
M E M O R A N D U M

DATE: November 15, 2005
TO: City Council Members
FROM: Russell Weeks
RE: Proposed Resolution to Change Method of Regulating Taxicabs and Proposed Amendments to Ordinances Regulating Ground Transportation Businesses
CC: Cindy Gust-Jenson, Rocky Fluhart, Sam Guevara, Ed Rutan, Tim Campbell, Alison McFarlane, Louis Zunguze, Gary Mumford, Orion Goff, Edna Drake, Larry Spendlove, Jodi Howick, Melanie Reif, Randy Berg, David Korzep, Larry Bowers, Laurie Donnell

This memorandum is intended to address items pertaining to a proposed resolution that would give notice of the City Council's intent to change the method of regulating taxicab businesses licensed in Salt Lake City from issuing certificates of public convenience and necessity to one of issuing contracts to firms. This memorandum also is intended to address items pertaining to a proposed ordinance to amend ordinances regulating ground transportation businesses in Salt Lake City.

The City Council Ground Transportation and Taxicab Subcommittee is scheduled to brief the full Council on the two documents at the Council's work session Thursday. This memorandum assumes that the City Council on Tuesday set a December 8 date for a public hearing on the proposed resolution and ordinance.

It might be noted that City Council staff has discussed the proposed resolution with the City's Business Advisory Board. However, the proposed ordinance was unavailable for that discussion. Council staff plans to work with the Administration to provide information to the Business Advisory Board so the Board might make a recommendation to the City Council by the December 8 public hearing.

OPTIONS

- Adopt the proposed resolution and ordinance.
- Do not adopt the proposed resolution and ordinance.
- Amend either or both items.

POTENTIAL MOTIONS

City Council staff will prepare potential motions after the Council discussion at its work session.

KEY POINTS

- The proposed resolution and ordinance are based on recommendations made in the *Ground Transportation Study, Salt Lake City, Utah*, by Ray A. Mundy, Ph.D. The study was published July 31, 2005, as the deliverable product under a contract between the City Council and Dr. Mundy.
- The proposed resolution contemplates giving notice of the City Council's intent to change the method of regulating taxicab businesses licensed in Salt Lake City from issuing certificates of public convenience and necessity to one of issuing contracts to firms.
- The proposed resolution also contemplates that under the contract form of regulation the City would allow no more than 200 taxicabs to operate instead of the 268 authorized under the current regulatory method.
- It probably will take a minimum of nine months to change from a regulatory method of certificates of public convenience and necessity to a contract method of regulation.
- The proposed ordinance contemplates an increase in the cost of a ground transportation driver's application fee from the current \$30 a year to \$100 a year. The cost reflects the City's actual cost of issuing the license, including reviewing background checks. If ultimately the Airport instead of the Police Department conducts background checks, the cost is likely to increase again.
- If the proposed ordinance is adopted, vehicles older than five years will not allowed to be licensed as taxicabs – if they had not been licensed under the current ordinance.
- The proposed ordinance assigns the "Airport Director" to "establish procedures that restrict the access of taxicabs doing business at the airport in a manner that reduces the number of unnecessary taxicabs waiting at the airport ..."

ISSUES/QUESTIONS FOR CONSIDERATION

Do the proposed resolution and ordinance meet the City Council's stated goal of changing the way taxicabs and other ground transportation businesses are regulated?

DISCUSSION/BACKGROUND

The proposed resolution and ordinance are based on direction from the City Council on September 6, 2005, after a discussion of outstanding issues pertaining to the publication of *Ground Transportation Study, Salt Lake City, Utah*, by Ray A. Mundy, Ph.D. in July. Dr. Mundy's study included the following observations:

- A primary objective of the City Council's request ... was to determine if there were alternate ways ... the City could regulate taxicabs and shuttle vans more effectively and at the same time improve the level of service (to people) currently being operated. (Page 2.)
- Existing taxi firm owners felt the City had not done its job to protect traditional taxicab markets from unlicensed taxi, shuttle and van operators. (Page 2.)
- There is an excess of ground transportation supply in the community. (Page 5.)
- Salt Lake City taxi firms are competing to lease ... city taxi permits to as many owner/operator drivers as possible, irrespective of a driver's ability to earn a reasonable income. (Page 12.)
- Taxi firm owners agreed that the present structure of taxis in the Salt Lake City market condemns owners and drivers to anemic incomes. (Page 15.)

- Drivers are unable to achieve sufficient revenue to make driving a cab ... an attractive job, and present taxi lease fees are unable to generate profit margins to sustain long-term business or attract capital for needed improvements. (Page 15.)
- Owners said they preferred a more flexible permit system that allowed them to add or subtract vehicles as demand warranted. (Page 15.)
- Every driver interviewed said there were too many taxis and drivers in the taxi system for anyone to make a decent living ... Many drivers work 14- to 16-hour days to pay their taxi lease and take home \$70 or more. (Page 17.)
- The respective average ages of taxicabs for City, Ute and Yellow Cab are 14 years, 11 years and 10 years. (Page 27.) The ages make the Salt Lake City's cab fleets some of the oldest Dr. Mundy said he ever had seen.
- There is no commercial walk-up, on-demand shuttle service at Salt Lake City International Airport. (Page 25.)
- Salt Lake City International Airport is the single major taxi demand generator in the area. (Page 48.) However, drivers at the airport complained about having to wait two or three hours for a fare. (Page 17.)
- Airport customers could be served most of the time by allowing a maximum of 20 taxis to be available for fares in the Airport taxi holding lot- if taxis arriving at the airport were encouraged to go into the t holding lot after dropping off passengers. (Page 32.)

