

Taxi Bylaw Review

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| Date | February 6, 2020 |
| To | Community and Protective Services Committee |
| From | City Solicitor's Office |
| Service Area | Licensing & Parking Services |
| Item No. | CPS20-6 |

RECOMMENDATION

The Community and Protective Services Committee recommends:

1. That the amendments proposed to *The Taxi Bylaw, 1994* as further detailed in Appendix A to this report be approved, which will implement the following changes to the regulation of taxi services:
 - a. permit the use of digital taxi meters (“soft” meters);
 - b. allow taxi services to charge fares outside of the City’s set fare structure provided that such trips are booked through an approved mobile application capable of providing a pre-estimate and other requirements to passengers;
 - c. update fees charged by the City;
 - d. implement further data collection requirements;
 - e. increase permitted vehicle age to 10 years;
 - f. change the decal requirements;
 - g. allow the use of an inflatable spare tire;
 - h. set out the review and approval process for “certificates of approval” issued by the Regina Police Service for taxi drivers; and
 - i. make housekeeping changes as identified in Appendix A.
2. That this report be considered at the February 26, 2020 meeting of City Council.
3. That the City Solicitor be instructed to prepare the necessary bylaw to implement the amendments to *The Taxi Bylaw, 1994* as described in this report, to be brought forward to the March 25, 2020 meeting of City Council.

ISSUE

In February 2019 City Council passed *The Vehicles for Hire Bylaw*, allowing Transportation Network Companies (TNC) to operate in the City of Regina. Throughout the development of *The Vehicles for Hire Bylaw*, the taxi industry was engaged in discussions with the Administration and expressed concerns about the emergence of TNC and their ability to continue to operate under traditional taxi regulations. No changes were made to *The Taxi Bylaw, 1994* at the time. Administration and the taxi industry agreed to review the bylaw for potential amendments to address these concerns.

IMPACTS

The fee changes recommended in this report will ensure a more accurate cost recovery of the various fees collected.

There are no environmental, accessibility, or other implications or considerations.

OTHER OPTIONS

City Council may choose to approve all, some or none of the recommendations contained in this report.

COMMUNICATIONS

If approved, amendments to *The Taxi Bylaw, 1994* will be posted on Regina.ca.

DISCUSSION

In March 2019, Administration requested feedback from the taxi industry, including brokerages, licence holders and drivers on potential amendments to *The Taxi Bylaw, 1994* to better align with provincial legislation, update outdated sections and any other areas of concern. Most of the input received came from the taxi brokerages and formed the framework for additional discussions.

Many of the comments related to seasonal taxicab licences and potential changes to the number, type and manner of issuance of these licences. The seasonal licences will be considered in a future report after the 2019-2020 seasonal data has been received and reviewed to respond to motion CPS18-21. The analysis will consider how the lottery issued licences and the emergence of ridesharing impacted the seasonal taxi services.

The remaining feedback focused on enabling the traditional taxi service to adapt to the changing environment, collection of reliable trip data and ensuring fees were appropriate. Working sessions were held with the taxi brokers to develop improvements related to technology advancements, fare structure, fees, data requirements and vehicle requirements. The recommended changes are listed in Appendix A and discussed below in further detail.

(a) Technology Advancements

Soft Meters have become the new form of taxi meters in other major municipalities. A taxi soft meter is a smartphone or tablet that is used similarly to the traditional hard-wired taxi meter. The technology uses GPS or on-board diagnostics to calculate distance and time rates for taxi trips. Licence inspectors are able to test the soft meters for compliance and apply a seal to prevent tampering. Consistent with hard-wired meters, customers will be able to view the rate on the device throughout the trip. The benefits of the soft meter to the taxi industry is the low cost and availability of the devices, brokers can track their taxis live and taxi drivers can provide an electronic copy of a receipt if required. Administration recommends that the current bylaw be amended to allow the use of approved soft meters in taxicabs.

(b) Fare Structure

The biggest concern voiced by taxi brokers was the fare structure prescribed in the bylaw. Using the taxi cost index, the tariff of fees prescribes the maximum fare for the initial distance, incremental distance, waiting time charges and extra charges. Brokers felt that the fare structure disadvantaged their industry because TNC are permitted to set their own fares. Most believed taxi fares were below those charged by the TNC and affirmed they were not looking for an overall fare increase, instead they expressed a desire for flexibility around fare pricing. Various options were considered including allowing brokers to set their own fares, setting a flat fee for short fares, or allowing surge and discount pricing. Currently only the maximum fare amount is prescribed so discounting of fares is already available. Among the other options, no single method seemed to address the concerns.

