Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2017-0483, **File Type:** Federal Legislation / State Legislation (Position) **Agenda Number:** 37

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REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JULY 20, 2017

SUBJECT: STATE LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITIONS

RECOMMENDATION

ADOPT staff recommended positions:

~~A. **AB 533 (Holden)** - State Highway Route 710 North **WORK WITH AUTHOR**~~

B. **AB 1069 (Low)** - Local Government: Taxicab Transportation Services **OPPOSE**

ATTACHMENTS

~~Attachment A - AB 533 (Holden) Legislative Analysis~~
Attachment B - AB 1069 (Low) Legislative Analysis

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ATTACHMENT B

BILL: **ASSEMBLY BILL 1069 AS AMENDED JUNE 28, 2017**

AUTHOR: **ASSEMBLYMEMBER EVAN LOW (D-CAMPBELL)**

SUBJECT: **LOCAL GOVERNMENT: TAXICAB TRANSPORTATION SERVICES**

STATUS: **SENATE TRANSPORTATION AND HOUSING COMMITTEE**
SENATE GOVERNANCE AND FINANCE COMMITTEE - PASSED

ACTION: **OPPOSE**

RECOMMENDATION

Staff recommends that the Board of Directors adopt an OPPOSE position on Assembly Bill 1069 (Low). This bill would require regional transportation planning agencies in ten large counties in the State to establish regulations and impose fees on taxicab companies and drivers.

Specifically the bill would:

- Authorize each of 10 specified counties to regulate taxi service within the respective county by means of a countywide transportation agency, as defined;
- Prohibit an authorized county from implementing regulatory authority, if not already established by January 1, 2019;
- Require the sheriff in a county that does not regulate taxi service to administer criminal background checks and drug testing for taxicab drivers within that county;
- Require a countywide transportation agency to provide, in its policy for entry into providing taxicab service that the taxicab driver comply with a drug testing program and pass a live scan fingerprint criminal background check;
- Repeal the requirement that a countywide transportation agency set rates and fares;
- Authorize a countywide transportation agency to establish a maximum rate for transportation services;
- Authorize taxicab companies to set fares and flat rates;
- Authorize a countywide transportation agency to impose a charge on a taxicab transportation service that is limited to the reasonable regulatory costs of enforcing the program;
- Authorize a county or city that operates an airport to regulate the access to airports by taxicabs and to set access fees at the airport;

- Authorize a permitted taxicab company to use any device or technology as approved by the Division of Measurement Standards to calculate fares;
- Require a permitted taxicab company to disclose fares, fees or rates to a potential customer and to disclose rates for walkup rides and street hails;
- Authorize a city or county to limit the number of taxicab companies or vehicles that use specified areas within the city or county's jurisdiction;
- Prohibit a city or county or countywide transportation agency from limiting or prohibiting prearranged trips prearranged trips by a licensed taxicab company;
- Require a countywide transportation agency to issue an inspection sticker to a taxicab that complies with specified requirements;
- Require a countywide transportation agency to issue a photo permit to a taxicab driver that complies with specified requirements;
- Authorize a countywide transportation agency to accept a taxi permit issued by another countywide transportation agency as valid and to issue that taxicab an inspection sticker or photo permit to operate within the county; and
- Make it unlawful to operate a taxicab in a participating county without a valid permit and would make a violation of the requirement punishable by a fine.
- Establishes that any city or county operated airport would continue to be authorized to enacts its own regulations.

DISCUSSION

As amended on June 28, 2017, AB 1069 would grant countywide transportation agencies the regulatory authority over the taxicab industry in the state. Existing law provides that the authority to regulate taxicabs lies with the cities and counties. The author has stated that the intent of the bill is to provide remedies for private taxicab operators and drivers that are subject to current regulations under the jurisdiction of local cities and counties. The bill sponsor, the Taxicab Paratransit Association, argues that the regulation on the local level impacts the taxicab industry's ability to compete with transportation network companies (TNCs), like Uber and Lyft. TNCs are currently regulated by the California Public Utilities' Commission.

Metro serves as regional transportation planner and coordinator, designer, builder, funder and operator for one of the country's largest, most populous counties. More than 9.6 million people – nearly one-third of California's residents – live, work and play within its 1,433-square-mile service area. Metro currently does not have any regulatory functions. Los Angeles Metro funds projects and/or operates in LA County's 88 cities.

AB 1069 would specify that ten identified county transportation agencies would be subject to adding a new regulatory function to their current roles and responsibilities. The provision in the legislation, as currently drafted, also has a deadline for implementation. Counties that do not adopt ordinances, implement permitting and fee processes by January 2019 would no longer be able to exercise this regulatory

authority. This would mean that if the specified transportation agencies were not able to enact the full regulations and permitting process by 2019, there would be essentially no regulations on taxis in those counties.

Staff finds this bill and its many provisions to be troubling, because, unlike most counties in Northern California, Los Angeles County, and other surrounding areas in Southern California have multiple jurisdictions within their county limits.

Existing law provides that taxicabs are regulated by local cities and counties, as specified, while transportation network companies are regulated by the California Public Utilities Commission. The taxicab industry has expressed that local municipalities have made it difficult to compete with TNCs. Taxicab companies claim to be subject to an undue burden by adding a layer of regulation, operating boundaries and fees that TNCs are not currently subject to. The intent of the author and bill sponsor is clear; to give taxicab service providers some relief; however, this legislation will not meet that goal. Regulation of taxicabs is not within Metro's current scope.

The legislation would put Metro, as the county's transportation planning agency, at odds with many cities that currently operate and regulate taxis within their jurisdictions. The legislation, as written encroaches on local control, now held by the many cities that rely on taxicab regulation to provide safety and quality assurance to their residents, access to on-demand transportation services and a dedicated revenue stream.

Currently, TNCs are subject to significantly less regulation than the taxicab industry and are not subject to jurisdictional boundaries like taxicab companies. By pursuing the long-term goal of streamlining and aligning taxicab and TNC regulation, the state can ensure a level playing field, regulate safety and service provided by TNCs and taxicabs. We do not believe that this legislation achieves that goal. Metro could also alternatively benefit from future legislation that would seek to grant access to trip data collected by TNCs and taxicabs. Currently, due to privacy laws and protections, TNCs are not subject to share ridership data, which could be helpful in Metro's research into travel patterns and mobility needs.

The bill is currently opposed by the Riverside County Transportation Commission, Alameda County Transportation Commission, Sheriff's Association and the City of Santa Monica. There are on-going discussions statewide among RTPAs about the problematic provisions within the legislation as well.

Staff recommends that the Board adopt an OPPOSE position on the measure AB 1069 (Low) as amended on June 28, 2017.

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

FINANCIAL IMPACT

The estimated financial impact has yet to be determined.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a support or neutral position on the bill. A support or neutral position would be inconsistent with Metro's current role as the regional transportation planning agency in Los Angeles County.

NEXT STEPS

Should the Board decide to adopt a OPPOSE position on this legislation; staff will communicate the Board's position to the author and work to oppose the bill. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.