



Agenda Report

December 17, 2018

TO: Honorable Mayor and City Council

THROUGH: Economic Development and Technology Committee (December 11, 2018)

FROM: Finance Department

**SUBJECT: PROPOSED AMENDMENT TO PASADENA MUNICIPAL CODE
CHAPTER 5.72 TO COMPLY WITH RECENT STATE LEGISLATION
REGARDING TAXICAB REGULATIONS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (General Rule); and
2. Direct the City Attorney to prepare and return within 60 days an ordinance amending the Taxicab Ordinance, Chapter 5.72 of the Pasadena Municipal Code, to regulate taxicabs, consistent with the provisions set forth in this report.

BACKGROUND:

In 2017 (AB 1069) and 2018 (AB 939), the California State Legislature passed new rules regarding regulation of the taxicab industry that become effective on January 1, 2019. The new rules limit the applicability of a city or county's ordinance to only those taxicab company owners and drivers who are "substantially located" within the local jurisdiction. The new rules define "substantially located" as the local jurisdiction in which the taxicab company owner or driver maintains a permanent physical place of business or the local jurisdiction where the owner or driver generates at least 50% of their business.

Presently there are five taxicab owners who maintain a business license in Pasadena. Under the new regulations it is expected that they will not need to maintain an owner's license since they do not maintain their primary business operation within the City. There are approximately 50 taxicab drivers who are currently licensed to operate and it is unknown how many of those generate at least 50% of their business within the City. For drivers who do not generate at least 50% of their business in Pasadena and do not

consider Pasadena the jurisdiction in which they are substantially located, the City will no longer be able to maintain driver records, conduct background checks, or obtain other vehicle or personal information previously required. Presently, taxicab owner and driver business licenses generate approximately \$24,300 annually in General Fund revenue for the City.

At the Economic Development and Technology Committee meeting on December 11, 2018, additional information was requested regarding Pasadena's current taxicab permit and fee rates and how those rates compare to other local jurisdictions. Attachment A addresses this request.

While these new regulations remove some local control from the jurisdiction in which a taxicab operates, they allow for greater transportation flexibility for special events, especially those at the Rose Bowl. Taxicab availability at the Rose Bowl and other venues for special events has been limited due to the licensing requirement. With that requirement no longer in place, the Rose Bowl Operating Company and other organizations can work directly with the taxicab companies to provide larger volumes of vehicles.

Staff recommends that the City Council direct the City Attorney to prepare amendments to the Pasadena Municipal Code (PMC) to conform to the new rules as outlined below.

1. The City's Taxicab Ordinance currently requires any owner operating within the City of Pasadena to maintain a business license and a permanent place of business within the City. Under the new law, the City may only require that the owner have a license to operate in the jurisdiction in which they are "substantially located" as described above.
2. The City's Taxicab Ordinance currently requires any owner operating within the City of Pasadena to maintain a permanent place of business within the City. Staff recommends that the ordinance be amended to apply only to owners who choose to maintain a permanent place of business within the City.
3. Staff recommends amending the Taxicab Ordinance to conform to state law, in as much as the City can no longer require taxicab business owners or drivers to obtain special permits to operate within the City for special events such as the Rose Parade, the Rose Bowl Game, and the Super Bowl.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's strategic planning goal to ensure public safety.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061 (b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Such is the case with an ordinance implementing AB 1069 that allows for taxicabs to operate without a permit in each individual city or county they operate in, as it is not expected that this change to regulations of the taxicab industry will lead to increased traffic within Pasadena.

FISCAL IMPACT:

The new state law allows the application of business license fees to only those businesses that are "substantially located" in Pasadena. It will be incumbent on them to either renew their license or provide proof of a license in another jurisdiction. The City stands to lose approximately \$24,300 in annual taxicab revenue if no owners or drivers are "substantially located" in Pasadena.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:



STEVE MERMELL
City Manager

Attachment: (1)

1) Attachment A – Taxicab Permit or Fee Comparison