Research into other municipalities identified a hybrid pricing model that was successfully implemented by the City of Calgary. The model has two pricing structures:

1. Street hails and dispatched trips initiated through direct contact with brokers adhered to a traditional taxi fare model that uses time and distance travelled. Allowable fees are prescribed within a tariff of fees.
2. Trips pre-arranged through a mobile application were charged based on distance. Similar to a TNC, the pre-arranged service booked through the mobile application does not need to apply the specific fees in a traditional taxi fare model.

The hybrid model proved to be the most acceptable by the taxi brokers.

Unlike a TNC, the taxi industry continues to receive trip requests through telephone or text and by street hail. When this occurs, there is no method to confirm the acceptance of a quoted fare by either the driver or the passenger and therefore a prescribed fare structure must be relied upon to ensure fare consistency and neither party is disadvantaged. When a mobile application is used, the fare is communicated electronically and accepted in advance by both parties. Introducing mobile application pricing for pre-arranged taxi services provides a benefit to both passengers and taxi drivers. Passengers appreciate the convenience and the upfront pricing takes away the fare anxiety often associated with taxi trips. Drivers are assured they will receive payment and feel they are better able to compete with TNC drivers.

In order for a taxi broker to use a mobile application for pre-arranged services, the mobile application would need to be approved by the licence inspector to ensure trip tracking and

transmission of information to the passenger is documented. Taxi brokers may need to update their systems in order to provide the mobile application, however they would not be required to provide this service. The option would be available should they choose to offer it.

Administration recommends that pre-arranged taxi services booked through a mobile application be exempt from charging the fares prescribed in section 4(1) of the fare schedule of the Bylaw.

In addition, administration recommends that in order to offer its own fares a taxi broker would need to have a mobile application capable of meeting requirements similar to those the City sets for TNCs. If the mobile application cannot meet these requirements a taxi broker could still accept trips through their mobile application but would have to charge the rates set by the City.

(c) Fees

Airport Fees:

The Taxi Bylaw, 1994 prescribes extra fees that taxis are permitted to charge. These fees include things such as a cleaning fee and a charge for use of a debit machine. The Administration is recommending that an additional airport service charge fee be permitted to be charged.

As of July 1, 2019, the Regina Airport Authority Inc. (RAA) implemented a new commercial ground transportation fees for all service providers. The fee is a pay-per-use pickup and drop off charge reflective of the size of the commercial vehicle. This move is part of the new ground transportation strategy of RAA and allows any commercial operator to conduct business at the Regina Airport. Limousine, shuttle and Vehicle for Hire operators have the ability to charge the ground transportation fee to their passengers. *The Taxi Bylaw, 1994* prohibits this fee to be collected by taxi brokers or drivers, leaving the taxi brokers and drivers to bear the cost of this fee. In order for taxi drivers and brokers to recover this cost from passengers, Administration recommends that the tariff of fees be amended to include the ability to charge an amount equivalent to the commercial ground transportation fee charged by RAA.

Transfer Fees:

A Transfer of records must be completed when a taxicab licence is transferred to a replacement vehicle, vehicle ownership changes or brokerage affiliation is updated. The associated fee for conducting the transfer is \$50 and requires licensing officers to work with Saskatchewan Government Insurance (SGI) agents for verification. The taxi industry requested that the transfer fee be eliminated. Licensing programs are intended to be cost recovery. Licensing costs would not be recovered if the fee were eliminated, however a review of the program costs identified that due to efficiency improvements with the process, the fee could be reduced to \$35 per transfer. Administration recommends that the transfer fees be reduced to \$35.

Badge Replacement Fee:

The fee review also identified that the current fee for replacement badges (\$16) does not cover the administration costs of reprinting the badges and processing the associated police incident report. Therefore, Administration is recommending that the duplicate licence fee be increased to \$25.00. This amount will allow for cost recovery and is equal to the annual licence renewal fee.

(d) Data Submission

Collection of reliable trip data is necessary for both the taxi industry and the City. Data is used to analyze trends, determine appropriate staffing and licence levels, to verify bylaw compliance and to assist with passenger and driver safety. Taxi drivers, as the operators of the taxicabs, play an important role in the collection of data. To ensure accurate data is collected, Administration recommends the following requirements be added to the driver conduct section of the bylaw:

1. Drivers must be signed into the dispatch system of the taxi brokerage at all times the taxicab is on duty;
2. Drivers shall ensure that all dispatched or non-dispatched trips are logged through the dispatch system of the brokerage.

(e) Data Retention Period

The passenger transportation industry has experienced significant change over the last decade and the evolution is expected to continue. Having accessible information becomes even more important during change. Currently taxi brokers are required to archive trip data for a minimum of six months and transportation network companies (TNC) are required under *The Vehicles for Hire Bylaw* to retain records for a minimum of one year. In order to be able to compare data between both types of transportation providers, and ensure data is available when required, Administration recommends increasing the time frame for taxi broker data retention to a minimum of one year.