The study also made a variety of recommendations. The recommendations have been listed on Page 4 of the proposed resolution as seven items under the phrase, "That the Council does hereby give notice of its intent." The seven items are:

1. To change the taxicab system within Salt Lake City from a certificate of convenience and necessity system to another system to be set forth in detail in an ordinance to be enacted hereafter which system shall include the seeking of bids for contracts with the City to provide taxicab service;
2. That the aforementioned contracts be issued to two to four companies. Each of the companies would be required to operate a minimum of 50 taxicabs. In response to a City request for proposals each company would indicate the maximum number of taxicabs it would operate;
3. That the total number of taxicab permits issued by the City under all of such contracts be approximately 200;
4. That whatever additional steps may be necessary be taken, in addition to legislation already enacted, to insure that no more taxicabs operate at the airport than are appropriate to meet the needs of the traveling public and to insure that cab companies develop new markets and become more available in other parts of Salt Lake City;
5. That a "shared-ride exclusive walkup van concession at the airport" be developed, similar to that available at other U.S. airports; and
6. That City fees be revised to reflect the actual cost of City services with regard to taxicab companies, vehicles and drivers licensure and enforcement.
7. That all taxicabs in operation in the City be no older than five years from the date of manufacture.

Proposed Ordinance Amendments

Although the proposed resolution would give the City Council's notice of intent to change the method of regulating taxicab businesses holding certificates of public convenience and necessity, several issues would remain to be addressed before the City could issue a request for proposals for contracts. In addition, there remain some issues involving the regulation of other ground transportation businesses.

The larger issues involving regulating taxicabs include determining which provisions of the current ordinances regulating taxicabs should remain as City ordinance and which could be included as performance items in any contract. In addition, a request for proposals would have to be prepared, companies would have to respond with proposals, and the City would have to award the contracts. Estimates within the City indicate that sorting out the regulations, preparing a request for proposals, and the process of awarding contracts would take at a minimum nine months.

Given that, the City Attorney's Office has prepared a proposed ordinance that would regulate companies during the period between the City Council's adoption of the proposed resolution and the award of contracts to operate taxicab services in Salt Lake City. The proposed ordinance would affect all ground transportation businesses in some respect.

The main item that would affect all ground transportation businesses involves changing the application fee for drivers of all ground transportation businesses from the current \$30 a year to \$100 a year. The larger figure is closer to the actual cost to the Police Department to process a driver's application. In addition, if the Department of Airports ultimately is assigned to process the application – including performing more detailed background checks – in the future the annual cost of an application could rise to more than \$170, according to some estimates, because federal law requires airports to charge actual costs for work related to airports. (It should be noted that the Salt Lake City International Airport is the largest generator of ground transportation traffic in the City.)

The proposed ordinance also would make it illegal (Section 5.71.415) for bellmen, doormen or vehicle dispatchers to receive "any remuneration" from drivers or companies "to furnish passengers or baggage" to a ground transportation vehicle. The section also would make it illegal for a driver or a company to provide "remuneration" to hotel employees or vehicle dispatchers "to furnish passengers or baggage" to a ground transportation vehicle.

Perhaps the major item in the proposed ordinance that pertains to taxicabs is a proposed amendment in Chapter 5.72.130. The proposed amendment again restates the City Council's intent to change the method of regulating taxicab operations. The section declares that certificates of public convenience and necessity will expire on January 31, 2007. After that, the three companies holding those certificates can renew the certificates "only on a renewal basis subject to termination." Before the City adopts a contractual method of regulating taxicab service, the City will provide notice to the certificate holders, and the certificates of public convenience and necessity "will terminate 180 days from the date when such notice is issued." Under the proposed amendment the process would repeat itself if having renewed a certificate of convenience and necessity, no action by the City has occurred within 12 months of the date of renewal.

An amendment to Section 5.72.315 would require that "no vehicle shall be licensed by the City as a taxicab that: (1) was not previously so licensed or (2) was manufactured more than five ... years prior to application for licensure." The section appears to give a certain amount of time for companies to replace aging cabs.

A proposed section 5.72.610 would assign the Director of Airports to "establish procedures that restrict the access of taxicabs doing business at the airport in a manner that reduces the number of unnecessary taxicabs waiting at the airport, and thereby promotes the availability of taxicab service in other areas of the city." The proposed section would address one of the observations in the *Ground Transportation Study* that while the International Airport is the

main generator of ground transportation traffic, a large number of taxicab operators spend an inordinate amount of time at the Airport waiting for fares.

Finally, the proposed ordinance would:

- Require limousine drivers to provide passengers their picture identification issued by the City, the name of the company they work for, and their vehicle numbers whenever passengers ask them.
- Exempt charter buses from Airport vehicle inspections every six months because other agencies already inspect charter buses.
- Shorten the wheelbase in the definition of “limousine” from 120 inches to 110 inches.
- Eliminate the section in the current ordinance requiring cab companies to be in service a minimum of 104 cab days every six months. The *Ground Transportation Study* recommended that the section be eliminated because it was unenforceable.

RESOLUTION NO. _____ OF 2005
(Regarding Taxicab Service in Salt Lake City)

WHEREAS, Salt Lake City regulates ground transportation that serves the public, including taxicabs that currently operate under certificates of public convenience and necessity granted by the City: and

WHEREAS, the City Council wants to promote quality service to the public, promote a clean modern image of the City to tourists and travelers, create a competitive but fair environment where the public can choose among quality ground transportation providers, and that strengthens the economic viability of taxicab drivers in particular to facilitate quality service; and

WHEREAS, the City Council has attempted to address these goals by enacting several ordinances during the last two years, including Ordinance Nos. 69, 70, and 92 of 2004 and Nos. 4, 39 and 45 of 2005.

