

**Department of Legislative Services**  
 Maryland General Assembly  
 2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1584 (Delegate Stewart)  
 Economic Matters

**Delivery Network Companies and Delivery Network Services - Regulation and Transparency**

This bill establishes a regulatory framework for delivery network companies, delivery network operators, and delivery network services in the State. A delivery network company may not operate in the State unless the Public Service Commission (PSC) has issued a permit to the company, and a delivery network operator may not provide delivery network services in the State unless PSC has authorized the operator to do so, as specified. The bill establishes related requirements and prohibitions for delivery network companies and requires PSC to adopt regulations to implement various aspects of the bill.

**Fiscal Summary**

**State Effect:** Special fund expenditures for PSC increase by \$696,900 in FY 2027; future years reflect annualization, inflation, and ongoing costs; special fund revenues increase correspondingly from assessments imposed on public service companies. The bill is not anticipated to materially affect the Criminal Justice Information System Central Repository (CJIS-CR), as discussed below.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
SF Revenue	\$696,900	\$778,900	\$815,500	\$852,600	\$889,800
SF Expenditure	\$696,900	\$778,900	\$815,500	\$852,600	\$889,800
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not directly affect local government operations or finances.

**Small Business Effect:** Meaningful.

## Analysis

### Bill Summary:

#### *Applicability and Definitions*

The bill applies to delivery network companies, operators, and delivery network services.

“Delivery network company” means a company that operates in the State using a digital network to facilitate delivery network services within the State on an on-demand basis.

“Delivery network operator” or “operator” means an individual who (1) has been issued a delivery network operator’s license or is otherwise authorized by PSC to provide delivery network services; (2) receives, through a delivery network company’s digital network application or platform, a connection to a potential customer to fulfil a request for delivery network services in exchange for the payment of a fee to the company; and (3) uses a motor vehicle that is owned, leased, or otherwise authorized for use by the individual and is approved for use in providing delivery network services by PSC.

“Delivery network services” means an operator’s collection and delivery of items to a customer for items that (1) are requested by a customer through a delivery network company’s digital network and (2) the collection and delivery of which are facility by the company.

“On-demand basis” means a delivery network operator is provided with the opportunity to accept or reject a request for delivery network services.

#### *Permitting and Licensing Requirements*

A delivery network company may not operate in the State unless PSC has issued a permit to the company. An operator may not provide delivery network services unless PSC has authorized the operator to operate on a provisional basis or has issued a valid temporary or permanent delivery network operator’s license to provide delivery network services. PSC may approve an applicant to be an operator and issue a temporary delivery network operator’s license if:

- the applicant provides all information that PSC requires for the application, including (1) a national criminal history records check (CHRC) that is conducted by a consumer reporting agency, as specified, or a comparable entity approved by PSC and that includes specified searches and (2) a driving record check that includes a driving history research report; and

- PSC is satisfied with the successful submission of the CHRC and driving record check.

A delivery network company may submit the CHRC and driving record check information to PSC on behalf of an operator. The bill establishes requirements for PSC related to the protection of this information and the circumstances under which it may be disclosed. Among other things, records or information provided to PSC by a delivery network company or disclosed by PSC pursuant to the bill are not subject to release under the Public Information Act (PIA).

PSC must adopt regulations that provide a process that is as expeditious as possible and uses electronic means for (1) the submission of the CHRC and driving record check information; (2) the issuance of a temporary or permanent delivery network operator's license and alternative authority to operate on a provisional basis; and (3) the renewal of a delivery network operator's license.

#### *Additional Requirements and Prohibitions for Delivery Network Companies*

The bill establishes various other requirements and prohibitions for delivery network companies authorized to operate in the State, including that:

- a delivery network company's digital network application or platform must illustrate for each operator, before accepting or rejecting a request for delivery network services, specified information about a delivery;
- a delivery network company may not require an operator to accept a specific delivery request as a condition of maintaining access to the company's digital network;
- all gratuities and tips earned by an operator for delivery network services must be provided to the operator in full and separately itemized;
- a delivery network company may not reduce in any way an operator's pay in response to gratuities or tips earned by the operator;
- a delivery network company must provide each customer and operator a digital receipt for each delivery network service that includes specified information; and
- a delivery network company must provide each operator with a weekly payment and earnings summary that includes specified information.

