


MEMORANDUM

October 24, 2014

TO: County Council

FROM: Josh Hamlin, Legislative Attorney 

SUBJECT: **Introduction:** Expedited Bill 53-14, Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards

Expedited Bill 53-14, Taxicabs – Amendments, sponsored by the Councilmembers Floreen, Berliner, Riemer, and Council President Rice, is scheduled to be introduced on October 28, 2014. A public hearing is tentatively scheduled for December 2 at 7:30 p.m.

Bill 53-14 would amend several sections of Chapter 53 of the Code related to the licensing and operation of taxicabs. The Bill would:

- permit the holder of a fleet Passenger Vehicle License to grant a sublicense to another person;
- increase the age limits for vehicles used as taxicabs;
- amend certain requirements for color and markings of vehicles used as taxicabs;
- allow software-based meters to be used in taxicabs; and
- amend certain requirements for temporary identification cards for taxicab drivers.

Background

On October 9, the Transportation, Infrastructure, Energy and Environment (T&E) Committee held a worksession to discuss issues surrounding the entry in the Montgomery County market of transportation network companies (TNCs) such as Uber and Lyft.¹ Chapter 53 of the County Code regulates taxicabs and the provision of taxicab service, but TNCs, which provide a technology platform for drivers to use their private vehicles to transport passengers, are not currently regulated in the County. Committee Chair Berliner directed staff to draft legislation under which the County would regulate TNCs, which is also scheduled to be introduced on October 28.

Bill 53-14 is intended to address some of the issues faced by the taxicab industry in adapting to a market now populated by TNCs as well as regulated taxicab companies. The Bill would amend the existing law to allow a fleet Passenger Vehicle License (PVL) holder to grant a sublicense to a vehicle owner to provide taxicab service under the license. This amendment is an

¹ The packet for the October 9 T&E Committee worksession can be accessed at:
http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2014/141009/20141009_TE2.pdf

effort to expand the pool of available taxicab drivers. Current law requires that a license be issued only to the owner of each taxicab. The Bill would also change the age limitations on vehicles by one year, to no more than five model years when placed in service, and no more than eight model years when in service. Requirements for vehicle numbering, markings, colors, and cruising lights would be relaxed under the Bill to permit taxicab service in vehicles that look less like “traditional” taxicabs. The Bill would permit taxicabs to be equipped with software-based metering systems as an alternative to the currently required taximeters. Finally, the Bill would adjust some of the requirements for obtaining a temporary driver identification card in an effort to shorten the time required to get qualified taxicab drivers on the road.

This packet contains:

Expedited Bill 53-14

Legislative Request Report

Circle #

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Expedited Bill No. 53-14
Concerning: Taxicabs – Licenses –
Vehicle Requirements – Driver
Identification Cards
Revised: 10/10/2014 Draft No. 2
Introduced: October 28, 2014
Expires: April 28, 2016
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: 1/1/2016
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Floreen, Berliner, Riemer, and Council President Rice

AN EXPEDITED ACT to:

- (1) permit the holder of a fleet Passenger Vehicle License to grant a sublicense to another person on certain conditions;
- (2) increase the age limits for vehicles used as taxicabs;
- (3) amend certain requirements for color and markings of vehicles used as taxicabs;
- (4) allow software-based meters to be used in taxicabs;
- (5) amend certain requirements for temporary identification cards for taxicab drivers;
and
- (4) generally amend the laws governing the licensing and regulation of taxicabs.

By amending

Montgomery County Code

Chapter 53, Taxicabs

Sections 53-201, 53-228, 53-229, 53-231, 53-232, 53-233, 53-235, 53-306, 53-307 and 53-308

By adding

Section 53-204A

Boldface	<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. Sections 53-201, 53-228, 53-229, 53-231, 53-232, 53-233, 53-235,**
 2 **53-306, 53-307, and 53-308 are amended, and Section 53-204A is added, as**
 3 **follows:**

4 **53-201. Required.**

- 5 (a) A person must not provide taxicab service without possessing a
 6 license as required under this Chapter.
- 7 (b) [A] Except as provided in subsection (c)(3), a license must be issued
 8 only to the owner of each taxicab.
- 9 (c) A [licensee] person must not operate a taxicab or provide taxicab
 10 service unless the [licensee] person either:
- 11 (1) holds a fleet license; [or]
- 12 (2) holds one or more individual licenses and is affiliated with an
 13 association or a fleet[.]; or
- 14 (3) holds a sublicense granted by a holder of a fleet license under
 15 Section 53-204A and is affiliated with that fleet.
- 16 (d) A licensee must hold a license for each taxicab.

