



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Transportation Services Improvement Fund	Number 11-19
Originating Department Department of Transportation	Effective Date

TRANSPORTATION SERVICES IMPROVEMENT FUND REQUIREMENTS

DEPARTMENT OF TRANSPORTATION

Issued by: County Executive

COMCOR 53.801.01

Regulation No. 11-19

Authority: Code Section 53-801

Supersedes: Executive Regulation 1-17

Council Review Method (2) Under Code Section 2A-15

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Comment Deadline: March 3, 2019

Effective Date:

SUMMARY: The regulation establishes the procedures for disbursing monies from the Transportation Services Improvement Fund.

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53.801.01.01 Background Information

In 2015, the Maryland General Assembly passed legislation regulating Transportation Network Companies (TNC), including ride-hailing services such as Uber and Lyft. The legislation (which is codified at § 10-401, *et seq* of the Public Utilities Article) created a new regulatory framework in which TNCs in the State must operate. In addition to its regulatory function, the legislation also authorizes a county or municipality to impose an assessment on TNC trips that originate within the county or municipality. Pursuant to the State's enabling legislation, Montgomery County has imposed a \$0.25 assessment fee (or "surcharge") on TNCs for each trip originating in



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“the Fund”) and must be used for transportation purposes that are specified in §_53-801 of the Montgomery County Code.

Section 53-801 of the Montgomery County Code requires the County Executive to establish, by regulation, procedures for disbursing monies from the Fund. The monies from the Fund are to be used to ensure the continued viability of accessible service throughout the County for [people] persons with disabilities, eligible senior citizens, and [low-income residents] persons of limited income.

53.801.01.02 Purpose

The purpose of this regulation is to: [provide guidance for distribution of monies from the Fund to taxicab owners and operators to offset the increased costs of owning and operating accessible vehicles and to provide incentives for improving or expanding transportation options for eligible senior citizens and persons with limited income. This regulation establishes procedures under which an eligible person may apply for the use of these funds.]

- (a) establish reimbursement programs to offset the increased costs of owning and operating accessible vehicles for which taxicab Owners and Drivers may be eligible for reimbursement from the Fund;
- (b) establish incentive programs for improving or expanding transportation options for persons with disabilities, eligible senior citizens, and persons of limited income, for which taxicab Owners and Drivers may be eligible for distributions from the Fund; and
- (c) establish rules and procedures for distributing monies from the Fund to eligible applicants who desire to participate in the authorized programs.

53.801.01.03 Regulation

- (a) Applicants must use an application form provided by the Department, complete the form fully, and agree to all terms contained in the application.
- (b) [All questions on the form must be fully answered.] The application must provide that a person who makes a false statement to any questions on the application form will be denied disbursement from the Fund, and that funds already disbursed based on false information must be returned to the County.



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[(c)] A person who makes a false statement to any questions on the application form will be denied reimbursement from the Fund.]

[(d)](c) Applicants must submit all required documentation to the Department to qualify for the distribution or reimbursement from the Fund.

(d) The Fund provides many programs of opportunity for reimbursement or distribution of monies to eligible applicants. In order for an eligible applicant to qualify for any reimbursement or distribution of monies from the Fund, the applicant must have satisfied all reporting requirements required by this Regulation or the County Code. The County must not disburse any monies from the Fund to an applicant if the applicant is not in compliance with the reporting requirements of any program provided for in this Regulation in which the applicant has participated.

(e) Fleets and Associations seeking disbursements from the Fund must provide dispatch system data to the Montgomery County Department of Transportation (MCDOT) as necessary to verify reported trip information.

(f) Fleets and Associations participating in programs defined in this Regulation must work with Montgomery County Department of Transportation to disseminate program information and opportunities related to the Fund to drivers.

(g) The application must provide that a recipient of monies disbursed from the Fund must agree to return those monies to the County if the recipient's PVL or Taxicab Driver Identification Card is revoked, suspended, or denied by the County within five years of disbursement from the Fund.

53.801.01.04. Definitions

- (a) **Accessible Taxicab** - means a taxicab that [the Department has authorized to transport passengers with disabilities] is a wheelchair accessible vehicle that the Department has authorized to transport passengers with disabilities.
- (b) **[Passenger Vehicle License** – means a County-issued license to provide taxicab service using a specified motor vehicle.] **Association** – means individual licensees who join



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together to form a business entity to provide taxicab service utilizing a single trade name consisting of a minimum of six licenses.

