

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Prepared by: Department of Legislative Reference

Date: December 28, 2018

Referred to: TAXATION, FINANCE & ECONOMIC DEVELOPMENT Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 19 - 0320

A BILL ENTITLED

AN ORDINANCE concerning

Passenger-for-Hire Services Tax – Corrective

FOR the purpose of correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effective date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services.

BY repealing and reordaining, with amendments

Article 28 - Taxes

Sections 24-1(d)(1) and 24-2 through 24-5

Baltimore City Code

(Edition 2000)

****The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

Agencies

<input checked="" type="checkbox"/>	Baltimore City Public School System	<input checked="" type="checkbox"/>	Department of Public Works
<input checked="" type="checkbox"/>	Baltimore Development Corporation	<input type="checkbox"/>	Department of Real Estate
<input type="checkbox"/>	City Solicitor	<input type="checkbox"/>	Department of Recreation and Parks
<input type="checkbox"/>	Comptroller's Office	<input checked="" type="checkbox"/>	Department of Transportation
<input type="checkbox"/>	Department of Audits	<input type="checkbox"/>	Fire Department
<input type="checkbox"/>	Department of Finance	<input type="checkbox"/>	Health Department
<input type="checkbox"/>	Department of General Services	<input type="checkbox"/>	Mayor's Office of Employment Development
<input type="checkbox"/>	Department of Housing and Community Development	<input type="checkbox"/>	Mayor's Office of Human Services
<input type="checkbox"/>	Department of Human Resources	<input type="checkbox"/>	Mayor's Office of Information Technology
<input type="checkbox"/>	Department of Planning	<input type="checkbox"/>	Office of the Mayor
<input checked="" type="checkbox"/>	Other: <i>Downtown Partnership of Baltimore</i>	<input type="checkbox"/>	Police Department
<input checked="" type="checkbox"/>	Other: <i>Visit Baltimore</i>	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Baltimore City Public School System	<input type="checkbox"/>	Environmental Control Board
<input type="checkbox"/>	Board of Ethics	<input type="checkbox"/>	Fire & Police Employees' Retirement System
<input type="checkbox"/>	Board of Municipal and Zoning Appeals	<input type="checkbox"/>	Labor Commissioner
<input type="checkbox"/>	Comm. for Historical and Architectural Preservation	<input type="checkbox"/>	Parking Authority Board
<input type="checkbox"/>	Commission on Sustainability	<input type="checkbox"/>	Planning Commission
<input type="checkbox"/>	Employees' Retirement System	<input type="checkbox"/>	Wage Commission
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:

Boards and Commissions

<input type="checkbox"/>	Board of Estimates	<input type="checkbox"/>	Environmental Control Board
<input type="checkbox"/>	Board of Ethics	<input type="checkbox"/>	Fire & Police Employees' Retirement System
<input type="checkbox"/>	Board of Municipal and Zoning Appeals	<input type="checkbox"/>	Labor Commissioner
<input type="checkbox"/>	Comm. for Historical and Architectural Preservation	<input type="checkbox"/>	Parking Authority Board
<input type="checkbox"/>	Commission on Sustainability	<input type="checkbox"/>	Planning Commission
<input type="checkbox"/>	Employees' Retirement System	<input type="checkbox"/>	Wage Commission
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Other:	<input type="checkbox"/>	Other:

CITY OF BALTIMORE
ORDINANCE **20-342**
Council Bill 19-0320

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: January 14, 2019
Assigned to: Taxation, Finance and Economic Development Committee
Committee Report: Favorable
Council action: Adopted
Read second time: January 27, 2020

AN ORDINANCE CONCERNING

1 **Passenger-for-Hire Services Tax – Corrective**

2 FOR the purpose of correcting provisions governing the City's passenger-for-hire excise tax to
3 conform with limitations imposed by State law; providing for a special effective date; and
4 generally relating to the imposition and collection of an excise tax on passenger-for-hire
5 services.

6 BY repealing and reordaining, with amendments
7 Article 28 - Taxes
8 Sections 24-1(d)(1) and 24-2 through 24-5
9 Baltimore City Code
10 (Edition 2000)

11 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
12 Laws of Baltimore City read as follows:

13 **Baltimore City Code**

14 **Article 28. Taxes**

15 **Subtitle 24. Passenger-for-Hire Services**

16 **§ 24-1. Definitions.**

17 (d) *Passenger-for-hire service.*

18 (1) *In general.*

19 "Passenger-for-hire service" means any taxicab service, limousine service, sedan
20 service, or transportation network service that, for remuneration, transports
21 passengers within[,] OR from[, or to] Baltimore City.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike-out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

Council Bill 19-0320

1 **§ 24-2. Tax imposed.**

2 An excise tax is levied and imposed on every person who operates a passenger-for-hire
3 service within[,] OR from[, or to] Baltimore City.