WHEREAS, the City Council finds that the current method of regulating taxicabs in particular is contentious, archaic, and difficult to enforce with piecemeal amendments to those regulations; and

WHEREAS, in order to obtain an independent analysis of the issues pertaining to ground transportation in the City, including the taxicab industry, the City Council, in December 2004, commissioned a study by Dr. Ray Mundy, the director of the Center for Transportation Studies at the University of Missouri – St. Louis and the principal partner of the Tennessee Transportation & Logistics Foundation; and

WHEREAS, following a detailed investigation of the ground transportation industry in the City, including numerous interviews with a wide variety of persons involved in or affected by that industry, including taxi firm owners, taxi drivers, airport officials, city officials, and hotel managers, Dr. Mundy, on March 8, 2005, gave a presentation to this Council describing in detail his preliminary findings regarding Salt Lake City's current ground transportation industry. On April 19, 2005 he presented recommendations addressing numerous ground transportation issues he had identified. Dr. Mundy subsequently met on two occasions with the Ground Transportation/ Taxi Subcommittee appointed by this Council. During an August 3 meeting with the Subcommittee, Dr. Mundy presented his final report and recommendations ("Ground Transportation Study – Salt Lake City" dated July 31, 2005, hereafter "Report"). That Report was then provided by the Subcommittee to the entire Council; and

WHEREAS, the City Council invited and received public written comments during the period of April 19, 2005 to June 7, 2005. The Council further conducted formal public hearings on June 7, 2005 and on August 9, 2005 to obtain public and industry comment regarding the aforementioned findings and recommendations of Dr. Mundy and proposed legislative solutions by the Council; and

WHEREAS, the findings of Dr. Mundy's Report include, among other things, the following:

- A primary objective of the City Council's original request of Dr. Mundy was to determine if there were alternative methods by which the City could regulate taxicabs and shuttle vans more effectively than under the current system and at the same time improve the level of service currently being achieved. (Report, Page 2)
- Existing taxi firm owners felt the City had not done its job to protect traditional taxicab markets from unlicensed taxi, shuttle and van operators. (Report, Page 2.)
- There is an excess of ground transportation supply in the community. (Report, Page 5)
- Salt Lake City taxi firms are competing to lease city taxi permits to as many owner/operator drivers as possible, regardless of a driver's ability to earn a reasonable income. (Report, Page 12)
- Taxi firm owners agreed that the present structure of taxis in the Salt Lake City market condemns owners and drivers to anemic incomes. (Report, Page 15)
- Drivers are unable to achieve sufficient revenue to make driving a cab an attractive job, and current taxi lease fees are unable to generate profit margins to sustain long-term business or to attract capital for needed improvements. Report, (Page 15)
- Taxi company owners said they preferred a more flexible permit system that allowed them to add or subtract vehicles as demand warranted. (Report, Page 15)
- Every driver interviewed said there were too many taxis and drivers in the taxi system for anyone to make a decent living. Many drivers work 14- to 16-hour-days to pay their taxi lease and take home \$70 or more. (Report, Page 17)
- The respective average ages of taxicabs for City, Ute and Yellow Cab are 14 years, 11 years and 10 years. (Report, Page 27.) The ages make the Salt Lake City's cab fleets some of the oldest that Dr. Mundy said he ever had seen.
- City code enforcement personnel expressed frustration at the difficulty of enforcing City taxi ordinances due to lack of personnel and funding problems. They stated that they would prefer more competition in the provision of taxi services in order to improve the quality of taxi services offered to visitors and residents alike. (Report, Page 22)
- Hotel managers in the downtown area expressed considerable frustration with constant guest complaints of taxicabs that never showed up, were old and dirty and often driven by rude drivers. (Report, Page 23)
- There is no commercial walk-up, on-demand shuttle service at the Salt Lake City International Airport. (Report, Page 25)
- Shuttle owners felt that the existing taxi shuttle regulation of the City severely restricted their ability to offer innovative services and pricing to the traveling public. (Report, Page 26)
- Salt Lake City International Airport is the single major taxi demand generator in the area. (Report, Page 48) However, drivers at the airport complained about having to wait two or three hours for a fare. (Report, Page 17)
- Airport customers could be served most of the time by allowing a maximum of 20 taxis to be available for fares in the Airport taxi holding lot- if taxis arriving at the

airport were encouraged to go into the holding lot after dropping off passengers. (Report, Page 32); and

WHEREAS, Dr. Mundy's study recommended various changes to the City's taxicab service within the City, including the following long-term recommendations:

- Change the way in which the City regulates the taxicab industry from its current method of issuing certificates of public convenience and necessity to a method of seeking bids for contracts with the City to provide taxicab service. Dr. Mundy's study recommended that the contracts be issued to two to four companies. Each of the companies would be required to operate a minimum of 50 taxicabs. In response to a City request for proposals each company would indicate the maximum number of taxicabs it would operate. According to the study, requiring a minimum of 50 taxis would provide enough business "to support investment in GPS (global positioning system) dispatching and other technologies for improving the delivery of service to the traveling public." (Report, Page 62, No. 1)
- Reduce the total number of taxicab permits issued by the City by 25 percent to about 200 permits. Currently, there are 268 total permits.
- Reduce the number of taxicabs waiting to pick up passengers at the Salt Lake City International Airport. The study contends that there are too many taxicabs waiting too long to pick up passengers at the airport. It contends that airport customers could be served most of the time by allowing a maximum of 20 taxis to be available for fares in the Airport taxi holding lot— if taxis arriving at the airport were encouraged to go into the holding lot after dropping off passengers. Long-term the number of taxis could be restricted by Automatic Vehicle Identification electronic tracking that, according to Dr. Mundy, is being installed at the airport. (Report, Pages 62 and 63) The study contends that restricting the number of taxicabs at the airport would force cab companies to develop new markets, including being available in other parts of Salt Lake City.
- Develop a "shared-ride exclusive walkup van concession at the airport." (Report, Page 63) The study notes that "with very few exceptions" most U.S. airports have more than one walk up alternative for arriving airline passengers. The study notes that the Salt Lake City Airport has no alternative. Passengers seeking on-demand service must take a taxicab.
- Revise City fees to reflect the actual cost of City services. The study indicates that business license and driver permit fees "are not adequate for the services being performed." (Report, Page 63).