(c) **[Owner** – means an individual or entity that:

- (1) is listed with the state motor vehicle agency as holding legal title to a specific motor vehicle;
- (2) acts as the agent of the registered owner for all purposes, including acceptance of liability, payment of judgments and other legal obligations, and receipt of any legal notice of process.]

Department – means the Montgomery County Department of Transportation (MCDOT).

(d) **Driver** – means an individual authorized to operate a taxicab under Chapter 53 of the Montgomery County Code who has been issued a Montgomery County Taxicab Driver Identification Card.

(e) **Fleet** - means any entity that holds in its own name six or more licenses.

(f) **License** – means a Passenger Vehicle License issued by Montgomery County.

(g) **Licensee** – means an individual or fleet to whom the Director of the Montgomery County Department of Transportation (MCDOT) has issued a Passenger Vehicle License (PVL) to provide taxicab service.

(h) **Owner** – means a Licensee who has been issued and holds a valid PVL to provide taxicab services in Montgomery County with a specified motor vehicle, and:

- (1) is listed with the state motor vehicle agency as holding legal title to the specific motor vehicle for which the PVL was issued;
- (2) is a conditional vendee or lessee of the vehicle for which the PVL is issued that is the subject of an agreement for conditional sale or lease, if the conditional vendee or lessee has assumed liability, and is authorized to pay judgments and accept any legal notice or service of process, with respect to the vehicle; or
- (3) acts as the agent of the registered owner for all purposes, including acceptance of liability, payment of judgments and other legal obligations, and receipt of any legal notice of process.



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- (i) **Passenger Vehicle License (PVL)** – means a County-issued license to provide taxicab service using a specified motor vehicle.

53.801.01.05 Reimbursements and Distributions

[Reimbursements in this regulation are based on the increased costs incurred by Drivers and Owners of Accessible Taxicabs. These reimbursements are broken down into two categories: Vehicle Ownership and Maintenance, Vehicle Operating/Driver Expenses and will be reimbursed as outlined below.]

In this Regulation, reimbursements and distributions are based on:

- (1) the increased costs incurred by Drivers and Owners of Accessible Taxicabs;
- (2) the need to incentivize operation of Accessible Taxicabs;
- (3) the desire to maintain an adequate number of licensed Drivers providing Accessible Taxicab services; and
- (4) the need to incentivize taxi services for Call-n-Ride customers requiring short trips.

These reimbursements and distributions are broken down into three categories: a) Accessible Taxicab Ownership, b) Accessible Taxicab Operating/Driver Expenses, and c) Taxicab Service Incentives, and will be disbursed from the Fund as provided below. All disbursements are subject to the availability and appropriation of monies in the Fund.

(a) Accessible Taxicab Ownership [and Maintenance]

Background

The cost to purchase a larger vehicle and convert it to an Accessible Taxicab is significantly more than that of a standard sedan. In 2016, it was estimated that the cost to convert a vehicle was between \$10,000 and \$20,000 depending on the type of vehicle and extent of the modifications. Additionally, the cost to maintain these vehicles is higher due to the additional systems associated with the lifts and increased wear on brakes and transmissions. The Fund will reimburse a portion of these costs to encourage the operation of Accessible Taxicabs in the County.



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[The Montgomery County Department of Transportation (MCDOT) will determine the appropriate amount to reimburse the vehicle owners as compensation for the higher initial costs and ongoing maintenance costs. The reimbursement is calculated based on the costs of purchasing, retrofitting, and maintaining a vehicle as an Accessible Taxicab. The reimbursement for this category is calculated to offset the cost of a vehicle conversion and additional accessible service maintenance costs over the service life of the vehicle. These rates are to be reviewed by MCDOT every odd-numbered year. The rate established for 2017-2018 is \$15,000 per eligible vehicle to be distributed in five annual payments: Year 1- \$4,000, Year 2- \$4,000, Year 3- \$3,000, Year 4- \$2,000, and Year 5- \$2,000.]

[To receive the initial disbursement, the Owner must complete and submit a reimbursement application along with documentation of: (1) the purchase of an Accessible Taxicab on or after January 1, 2016, that is not more than three model years old, or (2) the conversion of a vehicle not more than three model years old to an Accessible Taxicab on or after January 1, 2016.]

