



REPORT TO COUNCIL

City of Sacramento

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Public Hearing
 May 16, 2006

Honorable Mayor and
 Members of the City Council

Subject: Public Hearing: New and Amended Fees Related to Taxicab Program

Location/Council District: Citywide

Recommendation:

Conduct a public hearing and adopt a resolution: 1) amending the Fees and Charges Report related to taxicab permit fees and 2) authorizing the City Manager to execute a Memorandum of Understanding with Paratransit to act as the approved taxicab vehicle inspection facility.

Contact: Tina Lee-Vogt, Special Projects Manager, 808-2679 and Brad Wasson, Revenue Manager, 808-5844

Presenters: Tina Lee-Vogt, Special Projects Manager, 808-2679 and Brad Wasson, Revenue Manager, 808-5844

Department: Finance

Division: Revenue

Organization No: 1121

Summary:

In September 2005, the Mayor and City Council adopted staff recommendations on taxicab reforms (Resolution Number: 2005-684). In January 2006, the Mayor and City Council repealed and re-enacted Chapter 5.136 of the Sacramento City Code relating to the regulation and operation of taxicabs to codify those reforms (Ordinance Number 2006-011). This report requests the Mayor and City Council adopt and amend fees necessary to implement this ordinance and authorize the City Manager to execute an agreement with Paratransit to act as the approved taxicab vehicle inspection facility.

Committee/Commission Action:

The Taxi Advisory Panel provided input which was used to develop the adopted reforms including the proposed fees. The Taxi Advisory Panel members represent a variety of

stakeholder groups including the taxi industry, hotel and tourism, business, elder and disabled, and staff from impacted City departments.

Background Information:

Ordinance Relating to the Regulation of and Operation of Taxicabs

In September 2005, the Mayor and City Council adopted staff recommendations on taxicab reforms (Resolution Number: 2005-684). In January 2006, the Mayor and City Council repealed and re-enacted Chapter 5.136 of the Sacramento City Code relating to the regulation and operation of taxicabs to codify those reforms (Ordinance Number 2006-011). The key provisions of this ordinance include, but are not limited to: requiring a Taxicab Fleet Management Permit and the related permit application process; requiring accessible taxicab vehicles for each taxicab fleet; establishing maximum rates, fares, and charges for taxicabs and taxicab service; and establishing an administrative hearing process related to the operation and regulation of taxicabs.

Implementation of Taxicab Program

The Revenue Division of the Department of Finance will process and issue fleet association, taxicab vehicle, and taxicab driver permits and collect the related fees. In accordance with the ordinance, the Taxicab Fleet Association Manager is responsible for coordination and submission of the permit applications for the fleet association as well as the permits for the fleet's taxicab vehicles and taxicab drivers. The ordinance includes an appeal process to address concerns in the event that permits are denied.

The Business Compliance Division of the Code Enforcement Department will enforce the requirements of the taxicab ordinance. This includes random and strategic inspections to insure compliance with the ordinance. Code Enforcement will also provide support for appeal hearings through its existing administrative hearing procedures.

Proposed Fees

There are fixed costs for administering the taxicab regulation program. Although it may not be feasible to reach full cost recovery through permit fees alone, the current fees are very low and do not allow cost recovery for even one full time equivalent (FTE) position. The proposed fees address the newly adopted ordinance and the new structure of the taxicab program. The proposed fees also include the initial and annual permit fee for associations.

Exhibit A of the Resolution includes the proposed fees related to the taxicab program. These fees are based on the fee structure recommended by Nelson\Nygaard Consulting Associates, the taxicab consultant. The proposed fees will offset the costs of taxicab administration and enforcement.

For each violation of the City code related to the taxicab program, an administrative penalty may be imposed. The amount of the administrative penalties will range from

\$100 to \$25,000 depending on the severity of the offense (SCC 1.28.010(D)(3)). It is anticipated that most minor violations would start at \$100.00 for the first violation of that type, and the amount would escalate with each repeat offense. More serious offenses could start at \$500.00 or \$1,000.00 for the first offense. In addition to administrative penalties, the City may also address violations by suspending and revoking permits, and by filing criminal charges.

