



**City of Sacramento  
City Council**

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915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date: 1/8/2013**

**Report Type: Consent**

**Title: (Pass for Publication) Ordinance Amendment: Taxicab Automobile Insurance**

**Report ID: 2013-00031**

**Location: Citywide**

**Recommendation:** Review an Ordinance repealing section 5.136.250; adding sections 5.136.440, 5.136.450, and 5.136.460; and amending sections 5.135.550 and 5.136.700 of the Sacramento City Code relating to taxicabs, as required by Sacramento City Charter Section 32(c), with the ordinance to be adopted on January 15, 2013.

**Contact:** Geri Hamby, Director of Human Resources, (916) 808-7173; Patrick Flaherty, Risk Manager, (916) 808-8587, Department of Human Resources; Dafna Gauthier, Business Permit Manager, Revenue Division, (916) 808-7800, Department of Finance

**Presenter: None**

**Department: Human Resources**

**Division: Risk Mgmt/Insurance Prgms**

**Dept ID: 08001331**

**Attachments:**

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1-Description/Analysis

2-Ordinance

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**City Attorney Review**

Approved as to Form  
Steve Itagaki  
12/31/2012 10:56:12 AM

**City Treasurer Review**

Reviewed for Impact on Cash and Debt  
Russell Fehr  
12/17/2012 3:12:10 PM

**Approvals/Acknowledgements**

Department Director or Designee: Geri Hamby - 12/28/2012 10:22:12 AM

## Description/Analysis

**Issue:** Automobile liability insurance is required on any taxicab operating in the City of Sacramento. Taxicabs associations or taxicab vehicle permittees are required to obtain and keep in force automobile liability insurance during the duration of withholding a City taxi permit. The insurance protects the customers and members of the public from automobile accidents involving taxicabs. The taxicab automobile insurance provisions of the ordinance have been revised to clarify the insurance requirements for taxicabs associations and their members so that all taxicabs operating in the City of Sacramento are properly insured.

In 2010, the City Code was amended to require all taxi driver permittees to continuously maintain in full force and effect auto liability insurance. At that time, the requirement for continuity was imposed to increase efficiency in monitoring and enforcing the insurance coverage for the public safety. The current proposed amendment does not increase the insurance requirement; rather, it changes the party responsible for complying with it to the vehicle permittee instead of the taxi driver permittee. Under the current ordinance, the taxicab driver permittee is required to obtain coverage on any vehicle they operate. This has created difficulties in enforcement because if a taxicab is parked during an audit or inspection and the vehicle is not insured the City cannot enforce the ordinance since the vehicle is not being operated at that time.

Other substantive changes to the ordinance include the following:

- The insurance must be issued by an insurer licensed to do business in California.
- The minimum level of insurance must be a combined single limit.
- If the taxicab driver obtains the auto insurance independent of the association, current proof of insurance shall be provided to the taxicab fleet association.
- If the taxicab driver obtains the automobile liability insurance independent of the association, the taxicab driver shall notify the manager of the taxicab fleet association if the auto liability insurance is cancelled or lapses.

The changes in the ordinance are designed to ensure that all taxicabs operating in the City of Sacramento are properly insured.

**Policy Considerations:** Taxicabs provide an essential component of the public transit system that serves the City. A well-functioning taxi system can be a valuable resource for visitors, business people, and patrons of bars, clubs, restaurants, and stores. At the same time, taxis can also assist those who do not have a car for a variety of reasons such as income, age, disability, or personal choice. Taxicabs are operated by private persons that utilize the public rights of way to advertise and deliver their services. Requiring automobile liability insurance helps to protect taxicab associations and their members, taxicab customers and the public from automobile accidents involving taxicabs.

**Committee/Commission Action:** None

**Economic Impacts:** None

**Environmental Considerations:** The regulation of taxicabs is not subject to CEQA. (CEQA Guidelines §§ 15060(c)(2), 15060(c)-(3), 15061(b)(3), 15321(b), 15378.)

**Sustainability Considerations:** There are no sustainability considerations applicable to amending City Code relating to taxicabs.

