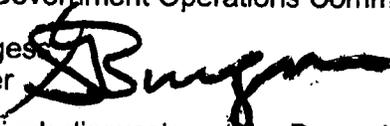


Memorandum

MIAMI-DADE
COUNTY

Date: March 9, 2010

To: Honorable Chairman Carlos Gimenez
and Members, Government Operations Committee

From: George M. Burges
County Manager 

Subject: Follow up to taxicab discussion at the December 8, 2009 Government Operations Committee

GO
Agenda Item No.
7(B)

This is provided in connection with a December 8, 2009 discussion item regarding taxicab industry concerns. As a result of the discussion, taxicab industry members were instructed to send written comments to the members of the Government Operations Committee, with copies to the Consumer Services Department (CSD). Seven (7) letters were submitted covering a diverse range of topics including service areas in North and South Miami-Dade County, a medallion auction, medallions for senior drivers, and driver issues. CSD was asked to provide recommendations.

Summary Recommendations

- Allow lottery winners in the Underserved and South Miami-Dade Service Areas to work out of the zone on alternate days for a temporary period of up to 24 months
- Conduct a taxicab medallion auction for a limited number of medallions that are equipped with technology enhancements
- Conduct a special lottery of a small number of medallions solely for senior drivers
- Enhance provisions in the required chauffeur agreements
- Consider Accidental Death and Dismemberment insurance for drivers
- Establish taxicab technology standards/requirements

North/South Miami-Dade Service Areas

There are currently two special taxicab service areas: an "Underserved Area" in North Miami-Dade County and a "South Miami-Dade Service Area". Twenty-five (25) medallions have been issued by lottery to the Underserved Area, and 23 have been issued to the South Miami-Dade Service Area. The boundaries of both service areas were expanded in 2007 in response to driver concerns (Attachment 1). These taxicabs must perform 100% of their pick-ups in the service area.

The Board may wish to consider allowing these taxicabs to pick up outside the service areas on alternate days. This concept was proposed by CSD to its taxicab industry group in December 2009 where it was generally supported. The group also wanted to eliminate transfer restrictions on these medallions by allowing transfers to non-drivers and requiring the new owners to install technology in the vehicles; however, this would not guarantee technology enhancements because the requirement would only apply if the medallion is transferred. All of these medallions are owner-operated.

The alternate day system could be implemented as a temporary measure for up to 24 months. During this period, service impacts can be assessed, companies could promote service in the area to expand the market, and technology improvements may be deployed more generally throughout the taxicab system. Alternatively, these taxicabs could be required to have specific technology by a date certain. If the special service areas are eliminated, the medallion owners should pay the County the difference

between the cost of a countywide lottery medallion and the reduced rate paid for the special service area medallions at the time they were issued.

Medallion Auction/Senior Drivers

The Committee discussed the possibility of auctioning a small number of taxicab medallions as a mechanism to raise funds that would be used by CSD to provide oversight of the industry while allowing the potential of fee relief to drivers. Several jurisdictions with medallion systems employ an auction process, including New York, Chicago, and Boston. San Francisco is considering an auction. Some drivers oppose an auction fearing it will lead to increases in the price of medallions and the leases paid by drivers. Medallion prices are affected by a number of factors, including the general economy and the supply of taxicabs relative to demand. The current market value of a Miami-Dade taxicab in a private sale is \$176,000, down from over \$200,000 at its peak.

A medallion auction could be accomplished with the appropriate Code amendments. Requiring that bids be sealed may restrict the ability of bidders to collude. If the auction generated sufficient operating revenues certain fees paid by drivers to the CSD could be temporarily reduced with a change to the Implementing Order that establishes its fees.

The Committee also discussed allocating additional medallions for senior drivers. In the past, medallions earmarked to senior drivers have been issued via lottery. The Board may wish to authorize a special lottery for a small number of medallions directed to drivers with 20 or more years of driving. The lottery process, while not perfect, has worked well in ensuring that everyone in the senior driver category has an equal chance to win a medallion.

It was suggested that medallions could be offered to drivers on a right of first refusal seniority basis rather than by lottery. While this method seems logical, there are considerations. Some individuals maintain current chauffeur registrations but are not working drivers; there is no valid mechanism to verify that an individual is actually driving. Although the County records a driver's initial date of application, no physical records predate countywide taxicab regulation in 1981. CSD did not have oversight until the late 1980's, and electronic records did not exist until the early 1990's.

Chauffeur Issues

Drivers typically pay a lease fee to medallion holders on a weekly basis, or on a daily basis for shift drivers. The fees range from \$400 - \$500 per week including insurance. Several drivers have called for a cap on lease fees. The County does not have the authority to cap lease fees because Florida law (FS 125.0103) prohibits the enactment of ordinances or rules which have the effect of imposing price controls (Attachment 2). A change in state law would be necessary to cap lease fees.