17 **53-204A. Sublicenses.**

- 18 (a) The holder of a fleet license may grant a sublicense to another person
 19 under this Section.
- 20 (b) A sublicense may be granted only if:
- 21 (1) the holder of a fleet license notifies the Department in writing
 22 of the proposed grant not less than 30 days before the date of
 23 the proposed grant, specifying all terms and conditions of the
 24 proposed grant and the identity of the proposed grantee;
- 25 (2) the Director finds that the proposed grantee meets all
 26 requirements for a licensee under this Chapter and applicable
 27 regulations; and

28 (3) the Director approves the grant of the sublicense.

29 (c) The Director must not approve a grant of a sublicense if the grantee
30 already holds, or would then hold, more than 40% of the total number
31 of licenses then in effect.

32 (d) The holder of a sublicense is subject to all of the requirements of this
33 Chapter that apply to a licensee.

34 **53-228. Procedure when vehicle placed in or removed from service.**

35 * * *

36 (g) Any vehicle placed in service as a taxicab must not be more than [4] 5
37 model years old.

38 **53-229. Age of vehicles.**

39 (a) A licensee must not use any vehicle that is more than [7] 8 model
40 years old to provide taxicab service in the County. As used in this
41 Chapter, the “model year” of a vehicle is the year designated by the
42 vehicle manufacturer, as indicated on the vehicle or in the
43 manufacturer’s records. A licensee may maintain a vehicle in service
44 until the next December 31 after its [seventh] eighth model year ends
45 if the vehicle passes a comprehensive safety inspection performed
46 during the preceding August by a state-certified inspector in good
47 standing.

48 * * *

49 **53-231. Vehicle numbering, lettering, and markings; rate chart.**

50 (a) When a license for a taxicab is issued under this Chapter, the
51 Department must assign a license number to the taxicab. The licensee
52 (or the fleet, if the vehicle is affiliated with a fleet) must assign a
53 vehicle number to each taxicab. The vehicle number must be
54 permanently applied[,], and plainly visible[,], and not less than 3 inches

55 high, on each of the 2 sides, on each of the 2 rear door roof columns,
56 and on the rear of each taxicab].

57 * * *

58 **53-232. Doors; lettering; color; special equipment.**

59 (a) Each taxicab operated in the County must have at least 3 doors. All
60 doors must operate safely.

61 (b) A licensee or driver must not operate a taxicab unless the taxicab
62 bears markings in letters plainly distinguishable [and not less than 3
63 inches high,] on each of the 2 sides of the taxicab, showing the
64 approved name [and telephone number] of the fleet or association by
65 whom the taxicab is owned or operated[, and the word "taxicab,"
66 "taxi" or "cab."].

67 (c) [All taxicabs in a fleet or association] Each fleet or association must
68 [be uniform in color] register its colors with the Department. A fleet
69 or association may register one or more color combinations, and any
70 fleet or association may register black as one of its colors. A fleet or
71 association must not use colors that are similar to those of another
72 fleet or association so that the public can readily identify taxicabs
73 operated by that fleet or association. [However, the] The Director
74 may approve advertising in different colors or markings as long as the
75 public can still readily identify taxicabs operated by that licensee, or
76 the use of a set of different colors and markings to identify a
77 specialized service provided by or geographic area served by a fleet or
78 association. Any color or color combination approved by the
79 Department, other than black, must be reserved for the exclusive use
80 of that fleet or association when the fleet or association is operating
81 taxicabs in the County.

82 (d) Each licensee must insure that each fleet or association uses only the
83 approved name of the fleet or association in advertising or listing its
84 service to the public.

85 **53-233. Cruising lights.**

86 Each taxicab [must] may, but is not required to, have cruising lights that
87 operate electrically as a sign or insignia mounted on the forward portion of the roof
88 of the taxicab. [These] Cruising lights must not be used until approved by the
89 Department[. These lights], and must be designed so that the vehicle can be easily
90 identified as a taxicab.

91 **53-235. Taxicab meters.**

92 (a) Each taxicab must be equipped with:
93 (1) an accurate, properly installed and connected taximeter which
94 has a security seal affixed by the Department[.]; or
95 (2) a reliable, independently verifiable software-based metering
96 system, approved by the Department.

97 (b) In addition to regular inspections, the Department may conduct
98 periodic tests of these meters or metering systems. Upon successful
99 completion of the tests, [the] a taximeter must be affixed with a
100 security seal, and a software-based metering system must be marked
101 in a manner acceptable to the Department. These tests should be
102 scheduled in a manner that minimizes interruption of taxicab service
103 to the public.

104 * * *

105 **53-306. Application; temporary card.**

106 (a) A person who holds a valid identification card must apply for a
107 renewal card not less than 30 days before the current card expires.