NOW, THEREFORE, in order to meet the City Council's goals of:

- Promoting quality services to the public (i.e. timely, cost effective, clean, courteous, and always available),
- Promoting a clean, modern image of the City to travelers,
- Creating a fair environment for traditional taxicab providers and potential new entrants,
- Strengthening the economic vitality of taxicab drivers to facilitate quality service,

- Making taxicab requirements clear, and applying uniform requirements to providers,
- Providing meaningful ways to examine and address service complaints,
- Providing for ease of taxicab administration,
- Minimizing city costs and liabilities,
- Clearly defining types of ground transportation providers to aid administration and consumer choice,
- Requiring financial accountability to verify that cost effective taxicab services are offered to the public,
- Imposing fees that make regulation self sustaining,
- Optimizing the benefits of competition in the system to the extent feasible,
- Facilitating the upgrading and maintaining of taxicab service levels,
- Easing the impacts of transition to a new system,
- Providing adequate Airport coverage to accommodate passenger needs,
- Emphasizing safety, and
- Updating the regulatory structure to better address changed business practices in the industry;

BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That the Council does hereby give notice of its intent:

1. To change the taxicab system within Salt Lake City from a certificate of convenience and necessity system to another system to be set forth in detail in an ordinance to be enacted hereafter which system shall include the seeking of bids for contracts with the City to provide taxicab service;

2. That the aforementioned contracts be issued to two to four companies. Each of the companies would be required to operate a minimum of 50 taxicabs. In response to a City request for proposals each company would indicate the maximum number of taxicabs it would operate;

3. That the total number of taxicab permits issued by the City under all of such contracts be approximately 200;

4. That whatever additional steps may be necessary be taken, in addition to legislation already enacted, to insure that no more taxicabs operate at the airport than are appropriate to meet the needs of the traveling public and to insure that cab companies develop new markets and become more available in other parts of Salt Lake City;

5. That a "shared-ride exclusive walkup van concession at the airport" be developed, similar to that available at other U.S. airports; and

6. That City fees be revised to reflect the actual cost of City services with regard to taxicab companies, vehicles and drivers licensure and enforcement.

7. That all taxicabs in operation in the City be no older than five years from the date of manufacture.

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

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

I:\Resolut\Taxicabs & Ground Transportation\Resolution re Taxicab Service in Salt Lake City - 11-09-05 final

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 11/9/2005
By [Signature]

SALT LAKE CITY ORDINANCE
No. _____ of 2005
(Ground Transportation Amendments)

AN ORDINANCE AMENDING AND ENACTING SPECIFIED SECTIONS OF
CHAPTERS 5.71, 5.72, AND 16.60, *SALT LAKE CITY CODE*, PERTAINING TO GROUND
TRANSPORTATION.

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

SECTION 1. That Subsection M of Section 5.71.010, *Salt Lake City Code*, pertaining to
definition of "Limousine" be, and the same hereby is, amended to read as follows:

5.71.010 Definitions:

M. "Limousine" means any motor-propelled vehicle which is a Rolls Royce or other
automobile described by its manufacturer as a limousine or luxury vehicle having a wheel base in
excess of one hundred ~~ten~~twenty inches (~~110-120~~"), operated on the streets and highways for hire,
with a driver furnished who is dressed in a chauffeur's uniform (defined as a jacket and tie for a
man or a pants suit or dress for a woman) or tuxedo while on duty, and licensed as required by
city code.

SECTION 2. That Subsection H of Section 16.60.090, *Salt Lake City Code*, pertaining to
definition of "Limousine" be, and the same hereby is, amended to read as follows:

16.60.090 Definitions For Article II:

H. "Limousine" means any motor propelled vehicle which is a Rolls Royce or other
automobile described by its manufacturer as a limousine or luxury vehicle having a wheel base in
excess of one hundred ~~ten~~twenty inches (~~110-120~~"), operated on the streets and highways for hire,
with a driver furnished who is dressed in a "chauffeur's uniform" (defined as a jacket and tie for a

man or a pants suit or dress for a woman) or tuxedo while on duty, operated on a scheduled or prearranged basis, and licensed as required by this code.

SECTION 3. That Section 5.71.180, *Salt Lake City Code*, pertaining to periodic inspections be, and is hereby amended to read as follows:

5.71.180 Periodic Inspections:

With the exception of busses operated by charter bus companies in interstate commerce,
Every vehicle subject to the requirements of this Chapter shall be inspected by the City every six (6) months in order to make certain that such vehicles and their drivers comply with the requirements of this Chapter and that each such vehicle is being maintained in a safe and efficient operating condition in accordance with the following inspection requirements:

A. Vehicle Exterior: Vehicle exteriors shall meet the requirements set forth in Sections 5.71.150 and 5.71.160 of this Chapter and shall meet the following requirements:

1. Tires: Tire tread depth shall be not less than one-sixteenth of an inch (1/16") for rear tires, nor less than one-eighth of an inch (1/8") on any front tire when measured on any portion of the tire's tread grooves of an original, regrooved or retreaded tire, with no cuts or breaks in sidewalls. Measurements shall not be made where any tie bar, hump, or filet is located. No regrooved, recapped, or retreaded tires shall be used on the front axles of the vehicle, but may be used on the rear axles.

2. Signage: All vehicles shall be properly and adequately numbered and identified in conformance with this Chapter and other applicable statutes and ordinances. When present, identifying signage shall be in good repair.

3. Cleanliness: The engine and engine compartment shall be reasonably clean and

free of uncontained combustible materials.

4. Mufflers: Mufflers shall conform to the requirements of Section 12.28.100 of this Code, or its successor.

5. Door Latches: All door latches shall be operable.

6. Suspension System: The vehicle suspension system shall be maintained so that there are no sags because of weak or broken springs, and no excessive motion when the vehicle is in operation because of weak or defective shock absorbers. All parts affixed to the undercarriage of the vehicle shall be permanently affixed and in good repair.

B. Vehicle Interior: The interior of all vehicles shall be maintained as set forth in Sections 5.71.150 and 5.71.160 of this Chapter and shall be maintained as follows:

1. Lights: All interior lights shall be operable, and must otherwise conform to applicable ordinances and statutes.

2. Brakes: The foot brake pedal must not be capable of being depressed beyond a point one inch (1") from the floor of the car.

