



## Legislation Text

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**File #:** 14-1221, **Version:** 1

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An Ordinance to Amend Sections 7:154 and 7:159 of Chapter 85 (Taxicabs) of Title VII of the Code of the City of Ann Arbor and to Add a New Section, Which New Section Shall be Designated as Section 7:159a [Revised Standards for Meter Rates] (Ordinance No. ORD14-20)

The recommended ordinance language would:

- Permit Council to establish a maximum taxicab meter rate
- Require companies to annually choose the meter rate they desire to charge and advertise such both outside and inside their vehicle
- Permit a company to change their metered rate once during the year after their annual rate certification

The City's Taxicab Board recommends Council adopt the attached amendment to the City's Taxicab Ordinance.

The Board anticipates some companies may attempt to increase rates and some companies may reduce rates, depending on the type of service delivered.

The Board considered two methods to de-regulate rates. The first was to modify the ordinance to eliminate the establishment of a maximum meter rate. The second was to leave the existing structure in place but recommend to City Council a maximum rate that would allow companies to set lower prices. A maximum rate set at a high level would de-regulate rates across companies.

Since the impact of allowing companies to price their fares independently can vary, and may or may not be beneficial in the long-run, the Board recommends modifying the ordinance but leaving Council the ability to establish, by resolution, a maximum rate.

The City's Taxicab Board holds regular public meetings to administer the city's taxicab ordinance. These meetings are frequently attended by the taxicab companies operating within the city. On a number of occasions, the companies have raised a request to de-regulate taxicab meter fares, so that the companies can more easily deal with the increasing costs of fuel, insurance, etc. Historically, the Taxicab Board heard their requests, compared Ann Arbor meter rates to other similar cities, and periodically adjusted the metered rates accordingly.

Prepared by: Kristen D. Larcom, Sr. Assistant City Attorney

Review by: Tom Crawford, Financial Services Administrator and CFO

Approved: Steven D. Powers, City Administrator

### ORDINANCE NO. ORD-14-20

First Reading: August 18, 2014

Approved: September 2, 2014

Public Hearing: September 2, 2014

Published: September 8, 2014

Effective: October 13, 2014

## TAXICABS

AN ORDINANCE TO AMEND SECTIONS 7:154 AND 7:159 OF CHAPTER 85 (TAXICABS) OF TITLE VII OF THE CODE OF THE CITY OF ANN ARBOR AND TO ADD A NEW SECTION, WHICH NEW SECTION SHALL BE DESIGNATED AS SECTION 7:159a.

The City of Ann Arbor Ordains:

Section 1. That Section 7:154 of Chapter 85 of Title VII of the Code of the City of Ann Arbor be amended to read as follows:

### **7:154. Taxicab vehicle license.**

- (1) Application. An application for a taxicab vehicle license shall be made pursuant to regulations adopted by the board and on forms approved by the Taxicab Board.
- (2) Issuance of a taxicab vehicle license. A taxicab vehicle license will be issued by the Administrator after the following conditions are met:
  - (a) The vehicle owner has submitted a complete application as defined by this chapter and the regulations and has paid the applicable fee.
  - (b) The vehicle is currently registered in the State of Michigan as a commercial vehicle as shown on a photocopy of the vehicle registration accompanying the application.
  - (c) The applicant indicates on the application the rates that will be charged for passengers and baggage.
  - ~~(e)~~(d) The application is accompanied by a certificate from an automobile master mechanic licensed in the State of Michigan that indicates that the vehicle has been thoroughly inspected and has been found to comply with all the requirements of the Michigan Vehicle Code. The certificate shall be on a form approved by the board and must have been issued within 60 days before the date of application.
  - ~~(d)~~(e) The application is accompanied by proof of insurance in the types and amount specified by Chapter 77. The proof of insurance shall specifically state that the insurance obtained covers a taxicab.
  - ~~(e)~~(f) It appears from the mechanic's certificate that the vehicle is in full compliance with the Michigan Vehicle Code.
  - ~~(f)~~(g) A city inspection of the vehicle indicates that it is clean, safe, and in full compliance with all applicable City of Ann Arbor ordinances and regulations.
  - ~~(g)~~(h) The Police Department has determined the accuracy of the taximeter and sealed the taximeter based on the rates indicated in the application.
  - ~~(h)~~(i) The age of the vehicle must shall be not more than 10 years old no greater than the maximum age established by regulations adopted pursuant to this Chapter. Enforcement of this provision will begin with vehicle licenses issued for periods beginning June 1, 2008, and beyond.
- (3) Transfer of a taxicab vehicle license. A taxicab vehicle license may be transferred to