[To receive subsequent annual disbursements, the Owner must complete and submit a reimbursement application along with documentation demonstrating that the Accessible Taxicab has been in operation a minimum of 40 hours per week for at least 50 weeks in the year since the previous disbursement. MCDOT will verify the operation prior to disbursement.]

[The maximum reimbursement amount is \$15,000 per vehicle even if the Accessible Taxicab is sold or transferred to a different owner. If an Accessible Taxicab is sold prior to the original owner receiving the entire \$15,000 the new owner may apply for the remaining eligible disbursement on an annual basis that is also conditioned upon a demonstration that the Accessible Taxicab has been in operation a minimum of 40 hours per week for at least 50 weeks in the year since the previous disbursements.]

[Awards from the Fund may not exceed the amount the applicant paid to purchase and or retrofit the vehicle. Awardees of federal, state or private grants in the form of monies, a vehicle or combination thereof towards the acquisition of an Accessible Taxicab are only eligible to receive reimbursement from the Fund for costs incurred to purchase or retrofit the vehicle, such that the total value of the grants and reimbursements does not exceed the cost to purchase and retrofit the vehicle.]

Funding Opportunities



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In order to address the higher initial costs and ongoing maintenance costs of Accessible Taxicabs, up to \$15,000 per eligible vehicle may be available for reimbursement as set forth in this Regulation. Except as set forth in this Regulation, an Owner is not eligible for a disbursement from the Fund for the purchase of an Accessible Taxicab or the conversion of a vehicle into an Accessible Taxicab if a previous disbursement was made from the Fund for the purchase or conversion of that particular vehicle.

To be eligible for reimbursement of up to \$15,000, the Owner must complete and submit a reimbursement application along with documentation of: (1) the purchase of an Accessible Taxicab on or after January 1, 2016, that is presently not more than three model years old, or (2) the conversion of a vehicle that is presently not more than three model years old to an Accessible Taxicab on or after January 1, 2016. An Owner who applies for capital reimbursement under this program must agree that the PVL associated with the Accessible Taxicab will be required to be associated with an Accessible Taxicab for all subsequent renewals of the PVL.

As part of the reimbursement application, the Owner must agree that following reimbursement, and on a quarterly basis, the Owner must demonstrate that the Accessible Taxicab has been in operation for a minimum of 40 hours per week for at least 50 weeks (or equivalent thereof) each year for five years immediately following payment. The Owner must agree that if these required hours of operation are not met and demonstrated by manifests or data deemed acceptable by MCDOT's Taxicab Unit, that the Owner will be required, upon demand by the County, to return the disbursed funds to the County, and the County may take legal action against any recipient in violation of program requirements.

Prior Disbursements made to an Owner under Regulation No. 1-17 adopted on July 25, 2017 by Council Resolution No. 18-878.

Regulation No. 1-17 provided that an Owner who converted a vehicle into an Accessible Taxicab was eligible for up to \$15,000 that would be distributed over five years provided that the Owner demonstrated that the Accessible Taxicab was in service for a minimum of 40 hours per week for at least 50 weeks for the prior year. Regulation No. 1-17 provided reimbursement according to the following schedule: Year 1- \$4,000, Year 2- \$4,000, Year 3- \$3,000, Year 4- \$2,000, and Year 5- \$2,000. An Owner who has received a disbursement pursuant to Regulation No. 1-17 is eligible for a lump sum payment up to the balance of the \$15,000 that would have otherwise been distributed over five years. By way of example, an Owner who has received \$4,000 is eligible for an immediate distribution of the remaining \$11,000 balance. The Owner must apply for the balance of the lump-sum payment of up to \$15,000. The Owner must continue to keep the



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Accessible Vehicle in service for a minimum of 40 hours per week for at least 50 weeks (or equivalent thereof) each year for five years immediately following the initial disbursement made to the Owner pursuant to Regulation No 1-17. The Owner must agree that if these required hours of operation are not met and demonstrated on a quarterly basis by manifests or data deemed acceptable by MCDOT's Taxicab Unit, that the Owner will be required, upon demand by the County, to return the disbursed funds to the County, and the County may take legal action against any recipient in violation of program requirements.

