



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2473

PRINTERS NO. 4051

PRIME SPONSOR: Godshall

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See "Fiscal Impact"	See "Fiscal Impact"
Philadelphia Taxicab and Limousine Regulatory Fund	See "Fiscal Impact"	See "Fiscal Impact"
School District of Philadelphia Funds	\$0	\$0

SUMMARY: Amends Title 53 regarding assessments, accounts, and audits of the Philadelphia Parking Authority (PPA). This legislation would take effect in 60 days.

ANALYSIS: This legislation amends Title 53, Chapter 57 (Taxicabs and Limousines in First Class Cities) as follows:

Budget Submission: The legislation clarifies that the General Assembly shall appropriate funds for the PPA from the newly created restricted accounts instead of the special funds.

Limousine Assessments: This legislation amends Title 53 § 5707 by changing PPA limousine assessments from a per-vehicle fee to a percentage of gross revenue. For fiscal year 2018-19, the fee shall not exceed \$550 which was the court-ordered assessment. Starting in fiscal year 2019-20, and all subsequent years thereafter, annual assessments are limited to 1% of a limousine operator's annual gross revenue generated within Philadelphia or the Philadelphia International Airport (PIA). Assessments may be paid to the PPA in one lump sum or on a quarterly basis.

Separate Restricted Accounts: The legislation amends § 5708 (relating to funds) as follows:

- Eliminates the Medallion Fund
- Establishes two accounts within the Philadelphia Taxicab and Limousine Regulatory Fund:
 - The accounts must be kept separate, cannot be commingled
 - Taxicab Medallion Account – can only be used for regulating taxis
 - Amounts deposited into this account includes assessments and fees as well as deposits related to the sales of medallions
 - Limousine Account – can only be used to regulate limousines
- Shared regulatory expenses shall be split between the accounts proportionally, or equally if proportionate share attributable to taxis and limousines cannot to be determined.

Audit by Auditor General: This legislation adds § 5708(c.2) requiring the Auditor General to initiate an audit, within 30 days of the legislation's effective date, of the use of the Philadelphia Taxicab and Limousine Regulatory Fund during fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017, to determine whether:

- The fund was used only for the regulation of taxi cabs and limousines in Philadelphia and at the PIA.
- The fund was used to regulate transportation network companies in Philadelphia and at the PIA.
- Expenses or transfers from the fund were made for purposes unrelated to regulating taxi cabs and limousines.
- Increased assessments on taxicab and limousine operators were:
 - Just and reasonable.
 - Used for operational or administrative expenses unrelated to the regulation of taxicabs and limousines.
 - Used for pay raises, fringe benefits, or lobbying services.
- PPA's regulatory authority over limousines should be transferred to the PUC and the estimated cost of doing so.

The audit is due 15 months after the legislation's effective date and findings shall be issued in a report to the chair of the Senate Consumer Protection and Professional Licensure Committee and the chair of the House Consumer Affairs Committee.

FISCAL IMPACT: According to the Auditor General's Office, the audit of the Philadelphia Parking Authority would likely be approximately \$100,000. This cost is based on audits of the Delaware River Basin Commission and the Susquehanna River Basin Commission, which were in the range of \$90,000 to \$105,000.

Per a court settlement, the PPA currently levies a \$550 annual assessment on limousines registered within the City of Philadelphia. The PPA indicates that the Fiscal Year 2018-19 budget for limousine assessments is \$568,000, which implies that 1,033 limousines provide service within the City. According to the PPA, capping the assessment at 1% of gross revenue, would likely reduce the amount of revenue provided to the PPA for limousine regulation by an indeterminable amount.

This legislation would have no adverse fiscal impact on the School District of Philadelphia.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: September 24, 2018

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.