Drivers also called for limits on driving deposits. Limiting the amount of a deposit would be a price control. Nonetheless, the Board may be able to establish standards on how deposits are held, similar to laws that exist for security deposits in landlord/tenant situations, and standards for how they are returned.

Chauffeurs also requested insurance coverage for drivers. The Code requires third party liability insurance that covers personal and property damage to others. Taxicabs are exempt from PIP insurance under Florida law, although a driver with PIP on a personal vehicle may be able to use that

policy for injuries sustained in a taxicab. Taxicab drivers are not eligible for workers compensation as they are not employees. Accidental Death and Dismemberment (ADD) insurance is a low cost option available that the Board could require on an optional or mandatory basis. (Attachment 3)

Drivers requested changes to the Chauffeur Agreements that are required by the Code. The Board could consider several options, such as extending the termination period for a Chauffeur Agreement from the present 30 day notice to 60 or 90 days, requiring that lease receipts be itemized in addition to containing information that is presently required, and providing guidelines for deposits as discussed above.

Drivers also complained that they had difficulty obtaining financing for medallions. Mainstream banks have not shown interest in providing medallion loans even though the loan is secured by the medallion. In the event of a foreclosure, a lender is required to transfer the medallion to a qualified driver within 90 days. To the extent this time restriction acts as a barrier to loans being issued, the Board may wish to lengthen the time period to up to one year.

Technology

The Committee discussed the lack of technology in Miami-Dade taxicabs and stated a desire to see technology in these vehicles. Most Miami-Dade County taxicabs are not equipped with technology that is seen in other major markets. Approximately 40% of taxicabs are not connected to a dispatch service. This situation contributes to an oversupply of taxicabs in some areas, such as the airport, and is inefficient in delivering service to the rest of the community.

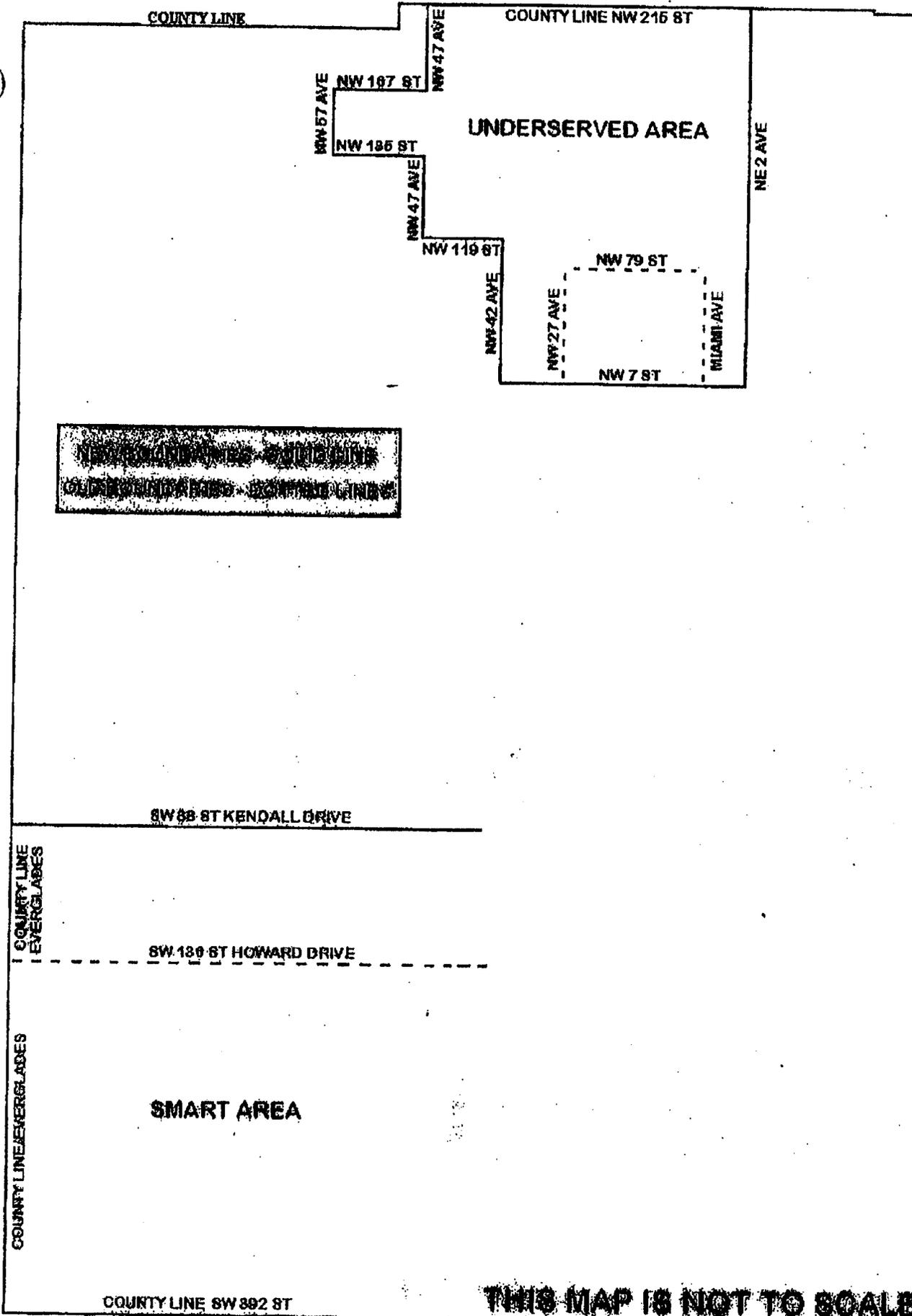
CSD met with industry to review recommended technology standards. The recommendations included: mandating every taxicab to be connected to a dispatch system, requiring credit card acceptance via a passenger terminal located in the rear compartment, requiring GPS, requiring taxicab meters to be programmed with all approved flat fares, requiring electronic printed receipts, and requiring security cameras in the vehicles.