4 **§ 24-3. Amount of tax.**

5 The amount of the tax imposed is 25¢ for each [passenger being transported, for a fee, on
6 any 1] trip:

7 (1) between points within Baltimore City; OR

8 (2) from a point within Baltimore City to a point outside Baltimore City[;]. [or]

9 [(3) from a point outside Baltimore City to a point within Baltimore City.]

10 **§ 24-5. [Monthly remittance] REMITTANCE and reports.**

11 (a) *TAXICAB, LIMOUSINE, AND SEDAN SERVICES.*

12 (1) *Remittance.*

13 [The] FOR A TAXICAB SERVICE, LIMOUSINE SERVICE, OR SEDAN SERVICE, THE operator
14 of [the passenger-for-hire] THAT service must remit the tax imposed by this subtitle to
15 the Finance Director on or before the 25th day of the month following the month in
16 which the service was provided.

17 (2) [(b)] *Reports.*

18 (i) [(1)] Each remittance must be accompanied by a report of all service transactions
19 for the month.

20 (ii) [(2)] The report must be in the form and contain the information that the Finance
21 Director requires.

22 (b) *TRANSPORTATION NETWORK SERVICES.*


23 FOR A TRANSPORTATION NETWORK SERVICE, THE TAX IMPOSED BY THIS SUBTITLE MUST
24 BE COLLECTED AND REMITTED TO THE STATE COMPTROLLER IN ACCORDANCE WITH
25 STATE PUBLIC UTILITIES ARTICLE § 10-406(G).

26 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
27 are not law and may not be considered to have been enacted as a part of this or any prior
28 Ordinance.

29 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect when it is
30 enacted.

Council Bill 19-0320

Certified as duly passed this 10 day of Feb, 2020



President, Baltimore City Council

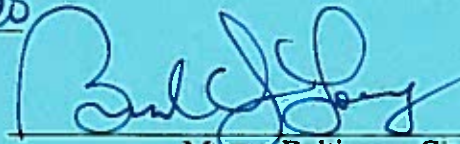
Certified as duly delivered to His Honor, the Mayor,

this 10 day of Feb, 2020



Chief Clerk

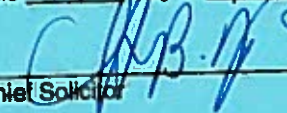
Approved this 19 day of Feb, 2020



Mayor, Baltimore City

Approved For Form and Legal Sufficiency

This 19th Day of February 2020



Chief Solicitor

Chief Solicitor

Approved For Form and Legal Sufficiency
This _____ Day of _____



1. The first part of the document is a list of names and addresses. The names are: John Doe, Jane Smith, and Bob Johnson. The addresses are: 123 Main St, New York, NY 10001; 456 Elm St, New York, NY 10002; and 789 Oak St, New York, NY 10003.

 John Doe

 Jane Smith

 Bob Johnson

**BALTIMORE CITY COUNCIL
TAXATION, FINANCE AND ECONOMIC DEVELOPMENT
VOTING RECORD**

DATE: January 23, 2020

BILL#: 19-0320

BILL TITLE: Passenger-for-Hire Services Tax – Corrective

MOTION BY: Costello Reisinger SECONDED BY: Costello


- FAVORABLE FAVORABLE WITH AMENDMENTS
 UNFAVORABLE WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Middleton, Sharon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCray, D, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reisinger, Edward	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS	5	0		

CHAIRPERSON: *Sharon Middleton*

COMMITTEE STAFF: Samuel Johnson, Initials: *SJ*

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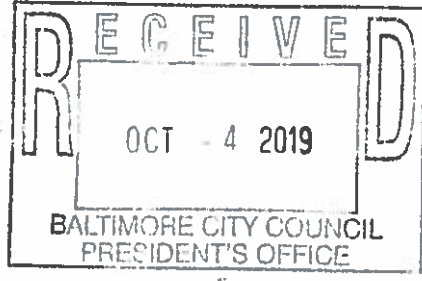
FROM	NAME & TITLE	Robert Cennamo, Budget Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Department of Finance Room 432, City Hall (410) 396-4774		
	SUBJECT	CCB 19-0320 - Passenger-for-Hire Services Tax – Corrective		

TO

The Honorable President and
Members of the City Council
Room 400, City Hall

DATE

October 2, 2019



Position: Supports

The Department of Finance is herein reporting on City Council Bill 19-0320, which calls for correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations by State law and imposition of the tax.

