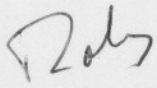


**COUNCIL TRANSMITTAL**

**TO:** Rocky J. Fluhart   
Chief Administrative Officer

**DATE:** October 17, 2005

**FROM:** Sam Guevara,  
Chief of Staff, Mayor's Office

**SUBJECT:** Amendment to Taxi Cab Ordinance, Regarding Review of Maximum Rates

**STAFF CONTACT:**

Sam Guevara  
Mayor's Office  
535-7732

Melanie Reif  
City Attorney's Office  
535-7788

**DOCUMENT TYPE:** Ordinance Revision

**RECOMMENDATION:** Approve the ordinance amendment.

**BUDGET IMPACT:** No budget impact is expected.

**BACKGROUND/DISCUSSION:** The three companies providing service in Salt Lake City have requested a temporary increase in the current flag drop rate because of the impact of the recent increases in gasoline prices. Per City Code, section 5.72.457, each person holding a certificate of public convenience and necessity may petition the City for a rate increase once per calendar year. The taxi cab companies petitioned for a rate increase in January 2005, and increases were approved by the City Council in May, so their opportunity for an increase in this calendar year has already occurred. Nevertheless, it is not surprising that they have requested another increase since gasoline prices have risen from about \$2 per gallon to up to \$3 per gallon.

Rate increases require a two step process. First, a public hearing is held in which the petitioner provides documentation in support of the increase, such as evidence of increase in operating costs, insurance costs, costs of living, and other relevant information. Then, if the hearing officer decides a rate increase is justified, that decision is sent to the City Council as a recommendation and the City Council makes the actual ordinance change. This section of the ordinance was revised last year, with the change from a specific time as to when that petition needed to be presented ("before March 1") to allowing the petition at any time during the calendar year.

Rather than proposing a temporary rate increase without a hearing, the Administration is recommending an addition to the ordinance that will allow this kind of unforeseen change in costs to be addressed. The proposed change allows the Mayor or the City Council to request a hearing for the taxi cab companies in which they could present the evidence for an increase. The rest of the process is not changed. The hearing continues to ensure that the rationale for a rate change is sound. The hearing officer's decision acts as a recommendation for the City Council, who then makes the final decision regarding rates. Temporary increases are not addressed, although if gasoline prices were to decline after the rates have been increased, there is nothing in the ordinance to prevent the companies from lowering their rates, since the rates set out in the ordinance are maximum rates.

It is expected that if this change is approved, the Mayor will request a hearing for a rate increase. It will be up to the taxi cab companies to provide the information needed to justify the increase, and the City Council would make the final decision regarding any increase.

**PUBLIC PROCESS:** No input from the general public has been received regarding this change. The taxi cab companies have indicated their desire for an increase in a letter dated September 20, 2005.

SALT LAKE CITY ORDINANCE  
No. \_\_\_\_\_ of 2005  
(Amending Annual Review of Maximum Rates for Taxicabs)

AN ORDINANCE AMENDING SECTION 5.72.457, *SALT LAKE CITY CODE*,  
RELATING TO ANNUAL REVIEW OF MAXIMUM RATES FOR TAXICABS.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Section 5.72.457, *Salt Lake City Code*, pertaining to annual review of maximum rates for taxicabs be, and the same hereby is, amended to read as follows:

**5.72.457 Annual Review Of Maximum Rates:**

A. Each person holding a certificate of public convenience and necessity to operate taxicabs within the city shall file with the city business license supervisor once during the calendar year a petition regarding the adequacy of the existing maximum rates as set forth in section 5.72.455 of this chapter, or its successor section. Said petition shall state whether, in the opinion of the certificate holder, the existing maximum rates are at an appropriate level, or whether such rates should be increased or decreased. If the petition indicates that the said rates should be increased, the person submitting such petition shall supplement the petition with documentation in support of such increase, such as evidence of increase of operating costs, insurance costs, costs of living, and other relevant information. Each person filing said statement shall at the time of filing, pay a filing fee to the city business license supervisor of one hundred dollars (\$100.00) to cover the city's costs of processing the statement and of conducting the subsequent hearing thereon.

B. As soon as is practicable after filing said petition the city business license supervisor shall schedule a public hearing before a hearing officer appointed by the mayor to consider the question of whether or not the existing taxicab rates should be increased. Notice of said hearing

shall be posted in the office of the city recorder and shall be published in a newspaper of general circulation in the city.

C. The city hearing officer appointed by the mayor shall have power and authority to preside at and power to examine witnesses and receive evidence, compel the attendance of witnesses, and compel the production of documents.

D. The decision of the hearing officer, following the conclusion of said hearing, shall act as a recommendation to the city council. In the event said decision recommends an increase in taxicab rates, the city business license supervisor shall, as soon as practicable, present to the city council the recommendation of the hearing officer for the council's consideration. The city council may accept, modify, or reject the hearing officer's recommendations.

E. If in the determination of the mayor or the city council it is decided that certain special circumstances warrant an additional hearing during a calendar year, then either the mayor or the city council may direct that a hearing be scheduled. A holder of a certificate of public convenience and necessity to operate a taxicab within the city who has already received a hearing under subsection A of this ordinance may petition the mayor or city council at any time under this provision. Neither the mayor nor the city council is required to grant the petition for a hearing. All other provisions governing fees and hearing procedures shall be the same as set forth above.

SECTION 2. This ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on \_\_\_\_\_.

Mayor's Action: \_\_\_\_\_ Approved. \_\_\_\_\_ Vetoed.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date October 17, 2005  
By Melanie Huff

(SEAL)

Bill No. \_\_\_\_\_ of 2005.  
Published: \_\_\_\_\_.