another vehicle owned by the vehicle license holder after proof is submitted to the city that all requirements for issuance of a new vehicle license are met, and payment is made of the taxicab vehicle license transfer fee, as established by City Council resolution.

(4) Expiration of taxicab vehicle license. All taxicab vehicle licenses expire on the next May 31 immediately following the date the vehicle license was issued.

(5) Revocation of a taxicab vehicle license. A taxicab vehicle license shall be revoked by the Administrator upon any of the following circumstances:

(a) The vehicle is found to be in a condition that does not comply with the maintenance requirements of this chapter and the regulations.

(b) A person is found driving the vehicle for taxicab purposes who does not have a current valid taxicab driver license or chauffeur's license. However, if the person was properly licensed at the time he commenced driving for the taxicab company, this section will only be applicable if the company has been notified that the driver does not have a valid license.

(c) The required vehicle insurance is not maintained.

(6) Change of Rates. After a taxicab vehicle license is issued the rates may be changed one time during the license year pursuant to an application for rate change. Only one rate change application will be accepted during the license year regardless of whether the vehicle license application indicated only a single rate to be charged or different rates to be charged at different times during the day. A rate change will take effect only upon re-sealing of the taximeter by the Police Department within 30 days after the date the application for rate change is submitted.

Section 2. That Section 7:159 of Chapter 85 of Title VII of the Code of the City of Ann Arbor be amended to read as follows:

**~~7:159. Standard taximeter and baggage rates~~ Taxicab Rates.**

~~(1) No person who operates or permits the operation of a taxicab shall charge, attempt to charge or direct a passenger to pay meter rates or rates for the carrying of baggage and parcels of passengers higher than the rates approved by resolution of the City Council.~~

~~(2) No person who operates or permits the operation of a taxicab shall fail to keep a rate card that clearly indicates the current meter rates posted in the vehicle in plain view of the passengers.~~

(1) The maximum lawful rates that a taxicab owner or operator may charge for the transportation of passengers and carrying of baggage or parcels shall be determined by resolution of the City Council. It is at the sole discretion of Council whether to set one basic maximum rate that applies at all times or to set different maximum rates that apply at different times during the day or in different geographic regions.

(2) The rates for the transportation of passengers and carrying of baggage or parcels, which

shall be no more than the maximum rates set by Council resolution, shall be determined by the taxicab owner or operator as indicated in his or her most recent application for a taxicab vehicle license or subsequent application for rate change during the license year. Such rates take effect only after the Police Department has determined the accuracy of the taximeter and sealed the taximeter based on the rates indicated in the application or application for rate change.

(1)(3) A taxicab owner or operator shall not charge more than the maximum rates as set by Council resolution.

Section 3. That Chapter 85 of Title VII of the Code of the City of Ann Arbor be amended to add a new section, designated Section 7:159a, to read as follows

**7:159a. Taxicab Rate Information.**

A person who owns or operates a taxicab shall comply with all of the following:

(1) The rates to be charged for passengers and baggage shall be clearly indicated on a rate card in letters and numbers not less than 1 inch in height, which shall be posted in the vehicle in plain view of passengers and in accordance with regulations established as provided for in this chapter.

(2) All advertising shall indicate the rates to be charged for passengers and baggage.

Section 4. That this Ordinance shall take effect on October 13, 2014.

**CERTIFICATION**

I hereby certify that the foregoing ordinance was adopted by the Council of the City of Ann Arbor, Michigan, at its regular session of September 2, 2014.

Jacqueline Beaudry, City Clerk

John Hieftje, Mayor

I hereby certify that the foregoing ordinance received legal publication on the Ann Arbor City Clerk webpage on September 8, 2014.

Jacqueline Beaudry, City Clerk