108 * * *

- 109 (c) (1) An applicant who has not held an identification card, or who
110 held a card that has expired, may apply for a short-term
111 temporary identification card under applicable regulations.
- 112 (2) The Director must not issue a temporary identification card
113 unless the applicant has:
- 114 (A) properly verified his or her identity;
- 115 (B) a valid driver's license issued by Maryland or a bordering
116 state (including the District of Columbia);
- 117 (C) submitted his or her driving records, as compiled by the
118 appropriate state motor vehicle agency, for the previous 3
119 calendar years from any jurisdiction where the applicant
120 held a license to drive a motor vehicle; and
- 121 (D) undergone a criminal background check, conducted by
122 the appropriate state agency, showing that the applicant is
123 not disqualified because of a criminal conviction, receipt
124 of probation before judgment in lieu of a conviction, or
125 pending criminal charge from operating a taxicab[; and]
- 126 [(E) passed the examination required under Section 53-308].
- 127 (3) [After August 31, 2007, the] The Director must not issue a
128 temporary or annual identification card unless the applicant has
129 shown, through a complete criminal background check, that the
130 applicant is not disqualified for any reason mentioned in
131 Section 53-309(a).
- 132 (4) Any temporary identification card issued under this subsection
133 must differ conspicuously in style and color from the annual
134 identification card.
- 135 (5) A temporary identification card expires [on the earlier of:

- 136 (A) 5 days after the Department receives the results of the
 137 nationwide criminal background check; or
 138 (B) 90] 45 days after the card was issued.
- 139 (6) The holder of a temporary identification card must return it to
 140 the Department, without further proceedings, on the earlier of:
 141 (A) the day the Department issues the holder an annual
 142 identification card under this Chapter;
 143 (B) the [90th] 45th day after the card was issued; or
 144 (C) 1 business day after the Department notifies the holder
 145 that the card has expired under subsection (c)(5)[(A)].
- 146 (7) By accepting a temporary identification card, the holder by
 147 operation of law waives any cause of action against the County
 148 or any officer, employee, or agency of the County for
 149 improperly issuing a license to the holder. By employing or
 150 leasing a taxicab to any person who holds a temporary
 151 identification card, a taxicab licensee by operation of law
 152 waives any cause of action against the County or any officer,
 153 employee, or agency of the County for improperly issuing a
 154 license to that person.
- 155 (d) The Director may extend the expiration date of an identification card
 156 [(including a temporary identification card issued under subsection
 157 (c))] up to 60 days if:
 158 (1) the applicant has submitted all required documentation; and
 159 (2) processing of required state or federal criminal background
 160 checks has been delayed through no fault of the applicant.

161 **53-307. Physician's certificate.**

162 (a) Before the Director issues an identification card, [including] other
163 than a temporary card issued under Section 53-306(c), the applicant
164 must furnish a physician's certificate, issued within the previous 30
165 days, which certifies that:

166 (1) the applicant has been given a physical examination, including
167 an initial tuberculosis test and any other test required by
168 applicable regulation; and

169 (2) the applicant is free from any communicable disease, and is not
170 subject to any physical or mental impairment that could:

171 (A) adversely affect the applicant's ability to drive safely; or

172 (B) otherwise endanger the public health, safety, or welfare.

173 * * *

174 **53-308. Examination of applicant.**

175 Before issuing an identification card, other than a temporary card issued
176 under Section 53-306(c), the Director must require the applicant to show that the
177 applicant is able to:

178 (a) perform the duties and responsibilities of a taxicab driver; and

179 (b) pass an examination on knowledge of traffic laws, duties under this
180 Chapter, and general qualifications to operate a taxicab in the County.

181 **Sec. 2. Expiration.** This Act and any regulation adopted under it
182 expires on January 1, 2016. Any taxicab modified as authorized by this Act may
183 continue to be used as modified as long as it remains in service.

184 **Sec. 3. Expedited Effective Date.** The Council declares that this
185 legislation is necessary for the immediate protection of the public interest. This
186 Act takes effect on the date when it becomes law.

LEGISLATIVE REQUEST REPORT

Expedited Bill 53-14

Taxicabs – Licenses – Vehicle Requirements – Driver Identification Cards

DESCRIPTION:	Expedited Bill 53-14 would address some of the issues faced by the taxicab industry in adapting to a market now populated by transportation network companies (TNCs) such as Uber and Lyft in addition to regulated taxicab companies. The Bill would amend current requirements related to the sublicensing of Passenger Vehicle Licenses (PVLs); vehicle age limits, meters, numbering and markings; and the issuance of temporary driver identification cards.
PROBLEM:	The regulated taxicab industry is faced with new competition from TNCs and must adapt to the changing marketplace.
GOALS AND OBJECTIVES:	Ensure a competitive market for the delivery of transit services while maintaining high standards of public safety, convenience, and comfort.
COORDINATION:	MCDOT
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:	N/A