(f) Vehicle Requirements

Spare Tire:

All taxicabs must meet vehicle inspections requirements prior to issuance of a taxicab licence, including that the vehicle must be equipped with a spare tire and jack. Industry members have raised concerns over this requirement as newer models of vehicles are no longer required to have a spare tire sold with the vehicle and instead are supplied with an inflatable spare tire kit. Taxi drivers have also shared that in the event they experience a flat tire, they normally do not install a spare tire themselves. Instead, the vehicle is taken to a repair shop for immediate repair or replacement. SGI also does not require a taxicab to be equipped with a spare tire and jack. Administration recommends amending the requirement to the vehicle must be equipped with a spare tire and jack or an inflatable spare tire kit with a sealant.

Vehicle Age:

The taxi industry shared their concern over the current vehicle age restriction of eight years. The cost of replacing a taxicab, especially accessible taxicabs, can be significant and difficult to obtain for some licence owners. SGI vehicle inspection regulations require that all vehicles for hire have a valid stage 2 inspection certificate completed annually by a qualified mechanic appointed by SGI. This is the same certificate a person would be required to obtain when re-certifying a total loss (“regulations require written off”) vehicle or certifying an out-of-province vehicle. The inspection is a better indication of vehicle fitness over the age of a vehicle. However, eliminating the vehicle age consideration completely may not meet the expectations of taxi users who have come to expect that a newer vehicle is used in the

service. Unlike TNCs, the City does not require taxi brokers to advise customers of the vehicle model year prior to dispatch.

Research identified that most municipalities regulate vehicle age and the average allowable age is 10 years, summarized in Table 1. The major TNCs use a self-imposed vehicle age limit of ten years. Administration recommends that the vehicle to be used as a taxicab shall be limited to 10 years.

Table 1: Vehicle Age

| Municipality | Max Age Requirement |
|--------------|---------------------|
| Regina | 8 years |
| Saskatoon | 7 years |
| Winnipeg | n/a |
| Edmonton | n/a |
| Calgary | 8 years |
| Red Deer | 13 years |
| Montreal | 10 Years |
| Windsor | 12 years |
| Ottawa | 10 years |

Vehicle Decals:

Taxi brokers also raised concerns that the overall vehicle decal package was over prescribed and created a higher cost to licence owners and requested they be removed or relaxed. The decal requirements are in place to ensure passengers, licence inspectors and the Regina Police Service can easily identify the vehicle as a taxicab. Identifying markers allow individuals to recognize the vehicle as an approved taxicab and provides information needed to address customer service concerns with a specific vehicle. Research identified that all municipalities prescribe some type of decal requirements which are summarized in Table 2.

Table 2: Vehicle Decal Requirements

| | Regina-Proposed | Saskatoon | Winnipeg | Edmonton | Calgary | Ottawa |
|--------------------------------|------------------------------------|-------------------------------|--|---|--------------------------|--------------------------------------|
| Top Light | Requirement | Illuminated | Illuminated | Required | Illuminated | Broker name Decal Number 50 mm |
| Passenger/driver Side Decal | Broker name Car number 75 mm | Broker name Vehicle Number | Broker Name Telephone number 50 mm Licence Number 100 mm | Broker Name Telephone number Vehicle number Displayed on the exterior | Broker name | Vehicle Number 100 mm |
| Rear Decals | | N/A | Licence number 100 mm | | Vehicle number 100 mm | N/A |

The goal of decal requirements is to ensure the public can identify the vehicle as a taxicab, the taxicab company and the vehicle identification number. Current requirements specify information that is not necessary to identify the vehicle as a taxicab. Administration

recommends that the current decal requirements are removed and replaced with the following:

1. A top light capable of illumination
2. Broker name and an identifying number assigned by the taxicab broker must be on both sides and rear of the vehicle
3. Each letter or number must be at least 75mm in height

(g) Driver Requirements

Upon implementing *The Vehicle for Hire Act*, the Province repealed a portion of *The Traffic Safety Act* requiring taxi drivers to obtain a certificate of approval from the local police service. A certificate of approval is a background check completed by police. *The Taxi Bylaw, 1994*, continues to reference the repealed *Traffic Safety Act* process and therefore it is recommended that the bylaw be amended to remove references to *The Traffic Safety Act* and replace them with a description of the review and appeal process undertaken by police.

DECISION HISTORY

There have been no previous decisions related to the recommendations.
Bylaw changes require City Council approval.

Respectfully submitted,



Dawn Schikowski, Manager Licensing & Parking Services 1/30/2020

Respectfully submitted,



Byron Werry, City Solicitor

1/30/2020

Prepared by: Dawn Schikowski, Manager Licensing & Parking Services

ATTACHMENTS

Appendix A - Taxi Bylaw Review