3. Steering: Excessive play in the steering mechanism shall not exceed three inches (3") free play in turning the steering wheel from side to side.

4. Display Information: With the exception of limousines, the following materials shall be easily readable, and shall be displayed in the vehicle in an area which is in full view of and is accessible by passengers in the vehicle: the comment forms required to be maintained in each vehicle; the name, photograph and number (if any) of the driver operating the vehicle; the name of the authorized ground transportation business with which the driver or vehicle is associated; and the vehicle number. Every limousine driver shall exhibit to any

passenger of such driver requesting the same the name, photograph and number (if any) of the driver operating the vehicle; the name of the authorized ground transportation business with which the driver or vehicle is associated; and the vehicle number.

C. Meter Inspections: Any meter used in a ground transportation vehicle to calculate the fare for transportation shall be inspected as set forth in Chapter 5.72, Article V, of this Division, or its successor.

SECTION 4. That Section 5.71.190, *Salt Lake City Code*, pertaining to inspection stickers be, and the same hereby is, amended to read as follows:

5.71.190 Inspection Sticker:

When the City finds that a vehicle has met the standards established by this Chapter, including that the vehicle is operated by a company duly licensed by the city, an officer of the City shall issue a sticker signifying the same. No ground transportation vehicle shall operate without such sticker. Such sticker shall be affixed to the lower left portion of the rear window/windshield of the vehicle, extending no more than three inches to the right of the left edge or more than four inches above the bottom edge of the window in an area approved by the City.

SECTION 5. That Section 5.71.290, *Salt Lake City Code*, pertaining to application fee required for a driver of a ground transportation vehicle be, and the same hereby is, amended to read as follows:

5.71.290 Application-Fee Required:

At the time the application is filed, the applicant shall pay to the department a fee, in an amount to be determined by the mayor or his or her designee, but not to exceed one hundred~~thirty~~

dollars (~~\$100.00~~30.00).

SECTION 6. That Section 5.71.415, *Salt Lake City Code*, pertaining to payment for furnishing of passengers be, and the same hereby is, enacted to read as follows:

5.71.415 Payment for Furnishing of Passengers:

It shall be unlawful for any person operating a ground transportation vehicle, business, driver, independent contractor or employee to pay any remuneration to another person, specifically including bellman, doorman and vehicle dispatcher, for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. It shall be unlawful for any person, specifically including bellmen, doormen and vehicle dispatcher, to receive any remuneration from any person operating a ground transportation vehicle, business, driver, independent contractor or employee for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. Nothing herein shall prohibit hotels and motels from contracting or invoicing for, and being paid or making payment for, the transportation of customers and/or baggage, which payment may include a portion thereof being distributed by the hotel or motel to a bellman or doorman as a gratuity.

SECTION 7. That Section 5.72.130, *Salt Lake City Code*, pertaining to certificates of convenience and necessity required for operation of taxicabs be, and the same hereby is, amended to read as follows:

5.72.130 Required For Operation:

A. No person shall operate or permit a taxicab owned or controlled by such person to be operated as a vehicle for hire upon the streets of Salt Lake City without first having obtained a certificate of public convenience and necessity from the city in accordance with chapter 5.05 of

this title, or its successor.

B. The City is considering alternate methods of regulation, and intends to adopt alternate methods at a future date. Certificates of convenience and necessity issued by the City are terminable by the City, and in order to prepare for changes in regulation, all such certificates issued under this Chapter shall expire at the same time that the certificate holder's current business license expires, which shall be no later than January 31, 2006. Future certificates of convenience and necessity under this Chapter will be issued only on a renewal basis to existing certificate holders upon submission of an acceptable renewal application, and shall remain subject to termination. Prior to adopting regulatory changes, the City will provide notice to these certificate holders, and all such certificates will terminate 180 days from the date when such notice is issued. Upon any final termination, a pro rata refund of that portion of the annual business license fee and certificate of convenience and necessity fee shall be given to those persons whose licenses and certificates have been terminated according to the portion of the year remaining at the time of said termination. In the event no termination occurs as provided herein within twelve (12) months of the issuance of any renewal certificate of convenience and necessity and business license, a renewal certificate and business license shall be reissued to such persons or entities applying therefor under the same conditions as provided hereinabove unless or until there is a termination as provided above in this subparagraph, or unless such certificate or license is terminated for other causes as set forth in Chapter 5.05 or other sections of this Code. All certificate holders as of the date of this ordinance that remain in good standing shall have an opportunity to compete for any future certificates, contracts or other similar authorizations from the City.

CB. For the purpose of this section, the term "operate for hire upon the streets of Salt Lake City" shall not include the transporting, by a taxicab properly licensed in a jurisdiction outside the corporate limits of the city, of a passenger or passengers for hire where a trip shall originate with the passenger or passengers being picked up outside of the corporate limits of the city and where the destination is either within or beyond the city corporate limits. The term "operate for hire upon the streets of Salt Lake City" means and shall include the soliciting or picking up of a passenger or passengers within the corporate limits of the city, whether the destination is within or outside of the corporate limits of the city.

DC. Taxicabs may operate as provided in Section 5.71.028 and Section 16.60.097 or their successors.

