 53-801 is amended as follows:**

2   **53-801. Transportation Services Improvement Fund.**

3           (a)   *Definitions.* In this section:

4               (1)   *Fund* means the Transportation Services Improvement Fund  
5                       established in this Section.

6               (2)   *Transportation Network Services* means “Transportation Network  
7                       Services” as defined in § 10-101 of the Public Utilities Article of  
8                       the Maryland Code.

9           (b)   *Fund established.*

10               (1)   There is a Transportation Services Improvement Fund [created to  
11                       improve the delivery of:

12                       (A)   accessible transportation services in the County;

13                       (B)   transportation for eligible senior citizens; and

14                       (C)   transportation for persons of limited income] to be used for  
15                       transportation purposes in the County.

16               (2)   The Fund consists of:

17                       (A)   all revenue from the surcharge imposed on transportation  
18                       network services under this Section;

19                       (B)   all funds appropriated to it by the County Council; and

20                       (C)   all funds received by the Fund from any other public or  
21                       private entity.

22           (c)   *Per-ride surcharge.* There is a \$0.25 surcharge on Transportation  
23                       Network Services for each trip originating in the County. The surcharge  
24                       must be collected as provided in §10-406 of the Public Utilities Article of  
25                       the Maryland Code.

26           (d)   [*Uses*] *Use of the Fund.* Disbursements from the Fund must only be used  
27                       [to] for transportation purposes in the County. [:

- 28 (1) offset the higher operational costs of accessible taxicab services  
 29 for owners and operators including, but not limited to:  
 30 (A) vehicle costs associated with purchasing and retrofitting an  
 31 accessible vehicle;  
 32 (B) costs associated with receiving training in providing  
 33 accessible transportation services; and  
 34 (C) additional time involved in providing accessible taxicab  
 35 services; or  
 36 (2) provide incentives for improving or expanding transportation  
 37 options for:  
 38 (A) eligible senior citizens; or  
 39 (B) persons of limited income.  
 40 (e) *Disbursements from the Fund.* The Executive must by regulation  
 41 establish the procedure for determining when and how to make  
 42 distributions from the Fund to taxicab owners and operators, including  
 43 setting eligibility standards, imposing conditions of reimbursement,  
 44 imposing a maximum amount of reimbursement, and considering timely  
 45 distribution of reimbursement to taxicab owners and operators.]

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

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

50 *Approved:*

51

---

Hans D. Riemer, President, County Council

Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 13-18

*Taxicabs – Transportation Services Improvement Fund – Use of Fund*

- DESCRIPTION:** Expedited Bill 13-18 would amend Section 53-801 of the County Code regarding the purpose, use and disbursements from the Transportation Services Improvement Fund to expand allowable use of the Fund to any transportation purpose in the County.
- PROBLEM:** Money from the Fund must be used to offset higher costs of operating accessible taxicabs in the County, and to provide incentives for improving or expanding transportation options for eligible senior citizens and persons of limited income. The current law is too restrictive in how funds may be used.
- GOALS AND OBJECTIVES:** Provide flexibility to use funds for any transportation purpose in the County.
- COORDINATION:** Office of the County Executive  
Office of Management and Budget  
Department of Transportation
- 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:** Not applicable.

Bill



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

BD  
CC  
MM  
ML  
GO  
AM  
JH

Isiah Leggett  
County Executive

**MEMORANDUM**

March 15, 2018

TO: Hans Riemer, President, County Council  
FROM: Isiah Leggett, County Executive *Isiah Leggett*  
SUBJECT: Transportation Services Improvement Fund

The purpose of this memorandum is to transmit the proposed expedited bill amending Section 53-801 of the County Code regarding disbursements from the Transportation Services Improvement Fund to expand use to transportation purposes in the County. The existing regulation (ER 1-17) will continue to govern when making disbursements for accessible transportation services, transportation for eligible senior citizens, and transportation for persons of limited income.

Thank you for your expedited consideration.

IL:brg

Attachment:

- c: Timothy L. Firestine, Chief Administrative Officer
- Jennifer A. Hughes, Director, Office of Management and Budget
- Alexandre A. Espinosa, Director, Department of Finance
- Al Roshdieh, Director, Department of Transportation
- Bonnie Kirkland, Assistant Chief Administrative Officer

RECEIVED  
MONTGOMERY COUNTY  
Princess

2018 MAR 15 11:00 AM