Background

On June 18, 2013, City Council Bill 13-0213 became law, establishing the City's taxing authority for Public Passenger Vehicles in the City, also known as the "Taxi Tax". The tax was set at \$0.25 per passenger per trip on any one trip which originated or ended in the City. Transportation Network Services (TNS), which includes ride-share services such as Uber and Lyft, for example, were not included in this legislation.

During the 2015 Maryland General Assembly session, Senate Bill 868 established the regulatory framework for TNS's. It also authorized jurisdictions that had licensed or regulated taxicab services by January 1, 2015 to impose an assessment on TNS's by January 1, 2015. Per the State law, TNS's must collect the assessment and remit the revenue to the State Comptroller's Office, which distributes it to the appropriate jurisdictions. On October 1, 2017, the City added the definition of "Transportation Network Services" to the City Code with the passage of City Council Bill 17-0115.

This change in the code partially satisfied the State law basis for imposing the tax on TNS's. However, the legislation did not fully align the City law to the State law. The following issues impede the State Comptroller's Offices' ability to collect this tax on behalf of the City and represent the purpose for City Council Bill 19-0320:

- Per trip assessment: The State law authorizes the imposition of the tax on a per trip basis while the City Code authorizes the charge on a per passenger per trip basis. There are no mechanisms in place, either at the State or local level, to identify and track the number of riders per trip, and the State will only collect this assessment on a per trip basis.
- Trip Origination: The State law allows the imposition of the tax only on trips originated in the jurisdiction where the tax is imposed. The City laws requires the imposition of the tax not only on trips initiated within the City, but also on those trips started outside but ending within the City.
- Remittance and Collection of Taxi tax and TNS's: The State will only collect the assessment on TNS's; therefore, City Code must be amended to clarify that the remittance of the Taxi tax remains under the authority of the City's Director of Finance, but the tax collected by TNS's is remitted to the State's Comptroller Office.

Handwritten letter F

Fiscal Analysis

Rideshare market data is not readily available and TNS's are reluctant to disclose market share information to protect competitiveness. However, we were able to use publicly available information to determine per capita rideshare numbers for four jurisdictions:

Transportation Networks - Per-Capita Rideshare Comparison			
Location	Population	Rideshare Per Year	Per-Capita Rideshare
Boston (Massachusetts)	683,015	35,040,000	51.3
King County (Washington)	2,188,649	33,215,000	15.2
State of Massachusetts	6,859,819	64,800,000	9.4
Montgomery County (Maryland)	1,058,810	9,244,000	8.7

The demographic characteristics and commuting preference of these locations are not exactly comparable to the City, suggesting that the City may have a different per-capita rideshare pattern. We assumed that Baltimore would experience 14.6 rides per capita, which is similar to the data for King County, Washington (which includes the City of Seattle). This would generate \$2.1 million of annual revenue assuming a \$0.25 rate. The following table summarizes a range of possibilities:

Fiscal Impact - Estimated City Revenue - Scenario Analysis				
Scenarios	Low	Mid	High	Average
Per-Capita Rideshare	9.1	14.6	51.3	21.0
Annual Rideshare	5,565,997	8,930,061	31,377,542	12,844,608
Gross Revenue (\$0.25 per Ride)	\$1,391,499	\$2,232,515	\$7,844,386	\$3,211,152
State's Admin fee (5%)	\$69,575	\$111,626	\$392,219	\$160,558
Estimated City Revenue	\$1,321,924	\$2,120,889	\$7,452,166	\$3,050,594

Other Considerations

The growing demand for rideshare alternatives such as TNS's is one of the factors explaining the recent sharp decline in revenues from parking related activities such as parking tax, parking meters, and garage income from City owned garages. The following table shows the revenue trend for key parking related revenues in the last three years:

Parking Related - Revenue Trend FY 2017-FY2019 Comparison			
	Fiscal 2017	Fiscal 2018	Fiscal 2019**
Parking Tax	\$32,379,450	\$31,850,654	\$31,415,000
Garage Income*	\$23,017,702	\$22,589,177	\$21,024,500
Parking Meters	\$15,416,446	\$14,537,290	\$14,200,000
Total Annual Revenues	\$70,813,598	\$68,987,120	\$66,639,500
Annual Change	\$1,733,146	-\$1,826,478	-\$2,347,620
Revenue loss Since FY 2017			-\$4,174,098