**Rationale for Recommendation:** Revisions to the Sacramento City Code will clarify the taxicab automobile insurance requirements and help protect taxicab associations and their members, taxicab customers, and members of the public from automobile accidents involving taxicabs.

**Financial Considerations:** The proposed changes to the City Code are not anticipated to have any financial impact to the City.

**Emerging Small Business Development (ESBD):** Not applicable.



## ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE REPEALING SECTION 5.136.250; ADDING SECTIONS 5.136.440, 5.136.450, AND 5.136.460; AND AMENDING SECTIONS 5.136.550 AND 5.136.700 OF THE SACRAMENTO CITY CODE RELATING TO TAXICABS**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.136.250 of the Sacramento City Code is repealed.

SECTION 2.

Section 5.136.440 is added to the Sacramento City Code to read as follows:

**5.136.440 Automobile liability insurance required.**

A. At all times during the term of a taxicab vehicle permit issued pursuant to this chapter, the taxicab vehicle permittee or the taxicab vehicle association to which the taxicab is registered shall continuously maintain in full force and effect automobile liability insurance that covers that taxicab and its drivers. The insurance shall:

1. Be issued by an insurer licensed to do business in California;
2. Provide coverage at least as broad as ISO Form CA 00 01 for bodily injury, including the death of one or more persons, property damage, and personal injury;
3. Provide a combined single limit of not less than five hundred thousand dollars (\$500,000.00) per accident; and
4. Cover all losses and damages as specified in Section 5.136.260.

B. No person shall operate a taxicab without the insurance coverage required by this section.

C. Violation of this section, shall be grounds for immediate revocation of the taxicab vehicle permit pursuant to Section 5.136.700(B).

SECTION 3.

Section 5.136.450 is added to the Sacramento City Code to read as follows:

**5.136.450 Automobile liability insurance – Record keeping.**

Taxicab vehicle permittees shall file all current certificates of automobile liability insurance that establish their compliance with Section 5.136.440, with the taxicab fleet association to which the vehicle is registered.

SECTION 4.

Section 5.136.460 is added to the Sacramento City Code to read as follows:

**5.136.460 Automobile liability insurance – Reporting.**

Taxicab vehicle permittees shall immediately notify the manager of the taxicab fleet association to which the vehicle is registered of any cancellation or lapse of automobile liability insurance required by Section 5.136.440.

SECTION 5.

Section 5.136.550 of the Sacramento City Code is amended to read as follows:

**5.136.550 Registered taxicab drivers—Recordkeeping.**

A. Taxicab fleet associations shall maintain in the association office a current list of all taxicab drivers who are registered to that association. The association shall advise the city of any change in registration of a taxicab driver within seven calendar days of such change.

B. Taxicab fleet associations shall collect and maintain in the association office the following records relating to each taxicab driver who is registered to that association:

1. A copy of a valid taxicab driver permit issued pursuant to this chapter. The copies shall be maintained in the association office for at least one year after the date that the permit expired;

2. Triplogs for each day the taxicab driver operates a taxicab, as described in Section 5.136.220. The triplogs shall be maintained in the association office for at least one year from the date of the triplog;

3. Current certificates of automobile liability insurance, as described in Section 5.136.450. The certificates shall be maintained in the association office for at least three years after the date that the insurance policy expires.

SECTION 6.

Section 5.136.700 of the Sacramento City Code is amended to read as follows:

**5.136.700 Hearing required—Exception.**

A. No permit issued pursuant to this chapter shall be suspended or revoked until the permittee is provided notice, pursuant to Section 5.136.710, and an opportunity to be heard by the director.

B. Notwithstanding subsection A of this section, a permit issued pursuant to this chapter may be suspended or revoked immediately upon the director's determination that any of the following circumstances exist:

1. The permittee is in violation of the insurance requirements set forth in Sections 5.136.440 or 5.136.650; or

2. The suspension or revocation of the permit is based on subsections D or E of Section 5.136.120, 5.136.320 or 5.136.520 relating to criminal charges or convictions; or

3. Immediate suspension of the permit is necessary to protect the public health, safety or welfare.

C. If a permit is immediately suspended pursuant to subsection B of this section, the subject permittee shall subsequently be provided notice, pursuant to Section 5.136.710, and an opportunity to be heard by the director.