



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
June 1, 2010

Honorable Members of the
Law and Legislation Committee

Title: Chapter 5.136 of the Sacramento City Code Regarding Taxicabs

Location/Council District: Citywide

Recommendation: This report recommends that the Law and Legislation Committee:
1) provide direction to staff on the key policy issues related to the amendment of
Chapter 5.136 of the Sacramento City Code regarding taxicabs and 2) direct staff to
report back with an amended ordinance for consideration.

Contact: Dafna Gauthier, Business Permit Manager, 808-7800

Presenters: Dafna Gauthier, Business Permit Manager
Brad Wasson, Revenue Manager

Department: Finance

Division: Revenue

Dept. ID: 06001231

Description/Analysis

Issue: In 2006, the Mayor and the Sacramento City Council adopted Chapter 5.136 of the City Code to regulate taxicabs. However, this Chapter does not address current problems in regulating and enforcing the taxicab industry. These problems include, but are not limited to, taxicabs parking in metered spaces downtown and unprofessional conduct by taxicab drivers. Additionally, the administrative structure in the existing Code has resulted in unforeseen operational inefficiencies.

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 simply personal choice.

Taxicabs are operated by private persons that utilize the public rights of way to advertise and deliver their services. Left unregulated, the competitive and transient nature of the business can result in predatory, discriminatory, fraudulent and dangerous conduct. The appropriate regulation of taxicab companies, taxicab drivers and their operations must be in place to protect the public health, safety, and welfare.

Environmental Considerations: The regulation of taxicabs is not subject to CEQA because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §§ 15060(c)(2), 15061(b)(2), 15061(b)(3), 15321(b), 15378(a).)

Sustainability Considerations: There are no sustainability considerations applicable to amending City Code relating to amending the taxicab ordinance.

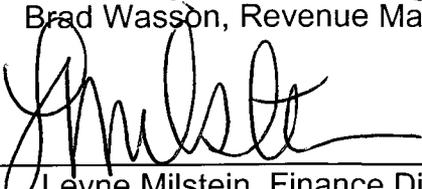
Committee/Commission Action: None.

Rationale for Recommendation: Amendment of the City Code relating to taxicabs would address and resolve current problems in the industry and improve the overall efficiency of permitting the program. In addition, amending the City Code would enhance the City's ability ensure compliance with the regulations. As a result of these changes, taxicab service in the City of Sacramento will improve.

Financial Considerations: None. 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.

Respectfully Submitted by: 
Brad Wasson, Revenue Manager

Approved by: 
Leyne Milstein, Finance Director

Recommendation Approved:


Gus Vina
Interim City Manager

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BACKGROUND

The current taxi ordinance was adopted in 2006. Since implementing this ordinance four years ago, it has become evident that revisions to the code are necessary to more efficiently and effectively manage the industry, and to improve taxi service in the City of Sacramento.

The main concerns are:

- 1) Taxicabs are parking in metered areas for long periods of time in the downtown area while awaiting fares from nearby government buildings and hotels. This reduces the number of available parking spaces available to businesses in the area.
- 2) The current insurance requirements allow taxicab drivers to temporarily discontinue their policies at any time. This significantly increases the workload for the Risk Management Division which must track and monitor these changes.
- 3) The current schedule for taxi-related permit renewals that requires all of them to be processed at one time concentrates the workload at one time of the year.
- 4) The wording of the current code should be updated and cleaned up to enhance the City's ability to enforce the taxicab regulations and gain compliance.

Staff is requesting direction to amend Chapter 5.136 of the Sacramento City Code relating to taxicabs:

General changes to the language and structure:

- Restructure code sections to make it easier to read and understand.
- Eliminate redundant and otherwise unnecessary provisions.
- Revise sections of the code for clarification and to enhance enforcement.
- Incorporate the City Manager's Taxicab Rules and Regulations into the code.

Key Policy Changes:

General Provisions:

- The types of charges that are allowable (e.g. flag drop, per mile, airport rate) are established by the City Council.

Drivers:

- Drivers are prohibited from parking taxicabs in any metered parking spaces, instead of only being prohibited from parking at parking meters while awaiting passengers at taxicab zones.
- Drivers are prohibited from parking taxicabs in any taxicab zone for longer than 30 minutes.
- Drivers are prohibited from threatening, harassing or abusing another person while operating a taxicab.
- Triplogs shall be filed with the association and be maintained for one year.

- Automobile liability insurance is required to be continuously maintained during the term of the taxicab driver permit. This replaces the policy and practice of allowing insurance to be temporarily stopped during the term of the permit.
- The limits of the required automobile liability insurance are increased to five hundred thousand (500,000) dollars per occurrence.
- Certificates of insurance must be submitted to the association and kept in the association office for three years after the expiration of the policy. This replaces the requirement that the certificates to be filed with the city.

Vehicles:

- Exterior posting requirements are modified as follows:
 - Taxicab identification number must be at least four inches in height;
 - Charges and rates must be at least one and one-half inches in height; and
 - Name of association must be displayed as approved by the director.
- Taxicab Passenger Bill of Rights are still required to be posted, but the City is not required to provide them.
- Top lights are now required to be wired to automatically illuminate when the taximeter is turned off, and automatically extinguish when the taximeter is turned on.

Associations:

- General liability insurance is required to be continuously maintained during the term of the taxicab fleet association permit.
- The limits of the required general liability insurance are increased to one million dollars (\$1,000,000) per occurrence.
- Certificates of insurance must be retained in the association office for one year after the expiration of the policy. This replaces the requirement that the certificates to be filed with the city.

Permits:

- Upon issuance of a fleet association permit, the Director will assign a permit renewal date. Driver and vehicle permits are valid until the permit renewal date assigned to the fleet to which they are registered. This will enable the City to distribute the renewal dates throughout the year.
- Renewal applications for driver and vehicle permits are submitted by the fleet association. This will consolidate the paperwork relating to each association.
- If a permit is denied because the application is incomplete, the director may allow the application to be re-filed within 30 days without submitting another application fee.
- Permits may be denied, revoked or suspended for the following reasons:
 - Charges filed or a conviction of any felony or crime involving moral turpitude.
 - Failing to pay the city's business operations tax.
 - Failing to pay administrative penalties.
 - Operation is a threat to the public health, safety or welfare.
- If a driver or association permit (not a vehicle permit) is revoked, the permittee is ineligible from obtaining another permit for 12 months.

- Permit appeals to the City Council are governed by existing procedures in Chapter 1.24.

The concerns and changes have been discussed with the taxi industry over the past few years. There is general agreement that the above changes are necessary.

The industry has also requested a moratorium on new taxicab vehicle permits. However, there is not a consensus from the industry. In addition, staff has not been able to develop a moratorium scheme that would legally create the desired results. Therefore, staff is not recommending that a taxicab vehicle permit moratorium come forward at this time.