* Excludes prior years' revenues from the four garages sold

** Represents current year-end estimated revenues

Parking revenues from these three sources have declined \$4.1 million annually, or 6%, in only a two-year period. The shift to TNS riders has reduced income in traditional parking-related sources, but still puts pressure on the City's aging transit infrastructure. Given the sharp decline in revenues, we believe an additional rate increase is warranted (from \$0.25 to \$0.50) which would generate an additional \$2.1 million for a total of \$4.2 million.

Per State law, the City is considered an exempt jurisdiction, which means that it is not subject to the cap on the per trip assessment charge of \$0.25 and is therefore authorized to set its own rate. The State requires 120-day notice before collecting the tax on our behalf at the new rate, which should be pursued immediately after the passage of this legislation.

Conclusion

City Council Bill 19-0320 will align the City code and State law, enabling the State to collect revenue from TNS's on behalf of the City. This legislation is necessary to ensure that the City receives these funds from TNS entities and provides additional revenue support for the general fund as the City experiences reductions in parking and garage revenue sources.

For the reasons stated above, the Department of Finance supports City Council Bill 19-0320, and further would propose an amendment to increase the rate from \$0.25 to \$0.50.

cc: Henry Raymond
Matthew Stegman
Nina Themelis



MEMORANDUM

DATE: February 4, 2019
TO: Taxation, Finance and Economic Development Committee
FROM: William H. Cole, President and CEO
POSITION: Support
SUBJECT: City Council Bill 19-0320 - Passenger for Hire Services Tax - Corrective

INTRODUCTION

I am herein reporting on City Council Bill Passenger-for-Hire Services Tax – Corrective (19-0320), introduced by the Council President.

PURPOSE

This change in ordinance will put Baltimore City in line with existing State law. This change will allow the State to collect tax revenue that will be remitted to the City. Additionally, the change will now allow the City to collect tax revenue from other transportation services, such as Uber and Lyft.

BRIEF HISTORY

Currently, the City's existing regulations regarding passenger-for-hire services do not conform to the State regulations, forgoing the ability to collect the remittance of excise taxes from the State.

FISCAL IMPACT

As a result of this corrective bill, the City expects to see increased revenues from passenger-for-hire services, as long as the number of trips occurring within the City or to points outside the City stay constant or increase.

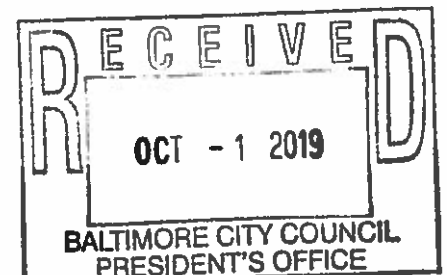
AGENCY POSITION

The Baltimore Development Corporation supports City Council Bill Passenger-for-Hire Services Tax – Corrective (19-0320).

If you have any questions, please do not hesitate to contact Kim Clark at 410-837-9305 or at kclark@baltimoredevelopment.com.

cc: Jeffrey Amoros

[MK]





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CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG
Mayor



DEPARTMENT OF LAW
ANDRE M. DAVIS, CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

September 27, 2019

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna B. Austin, Executive Secretary
Room 409, City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 19-0320 - Passenger-for-Hire Services Tax – Corrective

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 19-0320 for form and legal sufficiency. The bill corrects provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law. It also provides for a special effective date.

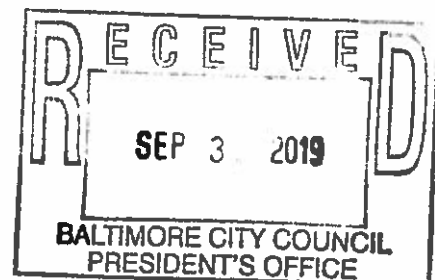
The City's passenger-for-hire excise tax, City Code Article 28, Subtitle 24, was established decades ago pursuant to the City's legislative powers found in the City Charter, specifically, Article II, § 40 Additional Taxing Powers. In 2016 the State adopted its own law authorizing a tax on passenger-for-hire services. Although the City was exempt from the State law by virtue of its pre-existing tax, the Administration seeks to conform the City's law to the State law. The Law Department sees no legal obstacles to that objective.