SECTION 8. That Section 5.72.150, *Salt Lake City Code*, pertaining to required minimum use of taxicabs be, and the same hereby is, amended to read as follows:

5.72.150 Minimum Use Of Taxicabs Required Certificate Not a Franchise and Not Irrevocable:

~~A. — No certificate issued in accordance with section 5.72.130 of this article, or its successor, shall be construed to be either a franchise or irrevocable. It is the intent of the city council that all taxicabs authorized be actually used for the transportation of passengers for hire.~~

~~In order to implement that intent, the city council hereby imposes the following requirements:~~

~~1. Each taxicab authorized under a certificate must be in service a minimum of one hundred four (104) cab days during any calendar six (6) months.~~

~~2. Within thirty (30) days after the end of each calendar six (6) months, a holder of a certificate must file a report with the city license supervisor's office. Such report shall be in writing, signed~~

~~by the holder or by some person authorized to sign the same on behalf of the holder, and must be properly verified. The report shall contain the following information:~~

~~a. A list of all vehicles licensed under a certificate during the preceding calendar six (6) months, showing the serial or engine number, the state license plate number and the city business license sticker number for each vehicle. Such list shall include any vehicle which has been salvaged or otherwise removed from the fleet, as well as the replacement thereof;~~

~~b. The number of cab days each such vehicle was in service during the preceding calendar six (6) months;~~

~~c. The holder may also file with such report a written statement of the circumstances that caused any taxicab to be in service for less than one hundred four (104) cab days.~~

~~d. A statement that the information contained in the report was obtained from the company records, and that all statements contained in the report are true and accurate.~~

~~C. — In the event any taxicab or a replacement or substitution for the taxicab licensed under the provisions of this chapter is not actually in service for the minimum required one hundred four (104) cab days during any calendar six (6) months, the right to operate that taxicab may, upon at least ten (10) days' notice to the holder, and upon the hearing had therefor before a mayoral hearing examiner as provided by chapter 5.02 of this title, be revoked by the city. The holder may appear in person or be represented by counsel at such hearing to show cause, if any he or she has, why the right to operate such taxicab should not be revoked. If, at the conclusion of the hearing, the city shall find that the holder has shown extenuating circumstances, the city may grant continuance of authority.~~

~~D. — Upon revocation by the city of such authority, the certificate shall be modified to reflect~~

~~the number of taxicabs actually in service for one hundred four (104) cab days during such calendar six (6) months, and the unused portion of the license fee will be refunded. "Unused portion", for the purposes of this section, means any remaining full calendar quarter in the calendar year in which the revocation takes place. The refund shall be one-fourth (1/4) of the fee paid for each such calendar quarter. Such forfeited right to operate any vehicle may be reissued only upon application required by section 5.05.105 of this title, or its successor, and by a showing of public convenience and necessity as required by section 5.05.140 of this title, or its successor.~~

SECTION 9. That Section 5.72.240, *Salt Lake City Code*, pertaining to application fee required for operators of taxicabs be, and the same hereby is, amended to read as follows:

5.72.240 Application-Fee Required:

At the time the application is filed, the applicant shall pay to the Police Department a fee, in an amount to be determined by the Mayor or his or her designee, but not to exceed one hundredthirty dollars (~~\$100.00~~\$30.00).

SECTION 10. That Section 5.72.315, *Salt Lake City Code*, pertaining to vehicle inspection prior to licensing of taxicabs be, and the same hereby is, amended to read as follows:

5.72.315 Vehicle Inspection Prior To Licensing:

Prior to the use and operation of any vehicle under the provisions of this Chapter, the vehicle shall be thoroughly examined and inspected as set forth in Chapter 5.71, Article V of this Division, or its successor, and found to comply with the requirements thereof. In addition, the vehicle shall at all times in which it is in operation as a taxicab within the City be maintained in conformity with the safety inspection requirements of Utah and Federal law. Following the effective date of this ordinance, no vehicle shall be licensed by the City as a taxicab that: (1) was

not previously so licensed or (2) was manufactured more than five (5) years prior to application for licensure.

SECTION 11. That Section 5.72.610, *Salt Lake City Code*, pertaining to limitations on taxicab operations at the airport be, and the same hereby is, enacted to read as follows:

5.72.610 Limitations on Taxicab Operations at the Airport

The Airport Director shall establish procedures that restrict the access of taxicabs doing business at the airport in a manner that reduces the number of unnecessary taxicabs waiting at the airport, and thereby promotes the availability of taxicab service in other areas of the city. Such restrictions shall be imposed in a manner that does not create unreasonable burdens among the different taxicab companies authorized to provide services. Among other things, the Airport Director shall have broad discretion to determine airport needs and the measures necessary to address them, and may waive or alter any such rules on any reasonable basis to respond to airport conditions as they may occur.

SECTION 12. That Section 16.60.110, *Salt Lake City Code*, pertaining to ground transportation vehicle fees and per use charges be, and the same hereby is, amended to read as follows:

16.60.110 Fees and Per Use Charges:

~~A. All ground transportation vehicles shall use the airport's commercial ground transportation lanes and shall be subject to a per use fee. Use of the ground transportation lanes shall include pick up and drop off of passengers.~~

~~B. There are hereby established the following fees for the following time periods:~~

~~Per Use Charge~~

Type Of Vehicle — From August 1, 1996

Automobile or station wagon \$0.49

Taxicab 0.54

Limousine 0.61

Van 0.61

Minibus 0.92

Bus 1.22

1. Taxicab rates include new taximeter amortization fee of \$0.05/trip.

C. — The fees to be assessed from August 1, 1996, to June 30, 1997, are established in order to recover ninety percent (90%) of actual costs related to the operation, maintenance and improvement of the commercial ground transportation lanes. The annual fees effective July 1, 1997, and thereafter shall represent a one hundred percent (100%) cost recovery rate, and shall be established by the director of airports, upon the advice and counsel of the airport board, when the 1997 costs are determined. Fees for each successive fiscal year may not exceed the previous annual fee by more than ten percent (10%). A schedule of the established fees shall be made available by the director of airports to operators of commercial ground transportation vehicles at least ninety (90) days prior to any adjustment in fees.

D. — With advice and counsel from the airport board, the director of airports may establish the methods of payment and collection of the fee.

The Airport Enterprise Fund imposes commercial charges for the use of airport facilities and services, and all such charges imposed on ground transportation providers shall be limited to the recovery of costs incurred by the fund for providing facilities and services to ground

transportation providers.

SECTION 13. 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:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2005.

Published: _____.