(b) **[Vehicle] Accessible Taxicab Operating/Driver Expenses**

Background

The [Driver's] cost to operate an Accessible Taxicab is significantly higher than non-accessible taxicabs because Accessible [Vehicles] Taxicabs tend to be larger and less fuel-efficient than that of the industry standard vehicle, the Toyota Prius. The fuel component of this reimbursement is calculated based on the difference in gas mileage between the Toyota Prius and a typical minivan or an equivalent vehicle, and the average cost of gasoline. Additionally, there are [multiple expenses] often higher costs associated with providing accessible passenger service that are not reflected in a standard taxicab meter rate [the County will reimburse drivers for providing. These costs include the additional costs of operation due to greater travel times and the load and unload time associated with picking up a passenger who is wheelchair bound]. These costs include the greater travel distances Accessible Taxicabs experience at the time of dispatch to the service pickup location due to the lower density of Accessible Taxicabs throughout the County, as well as additional time to safely load and unload passengers in wheelchairs.

[For the calendar year 2017, the reimbursement paid to drivers of Accessible Taxicabs for the increased fuel costs and driver expenses combined will be \$0.10 per mile for every mile that the vehicle travels while in service. Additionally, MCDOT will reimburse drivers for dispatched and transported passenger wheelchair trip pickups at a rate of \$10 per trip. MCDOT will review the reimbursement rates every calendar year.]

[Disbursements will be made monthly, subject to the availability and appropriation of monies in the Fund. To receive a disbursement, the Driver must complete and submit a reimbursement application along with a signed manifest documenting all trips provided in the previous month. The driver must highlight all dispatched and transported passenger wheelchair trip pickups listed on trip records submitted to MCDOT. MCDOT will verify the trip records with the affiliated Fleet's record.]



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Funding Opportunities

Mileage

The reimbursement available to Drivers of Accessible Taxicabs for the increased fuel costs will be \$0.10 per mile for every mile that the vehicle travels while in service, whether or not a passenger is in the vehicle, and regardless of passenger type.

Wheelchair Trips

The County will reimburse Drivers of Accessible Taxicabs who are dispatched to and successfully transport passengers requiring wheelchair service at a rate of \$15 per trip during the hours of 6:00 a.m. to 11:59 p.m., and \$20 per trip from 12:01 a.m. to 5:59 a.m.

Disbursements for mileage and wheelchair trip provision will be made monthly. To receive a disbursement, the Driver must complete and submit a reimbursement application along with a signed manifest documenting all trips provided in the previous month, with any wheelchair trips clearly identified. The applicant must highlight all dispatched and transported passenger wheelchair trip pickups listed on trip records submitted to MCDOT. MCDOT may verify the trip records with the affiliated Fleet or Association's record. MCDOT may verify mileage claims by examination of vehicle equipment or other available data.

(c) Taxicab Service Incentives

Background

Despite the funding opportunities provided by Regulation No. 1-17 adopted on July 25, 2017 by Council Resolution No. 18-878, Owners and Drivers have not availed themselves of such opportunities. In order to entice more Owners and Drivers into purchasing, retrofitting and driving Accessible Taxicabs, and to provide improved transportation services for persons with disabilities, eligible senior citizens, and persons of limited income, additional incentives must be offered to reach the goal set forth in § 53-506(e) of the County Code and improve and expand service options as set forth in § 53-801(d)(2) of the County Code.

Funding Opportunities

Insurance



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For Accessible Taxicabs operating a minimum 50 weeks per year and 40 hours per week, or an equivalent thereof as demonstrated by manifests or data deemed acceptable by MCDOT's Taxicab Unit, Licensees may apply to be reimbursed for costs to purchase a third-party policy of insurance meeting the minimum amounts required by § 53-224(a) of the Montgomery County Code. The Licensee must apply for reimbursement and demonstrate the expenditure for a third-party policy of insurance meeting the minimum amounts required by § 53-224(a) of the Montgomery County Code. If the Licensee demonstrates that the Accessible Taxicab has operated for a minimum of 50 weeks per year and 40 hours per week (or equivalent thereof), the Licensee may be approved to be reimbursed \$1,000 per year for the actual costs spent on purchasing a policy of insurance for the Accessible Taxicab. Licensees are eligible for reimbursement at the time they can demonstrate adequate levels of Accessible Taxicab service for one year prior to the date of reimbursement.

Fees to MCDOT

For Accessible Taxicabs operating a minimum 50 weeks per year and 40 hours per week, or an equivalent thereof as demonstrated by manifests or data deemed acceptable by MCDOT's Taxicab Unit, Licensees are eligible to be reimbursed for the payment of certain fees as set forth in this Regulation.

