

Resolution No:	<u>20-764</u>
Introduced:	<u>April 1, 2025</u>
Adopted:	<u>April 1, 2025</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

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

SUBJECT: Resolution to approve Executive Regulation #18-24, Transportation Services Improvement Fund

Background

1. On February 4, 2025, the County Executive transmitted Executive Regulation 18-24, Transportation Services Improvement Fund, as a Method (2) regulation per Section 2A-15 of the County Code.
2. On March 24, 2025, the Council's Transportation and Environment (T&E) Committee reviewed Executive Regulation 18-24, recommending (3-0) approval.

Action

The County Council for Montgomery County approves the following resolution:

The Council approves Executive Regulation 18-24, attached, as transmitted to the Council by the Executive on February 4, 2025.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council



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Subject Transportation Services Improvement Fund	Number 18-24
Originating Department Transportation	Effective Date April 1, 2025

Montgomery County Regulation on:

TRANSPORTATION SERVICES IMPROVEMENT FUND REQUIREMENTS

DEPARTMENT OF TRANSPORTATION

Issued by: County Executive

COMCOR 53.801.01

Authority: Code Section 53-801

Supersedes: Executive Regulation 10-22

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

Register Vol. 41, Issue 12

Comment Deadline: December 31, 2024

Effective Date: April 1, 2025

Sunset Date: None

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

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Rockville, Maryland 20850

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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 25 cent assessment fee (or "surcharge") on TNCs for each trip originating in the County. All revenue generated from the imposed assessments and disbursed by the State to the County are placed in a Transportation Services Improvement Fund (referred to hereafter as "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 persons with disabilities, eligible senior citizens, and persons of limited income.

53.801.01.02 Purpose

The purpose of this Regulation is to:

- (a) establish programs to offset the increased costs of owning and operating accessible vehicles for which taxicab Owners and Drivers may be eligible for disbursement 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.



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- (b) 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.
- (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 MCDOT 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 is a wheelchair accessible vehicle that the Department has authorized to transport passengers with disabilities.
- (b) **Association** - means individual licensees who join together to form a business entity to provide taxicab service utilizing a single trade name consisting of a minimum of six licenses.
- (c) **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.



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- (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.
- (i) **Passenger Vehicle License (PVL)** - means a County-issued license to provide taxicab service using a specified motor vehicle.
- (j) **Taxicab Service** - means carrying one or more passengers for compensation between points chosen by the passenger:
 - (1) regardless of how or when engaged, for a fare that is based on the distance traveled, time elapsed, or both, except as expressly authorized in this Chapter; or
 - (2) after being engaged by hail from a street, or from a parking lot, taxi stand, or other location where the vehicle is waiting for a request for service.



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53.801.01.05 Reimbursements and Distributions

In this Regulation, reimbursements and distributions are based on:

- (a) the increased costs incurred by Drivers and Owners of Accessible Taxicabs;
- (b) the need to incentivize the operation of Accessible Taxicabs;
- (c) the desire to maintain an adequate number of licensed Drivers providing Accessible Taxicab services; and
- (d) 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

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 2022, it was estimated that the costs to convert a vehicle was between \$21,000 and \$40,000 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.

Funding Opportunities

To address the higher initial costs and ongoing maintenance costs of Accessible Taxicabs, up to \$45,000 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.



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To be eligible for reimbursement of up to \$45,000 the Owner must complete and submit a reimbursement application along with documentation of: (1) the purchase of an Accessible Taxicab on or after July 1, 2022, 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 July 1, 2022. 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 48 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.

(b) Accessible Taxicab Operating/Driver Expenses

Background

There are often higher costs associated with providing accessible passenger service that are not reflected in a standard taxicab meter rate. MCDOT will reimburse taxicab operators for the additional time required to assist passengers in wheelchairs or motorized scooters to safely board and disembark an Accessible Taxicab.

Funding Opportunities

Wheelchair Trips

The County will reimburse Drivers of Accessible Taxicabs who successfully transport passengers requiring wheelchair service at a rate of \$20 per trip completed.

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. Taxicab drivers must submit trip manifests to the Taxicab Regulation Unit on, or before, the fifth day of every month, unless such day is not a County day of business for the Taxicab Regulation Unit, in which case the driver must submit the trip manifest by the following County day of business for the Taxicab Regulation Unit. The applicant



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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.

(c) **Taxicab Service Incentives**

Background

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

Mileage

Drivers of Accessible Taxicabs are eligible for disbursement from the Fund at the rate of 40 cents per mile for every mile that the Accessible Taxicab travels when providing Taxicab Service, regardless of passenger type. 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. Taxicab drivers must submit trip manifests to the Taxicab Regulation Unit on, or before, the fifth day of every month unless such day is not a County day of business for the Taxicab Regulation Unit, in which case the driver must submit the trip manifest by the following County day of business for the Taxicab Regulation Unit. 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.

To ensure the continued availability of robust on-demand Taxicab Service for Montgomery County residents and guests, MCDOT will not provide mileage reimbursement for any taxicab trip that is farther than 75 miles from the initial pick-up location, or 150 miles round trip.

Insurance

For Accessible Taxicabs operating a minimum 48 weeks per year and 40 hours per week, or an equivalent thereof as demonstrated by manifests or data deemed acceptable by MCDOT's Taxicab



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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 48 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 48 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 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 Department may, after being found qualified, apply for reimbursement of the application fee, irrespective of whether the applicant is 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.



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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 \$10, resulting in a \$10 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 \$10 guaranteed fare will be paid to Drivers 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 and 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.

MCDOT may halt or temporarily 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.



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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 individual who makes a false statement or submits fraudulent information in order to obtain a disbursement from the fund to which the person is not entitled, or any recipient who misuses a disbursement from the fund is barred from participating in this program and is subject to any action 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 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.



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Approved:

Marc Elrich, County Executive

2/3/2025

Date

Approved as to form and legality:

Robert Birenbaum

Robert Birenbaum
Assistant County Attorney

11/19/2024

Date