ATTEST: _____

SALT LAKE CITY ORDINANCE
No. _____ of 2005
(Ground Transportation Amendments)

AN ORDINANCE AMENDING AND ENACTING SPECIFIED SECTIONS OF
CHAPTERS 5.71, 5.72, AND 16.60, *SALT LAKE CITY CODE*, PERTAINING TO GROUND
TRANSPORTATION.

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

SECTION 1. That Subsection M of Section 5.71.010, *Salt Lake City Code*, pertaining to
definition of "Limousine" be, and the same hereby is, amended to read as follows:

5.71.010 Definitions:

M. "Limousine" means any motor-propelled vehicle which is a Rolls Royce or other
automobile described by its manufacturer as a limousine or luxury vehicle having a wheel base in
excess of one hundred ten inches (110"), operated on the streets and highways for hire, with a
driver furnished who is dressed in a chauffeur's uniform (defined as a jacket and tie for a man or
a pants suit or dress for a woman) or tuxedo while on duty, and licensed as required by city code.

SECTION 2. That Subsection H of Section 16.60.090, *Salt Lake City Code*, pertaining to
definition of "Limousine" be, and the same hereby is, amended to read as follows:

16.60.090 Definitions For Article II:

H. "Limousine" means any motor propelled vehicle which is a Rolls Royce or other
automobile described by its manufacturer as a limousine or luxury vehicle having a wheel base in
excess of one hundred ten inches (110"), operated on the streets and highways for hire, with a
driver furnished who is dressed in a "chauffeur's uniform" (defined as a jacket and tie for a man
or a pants suit or dress for a woman) or tuxedo while on duty, operated on a scheduled or

prearranged basis, and licensed as required by this code.

SECTION 3. That Section 5.71.180, *Salt Lake City Code*, pertaining to periodic inspections be, and is hereby amended to read as follows:

5.71.180 Periodic Inspections:

With the exception of busses operated by charter bus companies in interstate commerce, every vehicle subject to the requirements of this Chapter shall be inspected by the City every six (6) months in order to make certain that such vehicles and their drivers comply with the requirements of this Chapter and that each such vehicle is being maintained in a safe and efficient operating condition in accordance with the following inspection requirements:

A. Vehicle Exterior: Vehicle exteriors shall meet the requirements set forth in Sections 5.71.150 and 5.71.160 of this Chapter and shall meet the following requirements:

1. Tires: Tire tread depth shall be not less than one-sixteenth of an inch (1/16") for rear tires, nor less than one-eighth of an inch (1/8") on any front tire when measured on any portion of the tire's tread grooves of an original, regrooved or retreaded tire, with no cuts or breaks in sidewalls. Measurements shall not be made where any tie bar, hump, or filet is located. No regrooved, recapped, or retreaded tires shall be used on the front axles of the vehicle, but may be used on the rear axles.

2. Signage: All vehicles shall be properly and adequately numbered and identified in conformance with this Chapter and other applicable statutes and ordinances. When present, identifying signage shall be in good repair.

3. Cleanliness: The engine and engine compartment shall be reasonably clean and free of uncontained combustible materials.

4. Mufflers: Mufflers shall conform to the requirements of Section 12.28.100 of this Code, or its successor.

5. Door Latches: All door latches shall be operable.

6. Suspension System: The vehicle suspension system shall be maintained so that there are no sags because of weak or broken springs and no excessive motion when the vehicle is in operation because of weak or defective shock absorbers. All parts affixed to the undercarriage of the vehicle shall be permanently affixed and in good repair.

B. Vehicle Interior: The interior of all vehicles shall be maintained as set forth in Sections 5.71.150 and 5.71.160 of this Chapter and shall be maintained as follows:

1. Lights: All interior lights shall be operable, and must otherwise conform to applicable ordinances and statutes.

2. Brakes: The foot brake pedal must not be capable of being depressed beyond a point one inch (1") from the floor of the car.

3. Steering: Excessive play in the steering mechanism shall not exceed three inches (3") free play in turning the steering wheel from side to side.

4. Display Information: With the exception of limousines, the following materials shall be easily readable, and shall be displayed in the vehicle in an area which is in full view of and is accessible by passengers in the vehicle: the comment forms required to be maintained in each vehicle; the name, photograph and number (if any) of the driver operating the vehicle; the name of the authorized ground transportation business with which the driver or vehicle is associated; and the vehicle number. Every limousine driver shall exhibit to any passenger of such driver requesting the same the name, photograph and number (if any) of the driver operating

the vehicle; the name of the authorized ground transportation business with which the driver or vehicle is associated; and the vehicle number.

C. Meter Inspections: Any meter used in a ground transportation vehicle to calculate the fare for transportation shall be inspected as set forth in Chapter 5.72, Article V, of this Division, or its successor.

SECTION 4. That Section 5.71.190, *Salt Lake City Code*, pertaining to inspection stickers be, and the same hereby is, amended to read as follows:

5.71.190 Inspection Sticker:

When the City finds that a vehicle has met the standards established by this Chapter, including that the vehicle is operated by a company duly licensed by the city, an officer of the City shall issue a sticker signifying the same. No ground transportation vehicle shall operate without such sticker. Such sticker shall be affixed to the lower left portion of the rear window of the vehicle, extending no more than three inches to the right of the left edge or more than four inches above the bottom edge of the window.

SECTION 5. That Section 5.71.290, *Salt Lake City Code*, pertaining to application fee required for a driver of a ground transportation vehicle be, and the same hereby is, amended to read as follows:

5.71.290 Application-Fee Required:

At the time the application is filed, the applicant shall pay to the department a fee, in an amount to be determined by the mayor or his or her designee, but not to exceed one hundred dollars (\$100.00).