- (1) PVL Renewal Fee: Licensees who are providing Accessible Taxicab service for a minimum 50 weeks per year and 40 hours per week, or an equivalent thereof as demonstrated by manifests or data deemed acceptable by MCDOT's Taxicab Unit, may apply for reimbursement from the Fund for their annual PVL renewal fee after demonstrating the provision of accessible service in the Accessible Taxicab for the year following the PVL renewal.
- (2) PVL Transfer Fee: For a PVL transfer that involves changing the vehicle associated with that PVL from a sedan to an Accessible taxicab, the new Licensee may apply to MCDOT, at the time of fee payment, for reimbursement from the Fund for the PVL transfer fee. A Licensee who applies for reimbursement of the PVL Transfer Fee must agree that the PVL will be required to be associated with an Accessible Taxicab, and that all subsequent renewals of that PVL will be for an Accessible Taxicab.
- (3) Application and Initial License Fee for Newly Issued Licenses: If the Department issues new Licenses for Accessible Taxicabs, an applicant for the License who is found qualified to compete for a PVL by the



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Department may, after being found qualified, apply for reimbursement of the application fee, irrespective of whether the applicant is actually issued a License. An applicant who is issued a PVL for an Accessible Taxicab may apply to MCDOT, at the time of fee payment, for reimbursement from the Fund for costs to pay the initial license fee.

Call-n-Ride Guaranteed Fare

Background

Call-n-Ride customers requiring taxicab transportation for shorter trips are less attractive trips for taxi dispatch because of the low resulting fare, but Call-n-Ride customers may have no alternative to transportation by taxi, including trips across relatively short distances.

Funding Opportunity

To encourage timely and more reliable service to Call-n-Ride customers, MCDOT will round up any Call-n-Ride fare to at least \$8, resulting in an \$8 guaranteed fare to taxicab Drivers for both accessible and non-accessible Call-n-Ride trips, and regardless of taxicab vehicle type. The difference between the meter rate charged to the Call-n-Ride customer and the \$8 guaranteed fare will be paid to Drivers monthly and be based on the Driver's trip manifest and any standard verifications conducted by the Call-n-Ride program staff.

53.801.01.06 Reimbursement Transparency

Reimbursements from the Fund will be reported annually by the Department of Transportation's Taxicab Services Section.

53.801.01.07 Application and Requirements

All applications and required documentation shall be on forms and in a format approved by the Director of MCDOT.

53.801.01.08 Minimum Fund Levels and Prorated Disbursements

All disbursements from the Fund are subject to the availability and appropriation of adequate funding.

[The Fund must maintain a balance (the "Required Balance") that is 5% greater than the projected disbursement for the following 90 days.] MCDOT may halt or temporarily



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freeze the application process for any or all reimbursement opportunities included in this Regulation if projected financial obligations for previously-approved applicants meet or exceed funds already transferred from the State to the Fund.

53.801.01.09 Misuse of Funds

Any recipient of a disbursement under this regulation who uses the monies for any purpose other than as permitted by the County hereunder must refund all monies received within seven (7) days of a County demand for a refund. Any recipient who misuses a disbursement is barred from participating in this program and is subject to [all legal] any action[s] that may be brought in law or in equity, including all actions and penalties contained in Chapter 53 of the Montgomery County Code.

53.801.01.10 Reimbursement Not to Exceed the Purchase Price of the Accessible Taxicab

Reimbursement from the Fund to purchase an Accessible Taxicab or retrofit the vehicle into an Accessible Taxicab may not exceed the amount the applicant actually paid to purchase or retrofit the vehicle. Awardees of federal, state or private funding grants towards the procurement of an Accessible Taxicab are ineligible to receive reimbursement from the Fund for costs incurred to purchase or retrofit the vehicle, such that the total amount of grants and reimbursements exceeds the purchase price of the vehicle.

53.801.01.11 [Senior and Limited Income] Transportation Enhancements

At the end of each calendar year, the Director will review the Fund balance to determine what portion of the Fund may be used to improve or expand transportation options for persons with disabilities, eligible senior citizens or persons with limited income.

53.801.01.12 Effective Date

This regulation becomes effective when the Council adopts a resolution approving the Regulation or on a later date specified in the Regulation. If the Council does not approve or disapprove the proposed Regulation within 60 days after receiving it, or by any subsequent deadline set by resolution, the Regulation is automatically approved.

Approved:

Marc Elrich, County Executive

Date