Further, by February 1 each year, a delivery network company must report to PSC specified information related to the company's business in the State for the prior year (in an aggregated format for the State and by county). Any information obtained by PSC through such a report that is not otherwise publicly available is (1) considered a trade secret and confidential and proprietary information and (2) not subject to disclosure under the PIA.

However, the report may be made available to the General Assembly on request, provided that the report remain confidential and exempt from public disclosure.

### *Regulations Related to Accessibility*

PSC must adopt regulations to ensure that delivery network companies and operators are making reasonable efforts to make delivery network services accessible to all people, including individuals with disabilities. The regulations must provide for (1) the accessibility of websites and mobile applications used to provide delivery network services; (2) the reasonable accommodations necessary to serve individuals with disabilities; and (3) the provision of information to an operator by a company related to the requirements of federal and State law related to antidiscrimination.

**Current Law:** The State does not currently regulate delivery network companies, operators, or services; however, the regulatory framework established by the bill is similar to the regulatory framework in place for transportation network companies (TNCs), transportation network operators (TNOs), and transportation network services.

Specifically, Chapter 204 of 2015 established a regulatory framework for transportation network services that encompasses TNCs (*i.e.*, companies such as Uber and Lyft) and TNOs (*i.e.*, the drivers), including licensing, CHRCs, insurance requirements, and assessments. A TNC may not operate in the State unless PSC has issued a permit to the company. Generally, a TNO may not provide transportation network services unless PSC has authorized the operator to operate on a provisional basis or has issued a valid temporary or permanent transportation network operator's license to provide transportation network services.

PSC may approve an applicant to be a TNO and issue a license if the applicant provides all information PSC requires for the application and PSC is satisfied with the successful submission of the applicant's (1) national CHRC that is conducted by a consumer reporting agency, as specified, or a comparable entity approved by PSC and that includes specified searches and (2) driving record check that includes a driving history research report.

**State Fiscal Effect:** PSC does not currently regulate delivery network services in the State and, therefore, PSC requires additional staff to handle the new regulatory duties established by the bill. Accordingly, special fund expenditures by PSC increase by \$696,861 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of hiring four administrative specialists, one administrative officer, two field investigators, one assistant staff counsel, and one public utility law judge to regulate the delivery network services industry (specifically, to process permit and license applications, handle complaints and investigations, and conduct related enforcement

activities). It includes salaries, fringe benefits, one-time start-up costs (including the purchase of a vehicle for use by the field investigators), and ongoing operating expenses.

Positions	9.0
Salaries and Fringe Benefits	\$587,094
Vehicle Purchase	27,000
Operating Expenses	<u>82,767</u>
<b>Total FY 2027 State Expenditures</b>	<b>\$696,861</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Generally, PSC is funded through an assessment on the public service companies that it regulates. Accordingly, special fund revenues for PSC increase correspondingly from assessments imposed on public service companies. However, PSC advises that, because the bill does not alter the definition of “public service company” in State law to include delivery network companies, it is not able to impose the assessment on those companies (meaning other public service companies must cover PSC’s costs under the bill).

PSC anticipates that the background checks required by the bill for delivery network operators will generally be completed by the delivery network companies using a private third-party background check provider (such as Checkr or Samba Safety, which are commonly used by TNCs). As such, the bill is not anticipated to materially affect CJIS-CR, the repository within the Department of Public Safety and Correctional Services that collects, manages, and disseminates Maryland criminal history records information for criminal justice and noncriminal justice (*e.g.*, employment and licensing) purposes.

**Small Business Effect:** Many delivery network operators may be considered small businesses, although the effect of the bill on such businesses is unclear as there is no regulatory framework in place at this time. Delivery network operators may benefit from the protections established by the bill related to the use of the digital network application, gratuities and tips, digital receipts, and weekly payment and earnings summaries. However, some existing operators may not be able to pass the CHRC and/or driving check required by the bill.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Public Service Commission; Office of People’s Counsel; Office of the Attorney General; Comptroller’s Office; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2026  
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