The Law Department therefore is prepared to approve the bill for form and legal sufficiency as drafted.

Sincerely,

Victor K. Tervala
Chief Solicitor

cc: Andre M. Davis, City Solicitor
Nicholas Blendy, MOGR
Matt Stegman, Mayor's Legislative Liaison
Caylin Young, President's Legislative Director
Elena DiPietro, Chief Solicitor, General Counsel Division
Hilary Ruley, Chief Solicitor
Ashlea Brown, Assistant Solicitor



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February 12, 2019

TO: Baltimore City Council
FROM: Al Hutchinson, President and CEO, Visit Baltimore
RE: **COUNCIL BILL 19-0320 - Passenger-for-Hire Services Tax - Corrective**

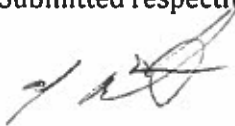
Honorable Council President Young and members of the Baltimore City Council:

As the City's destination marketing organization, Visit Baltimore's job is to drive economic impact through destination promotion and convention sales efforts that inspire and influence the decisions of individual travelers as well as meetings and convention groups alike. We also work to provide a positive experience for all guests.

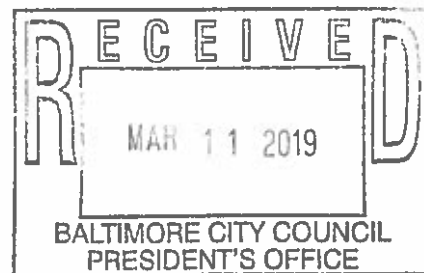
The availability and accessibility of a variety of passenger-for-hire transportation services to, within and from Baltimore is an important part of the visitor experience. Having counseled with a sampling of our membership base in the taxicab, limousine and transportation network service sectors, we understand that the corrections noted in Council Bill 19-0320 could make their job of collecting and tracking the required passenger-for-hire excise tax easier and in turn minimize any disruption to the visitor. We would defer to the allied organizations representing these industry sub-sectors for more detailed commentary on policy.

Visit Baltimore appreciates the opportunity to respond to Council Bill 19-0320.


Submitted respectfully,



Al Hutchinson
President & CEO



Comments

FROM	NAME & TITLE	Michelle Pourciau, Director	CITY of BALTIMORE M E M O	
	AGENCY NAME & ADDRESS	Department of Transportation (DOT) 417 E Fayette Street, Room 527		
	SUBJECT	City Council Bill 19-0320		

TO: Mayor Catherine E. Pugh
TO: Taxation, Finance and Economic Development Committee
FROM: Department of Transportation
POSITION: Support
RE: Council Bill – 19-0320

DATE: 2/1/19

INTRODUCTION – Passenger-for-Hire Services Tax – Corrective

PURPOSE/PLANS – For the purpose of correcting provisions governing the City’s passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effective date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services.

COMMENTS – This bill would subject rideshare services to be subject to the same taxes that taxis and limousines already pay.

AGENCY/DEPARTMENT POSITION –

The Department of Transportation supports City Council bill 19-0320.

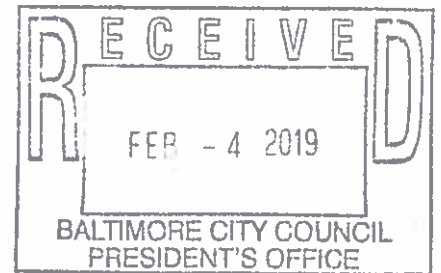
If you have any questions, please do not hesitate to contact Michael Castagnola at Michael.Castagnola@baltimorecity.gov, 410-396-6802.

Sincerely,



Michelle Pourciau
Director

Favorable



City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Minutes - Final

Taxation, Finance and Economic Development Committee

Thursday, January 23, 2020

10:05 AM

Du Burns Council Chamber, 4th floor, City Hall

19-0320

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

Present 5 - Member Sharon Green Middleton, Member Danielle McCray, Member Eric T. Costello, Member Edward Reisinger, and Member Robert Stokes Sr.

ITEMS SCHEDULED FOR PUBLIC HEARING

19-0320

Passenger-for-Hire Services Tax - Corrective

For the purpose of correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effective date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services.

Sponsors: City Council President (Administration)

A motion was made by member Reisinger, seconded by member Costello, that Bill 19-0320 be recommended favorably. The motion carried by the following vote:

Yes: 5 - Member Middleton, Member McCray, Member Costello, Member Reisinger, and Member Stokes Sr.