SECTION 6. That Section 5.71.415, *Salt Lake City Code*, pertaining to payment for furnishing of passengers be, and the same hereby is, enacted to read as follows:

5.71.415 Payment for Furnishing of Passengers:

It shall be unlawful for any person operating a ground transportation vehicle, business, driver, independent contractor or employee to pay any remuneration to another person, specifically including bellman, doorman and vehicle dispatcher, for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. It shall be unlawful for any person, specifically including bellmen, doormen and vehicle dispatcher, to receive any remuneration from any person operating a ground transportation vehicle, business, driver, independent contractor or employee for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. Nothing herein shall prohibit hotels and motels from contracting or invoicing for, and being paid or making payment for, the transportation of customers and/or baggage, which payment may include a portion thereof being distributed by the hotel or motel to a bellman or doorman as a gratuity.

SECTION 7. That Section 5.72.130, *Salt Lake City Code*, pertaining to certificates of convenience and necessity required for operation of taxicabs be, and the same hereby is, amended to read as follows:

5.72.130 Required For Operation:

A. No person shall operate or permit a taxicab owned or controlled by such person to be operated as a vehicle for hire upon the streets of Salt Lake City without first having obtained a certificate of public convenience and necessity from the city in accordance with chapter 5.05 of this title, or its successor.

B. The City is considering alternate methods of regulation, and intends to adopt alternate methods at a future date. Certificates of convenience and necessity issued by the City are terminable by the City, and in order to prepare for changes in regulation, all such certificates issued under this Chapter shall expire at the same time that the certificate holder's current business license expires, which shall be no later than January 31, 2006. Future certificates of convenience and necessity under this Chapter will be issued only on a renewal basis to existing certificate holders upon submission of an acceptable renewal application, and shall remain subject to termination. Prior to adopting regulatory changes, the City will provide notice to these certificate holders, and all such certificates will terminate 180 days from the date when such notice is issued. Upon any final termination, a pro rata refund of that portion of the annual business license fee and certificate of convenience and necessity fee shall be given to those persons whose licenses and certificates have been terminated according to the portion of the year remaining at the time of said termination. In the event no termination occurs as provided herein within twelve (12) months of the issuance of any renewal certificate of convenience and necessity and business license, a renewal certificate and business license shall be reissued to such persons or entities applying therefor under the same conditions as provided hereinabove unless or until there is a termination as provided above in this subparagraph, or unless such certificate or license is terminated for other causes as set forth in Chapter 5.05 or other sections of this Code. All certificate holders as of the date of this ordinance that remain in good standing shall have an opportunity to compete for any future certificates, contracts or other similar authorizations from the City.

C. For the purpose of this section, the term "operate for hire upon the streets of Salt

Lake City" shall not include the transporting, by a taxicab properly licensed in a jurisdiction outside the corporate limits of the city, of a passenger or passengers for hire where a trip shall originate with the passenger or passengers being picked up outside of the corporate limits of the city and where the destination is either within or beyond the city corporate limits. The term "operate for hire upon the streets of Salt Lake City" means and shall include the soliciting or picking up of a passenger or passengers within the corporate limits of the city, whether the destination is within or outside of the corporate limits of the city.

D. Taxicabs may operate as provided in Section 5.71.028 and Section 16.60.097 or their successors.

SECTION 8. That Section 5.72.150, *Salt Lake City Code*, pertaining to required minimum use of taxicabs be, and the same hereby is, amended to read as follows:

5.72.150 Certificate Not a Franchise and Not Irrevocable:

No certificate issued in accordance with section 5.72.130 of this article, or its successor, shall be construed to be either a franchise or irrevocable.

SECTION 9. That Section 5.72.240, *Salt Lake City Code*, pertaining to application fee required for operators of taxicabs be, and the same hereby is, amended to read as follows:

5.72.240 Application-Fee Required:

At the time the application is filed, the applicant shall pay to the Police Department a fee, in an amount to be determined by the Mayor or his or her designee, but not to exceed one hundred (\$100.00).

SECTION 10. That Section 5.72.315, *Salt Lake City Code*, pertaining to vehicle inspection prior to licensing of taxicabs be, and the same hereby is, amended to read as follows:

5.72.315 Vehicle Inspection Prior To Licensing:

Prior to the use and operation of any vehicle under the provisions of this Chapter, the vehicle shall be thoroughly examined and inspected as set forth in Chapter 5.71, Article V of this Division, or its successor, and found to comply with the requirements thereof. In addition, the vehicle shall at all times in which it is in operation as a taxicab within the City be maintained in conformity with the safety inspection requirements of Utah and Federal law. Following the effective date of this ordinance, no vehicle shall be licensed by the City as a taxicab that: (1) was not previously so licensed or (2) was manufactured more than five (5) years prior to application for licensure.

SECTION 11. That Section 5.72.610, *Salt Lake City Code*, pertaining to limitations on taxicab operations at the airport be, and the same hereby is, enacted to read as follows:

5.72.610 Limitations on Taxicab Operations at the Airport

The Airport Director shall establish procedures that restrict the access of taxicabs doing business at the airport in a manner that reduces the number of unnecessary taxicabs waiting at the airport, and thereby promotes the availability of taxicab service in other areas of the city. Such restrictions shall be imposed in a manner that does not create unreasonable burdens among the different taxicab companies authorized to provide services. Among other things, the Airport Director shall have broad discretion to determine airport needs and the measures necessary to address them, and may waive or alter any such rules on any reasonable basis to respond to airport conditions as they may occur.

SECTION 12. That Section 16.60.110, *Salt Lake City Code*, pertaining to ground transportation vehicle fees and per use charges be, and the same hereby is, amended to read as

follows:

16.60.110 Fees and Per Use Charges:

The Airport Enterprise Fund imposes commercial charges for the use of airport facilities and services, and all such charges imposed on ground transportation providers shall be limited to the recovery of costs incurred by the fund for providing facilities and services to ground transportation providers.

SECTION 13. 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:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 11/9/2005
By [Signature]

CITY RECORDER

(SEAL)

Bill No. _____ of 2005.

Published: _____.

ATTEST: _____

I:\Ordinance 05\Taxicabs & Ground Transportation #2\Amending Chapters 5.71, 5.72 & 16.60 re Taxicabs & Ground Transportation 11-09-05 final