



REVISING TAXI CAB FRANCHISE REGULATIONS, FEES AND SERVICE REQUIREMENTS

Finance Department

Public Safety Committee
May 17, 2017

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BACKGROUND

1. City's Municipal Code Allows for Regulation of Taxi Cab Services, Chapter 5.40
2. Franchises have been expired for over four years
3. Last Detailed Report was provided to the Committee in June 2015
4. Committee raised certain questions and requested staff come back with more information after meeting with Taxi Cab companies
5. State Legislation has changed since last Committee meeting that significantly affects issues of fairness between taxi cabs and Transportation Network Companies (TNCs)



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DISCUSSION

- There has been tremendous turmoil in the public transportation for hire industry with intro of TNC's
- State Law states TNC's controlled by CPUC and Cabs remain under local government jurisdictional control
- Riverside's Muni Code has different regulations and fees for Taxi Cabs then the CPUC has for TMC's
- Cab Companies feel they are at a disadvantage and request City "level the playing field" for local Cab Companies



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Taxi Cab vs. TNC Comparison

	CITY FRANSHISED TAXI CABS	CPUC FRANCHISED TNCs
Business Tax Fees	\$120.25 annually per vehicle	.033% of gross receipts
Franchise Fee	\$500-\$1750 quarter	\$1,000.00 annual per TNC
Driver Background Checks	Required	Required
Insurance Required	Commercial general and auto liability coverage with a minimum \$1 million limit	Commercial general and auto liability coverage with a minimum \$1 million limit
Have meters that are inspected/certified by County	Required	N/A

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DISCUSSION CONT.

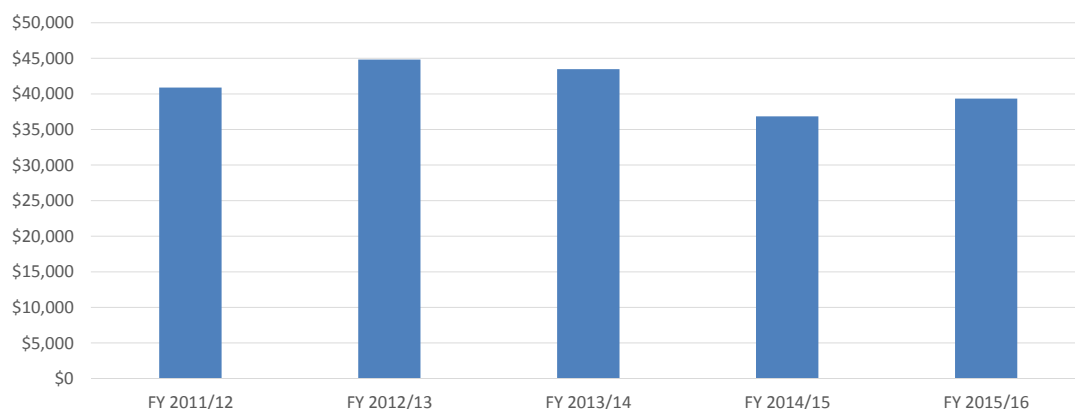
- Growth in TNC is substantial taking significant market share from traditional cab companies
- Customer preference and technology seem to be largest factors for these changes, but there are certain inequities in the City's system that could be addressed even though cab companies have certain privileges that TNC's do not have at the moment
- The Taxi Cab franchise raises about \$36,000 to \$45,000 dollars per year in total general fund revenue



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TAXI CAB REVENUE CHART



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DISCUSSION CONT.

- Staff has meet with Cab Companies, conducted research, contacted other franchise cities and have certain recommendations to make to the Committee:



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RECOMMENDATIONS

1. Eliminate the City's Taxi Franchise requirement and fees. In its place require the issuance of the "Vehicle for Hire" permit required, per Riverside Municipal Code 5.40, for all other types of vehicles for hire operating in the City. This would eliminate the long process of public hearings, approvals, and the requirement for taxi companies to prove a "public interest, convenience, and/or necessity" for their operation which is not required for TNC's or other vehicles for hire operating in the City
2. Update RMC 5.40 to include any additional regulations previously set forth in the Franchise agreement that are not currently included in RMC 5.40 such as- car insurance requirements, individual driver background checks, certification of meters by the County of Riverside, and all other public safety and customer protections



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RECOMMENDATIONS CONT.

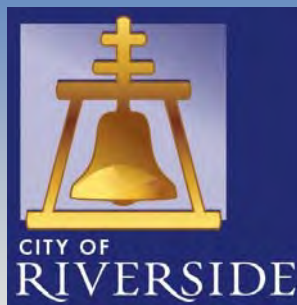
3. Revise the City's Business Tax formulas for taxicab companies to the Business Tax Class A rates which are the same rates for all other retail businesses in the City;
4. Eliminate the need for the City Council to review and approve cab rates. Changes in rates can be reviewed and approved by the Chief Financial Officer as currently set forth in RMC 5.40; and,
5. Continue the requirement that fines and penalties may be imposed for breaches of the permit as set forth in RMC 5.40.



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Questions...



City of Arts & Innovation

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