

MARIN GENERAL SERVICES AUTHORITY
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MEMORANDUM

DATE: November 13, 2008
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM **D-2**: AMENDMENT TO TAXICAB REGULATIONS AND FEES

Recommendation: Amend the taxicab regulations and fees as described below and reflected in the two attached draft resolutions.

Background:

Staff presented a discussion of amended fees and regulations at the September 11th Board meeting, the purpose of which was to describe possible changes to the fee structure for company, driver and vehicle permits currently used by MGSA.

On October 10, 2008, staff met with company owners to review the suggested fee increases and receive feedback. Attachment D2-1 is a summary of comments received at the meeting as well as subsequently via email and phone. On October 30, 2008, MGSA staff gave the MMC an update on MCTRP, including a discussion of fees.

Permit Fees: The fee structure currently in place was established in 2006, before the program commenced to enroll companies and drivers into the permit process. As was reported in September, the regulations set the term of each type of permit to be issued; companies – five years; drivers – five years; and vehicles – one year. Although the fees were set using the best estimate of the necessary amount of work available at the time, the fees were not initially set to make the program self-sustaining. Rather, they were set at lower rates to assist drivers and companies as the program was started. Applicants pay direct costs for services such as background checks and drug/alcohol testing. With our experience this year, we have learned that substantially more work is required to operate the program.

Attachment D2-2 is a table similar to the one presented at the September meeting, using the updated statistics reflected in the report for Item C-1, outlining assumptions and possible changes in fees. The analysis looks at which fees might be adjusted to cover costs as well as whether the public should bear some of the cost of the program. The conclusions staff has reached are that the number of companies are small, thus not a candidate for a large source of revenue; drivers are

limited in their ability to afford a significant increase in fees; and the number of vehicles in the fleet of a company is what really drives the cost of administering the program for each company and, thus is the variable that could and should sustain the majority of cost (i.e., the vehicle fee is the one to be adjusted to raise revenues to make the program as self-sustaining as possible).

Whether to “spread” the cost of the program solely to the industry, i.e., companies and drivers, or to have the general public support part of the cost of the program is a policy decision for the Board. This issue was discussed at the October 30th MMA meeting at which time the consensus of opinion was that the program should be as self-sustaining as possible. Staff recommends the fees reflected in the table under Alternate 2. A draft resolution is attached as Attachment D2-3.

Regulations: In September, staff sought guidance regarding the required annual cleanliness and safety inspections of the taxi vehicles. Section D.3 of the Regulations requires inspections of the vehicles so as to ensure compliance with the California Vehicle Code. However, the regulations are silent as to whom or what agency performs these inspections. MGSA staff and contractor are not qualified to do such inspections, there is no public agency available to do them, nor is there a license for private technicians for such roles. Staff identified two alternatives: self-certification by the vehicle owners or certification by private mechanics, using the CVC for guidance. The response from the Board in September was to proceed with self-certification. An Amendment to Section D.3 of the Regulations is required to implement this recommendation.

The regulations currently appear to tie a list of drivers working for a taxicab business to the Company Permit. However, as driver turnover is high, staff and company owners would have to amend Company Permits every time a driver joins or leaves a business. In September, staff suggested simply maintaining and publishing a list of drivers associated with each company. The Board concurred. Further, although language in other sections of the Regulations refers to a list of vehicles that are tied to a Company Permit, there is no such specific requirement in the Regulations. Staff has prepared amendments to Sections B.2 and B.4 of the Regulations to make these changes.

In order to ensure that all companies seriously review the terms of their Company Permits, staff has prepared language to add a sub-section B.4.f, which requires each company to annually certify that its operations meet the conditions of its permit.

Finally, in order to implement the change to the Company Permit to make it \$1000 per year, a change to Section B.5 to change the term of the permit to one year is needed.

All of the above Regulation changes are reflected in Attachment D2-4. Staff recommends adoption of this resolution.