Taxicab Vehicle Inspections

The taxicab reforms adopted by the Mayor and City Council included the following items related to vehicle standards: establishing comprehensive vehicle standards; identifying garages qualified to conduct comprehensive taxicab inspections; and requiring a completed and signed checklist certifying compliance prior to issuing or renewing vehicle permits. To address these reforms, staff requests that Mayor and the City Council authorize the City Manager to execute a Memorandum of Understanding (MOU) with Paratransit to act as the City's approved inspection facility for taxicabs as part of a one-year pilot program.

Staff has developed a comprehensive inspection form to be completed by a City approved inspection facility prior to the issuance of taxicab vehicle permits. Paratransit has agreed to serve as the City's inspection facility and certify vehicles for taxicab vehicle permits. Paratransit would also inspect vehicles as requested by Code Enforcement for random inspections. The MOU would establish a maximum fee that could be charged by Paratransit for each vehicle inspection. Applicants would pay the inspection fee directly to Paratransit. The City would receive periodic reports from Paratransit on the number of inspections performed and amount of fees collected.

Financial Considerations:

Implementation and enforcement of the taxicab ordinance requires additional field and administrative staff for the Business Compliance and Revenue Divisions. The Mayor and the City Council approved the addition of 5.0 full time equivalent (FTE) positions for the Revenue and Business Compliance Divisions as part of the FY 2005-2006 Mid-Year Budget. The annual cost for these positions is \$346,000.

Staff recommends that the Mayor and the City Council adopt the proposed fees to offset these costs. Currently, the Revenue Division receives approximately \$50,000 annually in fees related to taxicab permits. The proposed fees would generate an estimated \$85,000 to \$100,000 annually, an increase of \$35,000 to \$50,000. Exhibit A of the resolution details the proposed permit fees for the taxicab program.

In addition to the permit fees, administrative penalties will be imposed for violations of the City code related to the taxicab program. A successful taxicabs regulation program will eventually result in lower revenue since penalties for violations should decrease over time.

RESOLUTION NO.

Adopted by the Sacramento City Council

May 16, 2006

FEEES RELATED TO THE TAXICAB PROGRAM AND MEMORANDUM OF UNDERSTANDING WITH PARATRANSIT FOR TAXICAB VEHICLE INSPECTIONS

BACKGROUND

- A. The Mayor and the City Council approved reforms to the City's taxicab program;
- B. The Mayor and the City Council adopted an ordinance to implement those reforms to improve the taxicab program;
- C. Implementation and enforcement of the adopted of the taxicab ordinance requires additional field and administrative staff for the Business Compliance and Revenue Divisions; and
- D. Fees will be used to offset the costs to administer and enforce the taxicab program, and
- E. The taxicab ordinance requires an inspection for taxicab vehicles prior to the issuance of a taxicab vehicle permit.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1 The City of Sacramento Fee and Charge Report is amended to include the fees as set forth in Exhibit A of the resolution.
- Section 2 Authorize the City Manager or his designee to execute a Memorandum of Understanding with Paratransit, Inc. to act as the City's approved taxicab vehicle inspection facility.
- Section 3 Based on the information presented to it and upon information in the public record, and in compliance with the Public Resources Code Section 21080(b)(8), the City Council finds:
 - a) The fees are for the purpose of meeting operating expenses including employee wage rates and fringe benefits

Section 4 Authorize the City Manager to adjust department operating and revenue budgets to reflect the recommended actions.

Taxicab Permit Fees and Penalties

PERMITS	Fees
Driver	
Driver Renewal	\$ 75
New Driver Application Fee	\$ 75
Fingerprint Fees	\$ 60
Vehicles	
Vehicle Permit	\$ 150
Reinspection Fee (if City, audit finds problems that need to be addressed prior to reinspection)	\$ 50
Change of Association Fee	\$ 100
Associations	
Initial Permit Fee	\$ 2,500
Permit Renewal	\$ 1,000
Late Fee	
Late Fee (all Permits)	\$ 50

APPEAL PROCEEDINGS

	Fee
Taxicab Permit Appeal Fee	\$ 370