ADJOURNMENT



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HEARING NOTES

Bill: 19-0320

Passenger-for-Hire Services Tax – Corrective

Committee: Taxation, Finance and Economic Development
Chaired By: Councilmember Sharon Green-Middleton

Hearing Date: January 23, 2020
Time (Beginning): 10:07 a.m.
Time (Ending): 11:20 a.m.
Location: Clarence "Du" Burns Chambers
Total Attendance: Approximately 35 – 40
Committee Members in Attendance:
Sharon Green-Middleton
Danielle McCray
Edward Reisinger
Eric Costello
Robert Stokes

Bill Synopsis in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Attendance sheet in the file?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Agency reports read?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Hearing televised or audio-digitally recorded?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Certification of advertising/posting notices in the file?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Evidence of notification to property owners?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input checked="" type="checkbox"/> N/A
Final vote taken at this hearing?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Motioned by:	Reisinger		
Seconded by:	Costello		
Final Vote:	5 – 0		

Major Issues Discussed

1. Chairwoman Middleton read the bill into the record.
2. The Law Department read their bill report into the record and offered comments.
3. The Department of Finance read their bill report into the record and offered comments.
4. The Mayor's Office read the Baltimore Development Corporations bill report into the record.
5. The Department of Transportation read their bill report into the record and offered comments.
6. The Mayor's Office read the Downtown Partnership of Baltimore's bill report into the record.
7. A representative from Visit Baltimore read their bill report into the record and offered comments.
8. Committee members engaged agency representatives in dialogue on the bill.

9. Councilman Costello requested that the committee be updated on the actions of Finance and Law to recoup the \$2.1 million dollars in lost revenue.
10. There was no public testimony.
11. The bill will come out on second reader on January 27, 2020.

Further Study

Was further study requested?

Yes No

If yes, describe.

Samuel Johnson , Committee Staff
(410) 396-1091
cc: Bill File
OCS Chrono File

Date: January 23, 2020



City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Meeting Agenda - Final

Taxation, Finance and Economic Development Committee

Thursday, January 23, 2020

10:05 AM

Du Burns Council Chamber, 4th floor, City Hall

19-0320

CALL TO ORDER

INTRODUCTIONS

ATTENDANCE

ITEMS SCHEDULED FOR PUBLIC HEARING

19-0320

Passenger-for-Hire Services Tax - Corrective

For the purpose of correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effective date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services.

Sponsors:

City Council President (Administration)

ADJOURNMENT

THIS MEETING IS OPEN TO THE PUBLIC

CITY OF BALTIMORE

BERNARD C. "JACK" YOUNG, Mayor



OFFICE OF COUNCIL SERVICES

LARRY E. GREENE, Director
415 City Hall, 100 N. Holliday Street
Baltimore, Maryland 21202
410-396-7215 / Fax: 410-545-7596
email: larry.greene@baltimorecity.gov

BILL SYNOPSIS

Committee: Taxation, Finance and Economic Development

Bill 19-0320

Passenger-for-Hire Services Tax - Corrective

Sponsor: President Young
Introduced: January 14, 2019

Purpose:

For the purpose of correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effecting date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services

Effective: Takes effect when enacted

Agency Reports

City Solicitor	No Objection
Department of Finance	Favorable
Baltimore Development Corporation	Favorable
Department of Transportation	No Objection
Downtown Partnership of Baltimore	
Visit Baltimore	Comments

Analysis

Background

In 2013, the City of Baltimore instituted a passenger for hire tax, this occurred three years before the State of Maryland's tax went into effect. The amendments in this legislation will bring the City's code in line with Maryland Law.

If enacted, Bill 19-0320 would change the language from "per passenger per trip" to just "per trip tax". This is being done because there is no way to assess the number of passengers traveling on one trip, and the State won't collect a tax for anything other than per trip. Next, the State law only authorizes that taxes be applied on trips originating in the jurisdiction where the trip started. For taxicab, limousine, and sedan services the operator of that service is still responsible for paying the Director of Finance all taxes imposed on or before the 25th day of the month following the month which the service was provided. For ride share companies that operate through a Transportation Network Service, the tax imposed by this subtitle must be collected and remitted to the State Comptroller in accordance with State Public Utilities Article 10-406(G).

What are Transportation Network Services?

Transportation Network Services (TNS) – Often referred to as a mobility service provider is a company that matches passengers with vehicles, via websites and mobile apps. Transportation Network Services for automobiles are commonly referred to as ride-hailing services, and Transportation Network Services exist for aircraft and watercraft as well.

