

Date of Hearing: April 18, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2790 (Nazarian) – As Amended April 13, 2016

SUBJECT: Taxicab drivers: study: licensure

SUMMARY: Requires the California Research Bureau (CRB) conduct a study, on or before September 1, 2017, on the necessity and feasibility of licensure for taxicab drivers.

EXISTING LAW:

- 1) Requires every city or county to protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service rendered in vehicles designed for carrying not more than eight persons, excluding the driver, which is operated within the jurisdiction of the city or county.
- 2) Requires each city or county to provide for, at minimum, the following:
 - a) A policy for entry into the business of providing taxicab transportation services, including, but not limited to:
 - i) Employment, or an offer of employment, as a taxicab driver in the jurisdiction, including compliance with a mandatory controlled substance and alcohol testing certification program;
 - ii) The driver's permit becomes void upon termination of employment;
 - iii) The drivers permit states the name of the employer; and,
 - iv) The employer notifies the city or county upon termination of employment.
 - b) The establishment or registration of rates for the provision of taxicab transportation services; and,
 - c) A mandatory controlled substance and alcohol testing certification program, as specified.
- 3) Authorizes each city or county to levy service charges, fees, or assessments in an amount sufficient to pay for the costs of carrying out an ordinance or resolution adopted in regard to taxicab transportation services.
- 4) Permits a transportation inspector, authorized by a local government to cite any person for operating as a taxicab without a valid certificate, license or permit, required by any ordinance, to impound and retain possession of any vehicle used in violation of the ordinance.
- 5) Requires every taxicab transportation service to include the number of its certificate, license, or permit in every written or oral advertisement of the services it offers.

- 6) Permits a city or county to adopt additional requirements for a taxicab to operate in its jurisdiction.
- 7) Provides for the licensure and regulation of various professions and vocations by boards and commissions within the Department of Consumer Affairs.

FISCAL EFFECT: Unknown

COMMENTS: Under current law, taxicab businesses and taxicab drivers are regulated through various local ordinances. Each local jurisdiction can and does create its own requirements for taxis to operate, unlike other models of passenger carriers, who are regulated under one statewide requirement, established by the Public Utilities Commission (CPUC). Existing law requires cities and counties to protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation services. Each ordinance or resolution must include a policy for entry into the business of providing taxicab services, the establishment or registration of rates, and a mandatory controlled substance and alcohol testing certification program.

Local jurisdictions may include additional requirements for taxicab businesses and drivers, many of which do. For example, the San Francisco Municipal Transportation Agency requires a taxicab driver to be a legal resident, maintain personal hygiene, be free of disease, possess a current California driver's license, be 21 years of age, speak, read and write English, get fingerprinted, attend and complete a taxi school training program, have an offer from a taxi company to drive, and pay an application fee. In the City of Los Angeles, an applicant for a taxicab driver license must be sponsored by one of the city's franchised taxicab companies, provide a driving history record, pass an examination, and pay a fee.

Because cities regulate the number of taxis permitted in each jurisdiction, the number of taxicab drivers varies by location. The Bureau of Labor Statistics reports that there are just over 13,000 taxicab and chauffeur drivers in California.

This bill would require the CRB to conduct a study, on or before September 1, 2017, on the necessity and feasibility of licensure for taxicab drivers in order to inform the Legislature on the topic of substituting statewide regulation for various local ordinances.

The author identifies other types of commercial carriers regulated by the state, including transportation network companies, limousines, and shuttles, and argues that these business models are similar to taxis, but they are licensed and regulated by CPUC and benefit from consistent and statewide operating standards, while taxis are not.

According to the author, "the recent expansion of technology-enable transportation services has questioned the way California incorporates regulatory frameworks across all sectors of the transportation industry," including taxis.

By collecting information through a study of the necessity and feasibility of statewide licensure for taxicab drivers, the author intends to provide the basis for future Legislative action in this field.

It is unclear if legislation is necessary to request the California Research Bureau to conduct such a study.

Double referral: This bill passed out of the Assembly Business and Professions Committee on April 12, 2016, with a 12-2 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Justin Behrens / TRANS. / (916) 319-2093