Additional Information

Fiscal Note: Not Available

Information Source(s): Agency Reports

Analysis by: Samuel Johnson
Analysis Date: January 21, 2020

Direct Inquiries to: (410) 396-1091

DLR DRAFT I (CRCTD 21JAN20)

**AMENDMENTS TO COUNCIL BILL 19-0320
(1st Reader Copy)**

By: Department of Finance
{To be offered to the Taxation, Finance and Economic Development Committee}

Amendment No. 1

On page 1, in line 4, after the first semi-colon, insert "modifying the amount of the tax imposed;" and, on page 2, in line 5, strike "25¢" and substitute "50¢".

**CITY OF BALTIMORE
COUNCIL BILL 19-0320
(First Reader)**

Introduced by: The Council President

At the request of: The Administration (Department of Finance)

Introduced and read first time: January 14, 2019

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore Development Corporation, Department of Transportation, Downtown Partnership, Visit Baltimore

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Passenger-for-Hire Services Tax – Corrective**

3 FOR the purpose of correcting provisions governing the City’s passenger-for-hire excise tax to
4 conform with limitations imposed by State law; providing for a special effective date; and
5 generally relating to the imposition and collection of an excise tax on passenger-for-hire
6 services.

7 BY repealing and reordaining, with amendments

8 Article 28 - Taxes
9 Sections 24-1(d)(1) and 24-2 through 24-5
10 Baltimore City Code
11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
13 Laws of Baltimore City read as follows:

14 **Baltimore City Code**

15 **Article 28. Taxes**

16 **Subtitle 24. Passenger-for-Hire Services**

17 **§ 24-1. Definitions.**

18 (d) *Passenger-for-hire service.*

19 (1) *In general.*

20 “Passenger-for-hire service” means any taxicab service, limousine service, sedan
21 service, or transportation network service that, for remuneration, transports
22 passengers within[,] OR from[, or to] Baltimore City.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 19-0320

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§ 24-2. Tax imposed.

An excise tax is levied and imposed on every person who operates a passenger-for-hire service within[,] OR from[, or to] Baltimore City.

§ 24-3. Amount of tax.

The amount of the tax imposed is 25¢ for each [passenger being transported, for a fee, on any 1] trip:

(1) between points within Baltimore City; OR

(2) from a point within Baltimore City to a point outside Baltimore City[;]. [or]

[(3) from a point outside Baltimore City to a point within Baltimore City.]

§ 24-5. [Monthly remittance] REMITTANCE and reports.

(a) *TAXICAB, LIMOUSINE, AND SEDAN SERVICES.*

(1) *Remittance.*

[The] FOR A TAXICAB SERVICE, LIMOUSINE SERVICE, OR SEDAN SERVICE, THE operator of [the passenger-for-hire] THAT service must remit the tax imposed by this subtitle to the Finance Director on or before the 25th day of the month following the month in which the service was provided.

(2) [(b)] *Reports.*

(i) [(1)] Each remittance must be accompanied by a report of all service transactions for the month.

(ii) [(2)] The report must be in the form and contain the information that the Finance Director requires.

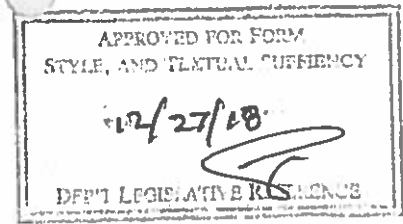
(b) *TRANSPORTATION NETWORK SERVICES.*

FOR A TRANSPORTATION NETWORK SERVICE, THE TAX IMPOSED BY THIS SUBTITLE MUST BE COLLECTED AND REMITTED TO THE STATE COMPTROLLER IN ACCORDANCE WITH STATE PUBLIC UTILITIES ARTICLE § 10-406(G).

SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect when it is enacted.

INTRODUCTORY*
CITY OF BALTIMORE
COUNCIL BILL _____



Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning

Passenger-for-Hire Services Tax – Corrective

FOR the purpose of correcting provisions governing the City's passenger-for-hire excise tax to conform with limitations imposed by State law; providing for a special effective date; and generally relating to the imposition and collection of an excise tax on passenger-for-hire services.

BY repealing and reordaining, with amendments

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* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

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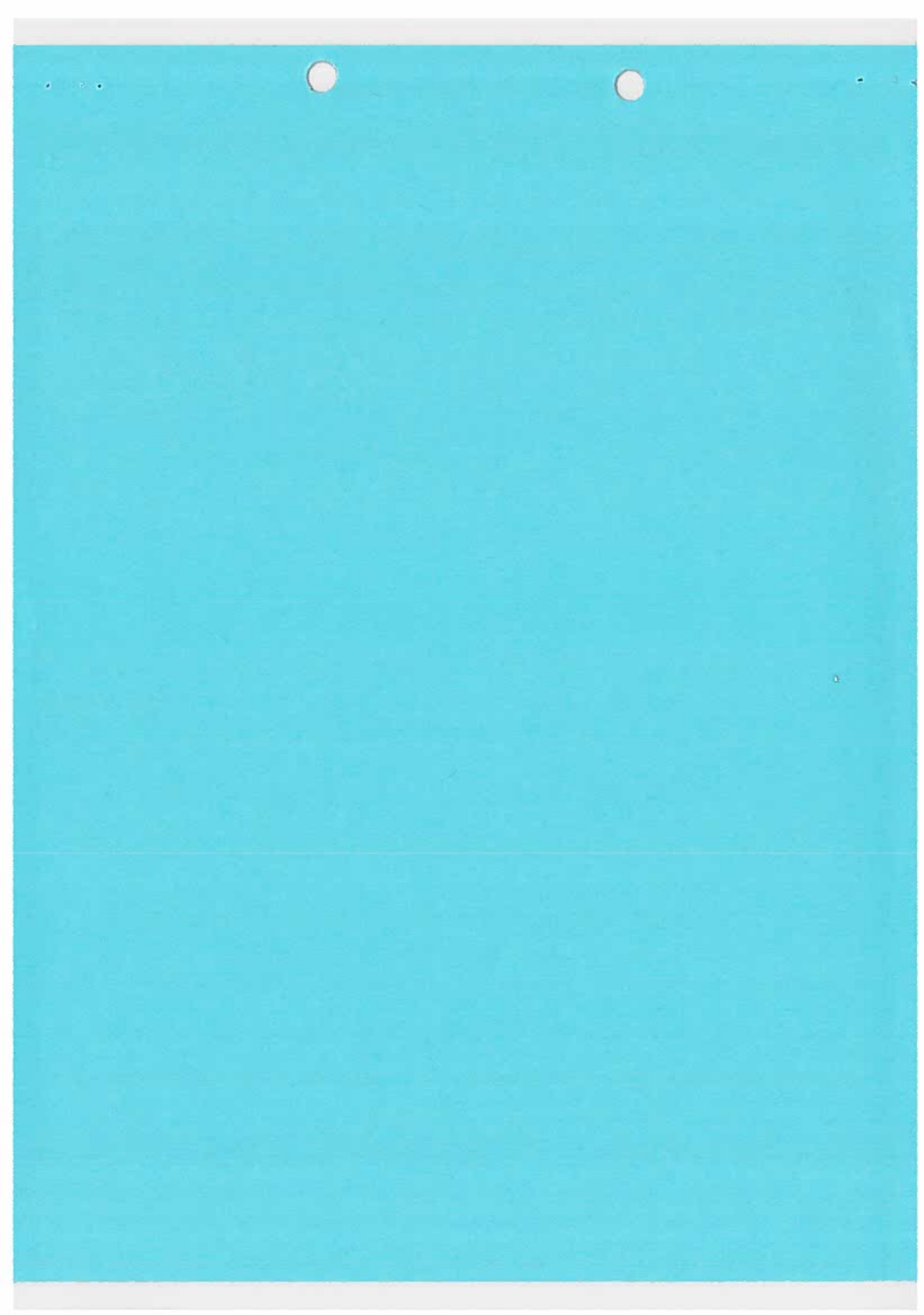
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ACTION BY THE CITY COUNCIL

JAN 14 2019

FIRST READING (INTRODUCTION) _____ 20 _____

PUBLIC HEARING HELD ON _____ January 23 20 20

COMMITTEE REPORT AS OF _____ January 23 20 20

FAVORABLE _____ UNFAVORABLE _____ FAVORABLE AS AMENDED _____ WITHOUT RECOMMENDATION

Steve M...

Chair

COMMITTEE MEMBERS:

COMMITTEE MEMBERS:

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

JAN 27 2020

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING _____ Feb 10 20 20

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (ENROLLED) _____ 20 _____

_____ Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

THIRD READING (RE-ENROLLED) _____ 20 _____

WITHDRAWAL _____ 20 _____

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.

President

Chief Clerk