While many agree with the need for technology, concern exists over who will be responsible for the cost. Some believe technology should be optional vs. mandatory. Suggestions were made that the County should provide an incentive to medallion holders by changing the Code's transfer restrictions to allow medallion transfers to non-drivers in exchange for installing technology. Several technology vendors are actively seeking relationships with companies to install dispatch and credit card technology. In some cases, no up front investment is required and the cost is supported by advertising revenues and credit card processing fees. Central Cab, whose predominant service area is the Beaches, recently installed a digital dispatch system with GPS/AVL and a passenger terminal with a credit card swipe in its 220 taxicabs (approximately 10% of all Miami-Dade taxicabs).

The Board could adopt technology requirements that set the standard for all taxicabs by a certain date.



Assistant County Manager



NEW COUNTY LINE - 2016 LINE
 OLD COUNTY LINE - 2016 LINE

THIS MAP IS NOT TO SCALE

Select Year: 2009

The 2009 Florida Statutes

<u>Title XI</u>	<u>Chapter 125</u>	<u>View Entire</u>
COUNTY ORGANIZATION AND INTERGOVERNMENTAL	COUNTY	<u>Chapter</u>
RELATIONS	GOVERNMENT	

125.0103 Ordinances and rules imposing price controls; findings required; procedures.--

(1)(a) Except as hereinafter provided, no county, municipality, or other entity of local government shall adopt or maintain in effect an ordinance or a rule which has the effect of imposing price controls upon a lawful business activity which is not franchised by, owned by, or under contract with, the governmental agency, unless specifically provided by general law.

(b) The provisions of this section shall not prevent the enactment by local governments of public service rates otherwise authorized by law, including water, sewer, solid waste, public transportation, taxicab, or port rates, rates for towing of vehicles from or immobilization of vehicles on private property, or rates for removal and storage of wrecked or disabled vehicles from an accident scene or the removal and storage of vehicles in the event the owner or operator is incapacitated, unavailable, leaves the procurement of wrecker service to the law enforcement officer at the scene, or otherwise does not consent to the removal of the vehicle.

(c) Counties must establish maximum rates which may be charged on the towing of vehicles from or immobilization of vehicles on private property, removal and storage of wrecked or disabled vehicles from an accident scene or for the removal and storage of vehicles, in the event the owner or operator is incapacitated, unavailable, leaves the procurement of wrecker service to the law enforcement officer at the scene, or otherwise does not consent to the removal of the vehicle. However, if a municipality chooses to enact an ordinance establishing the maximum fees for the towing or immobilization of vehicles as described in paragraph (b), the county's ordinance shall not apply within such municipality.

(2) No law, ordinance, rule, or other measure which would have the effect of imposing controls on rents shall be adopted or maintained in effect except as provided herein and unless it is found and determined, as hereinafter provided, that such controls are necessary and proper to eliminate an existing housing emergency which is so grave as to constitute a serious menace to the general public.

(3) Any law, ordinance, rule, or other measure which has the effect of imposing controls on rents shall terminate and expire within 1 year and shall not be extended or renewed except by the adoption of a new measure meeting all the requirements of this section.

(4) Notwithstanding any other provisions of this section, no controls shall be imposed on rents for any accommodation used or offered for residential purposes as a seasonal or tourist unit, as a second housing unit, or on rents for dwelling units located in luxury apartment buildings. For the purposes of this section, a luxury apartment building is one wherein on January 1, 1977, the aggregate rent due on a monthly basis from all dwelling units as stated in leases or rent lists existing on that date divided by the number of dwelling units exceeds \$250.

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(5) No municipality, county, or other entity of local government shall adopt or maintain in effect any law, ordinance, rule, or other measure which would have the effect of imposing controls on rents unless:

(a) Such measure is duly adopted by the governing body of such entity of local government, after notice and public hearing, in accordance with all applicable provisions of the Florida and United States Constitutions, the charter or charters governing such entity of local government, this section, and any other applicable laws.

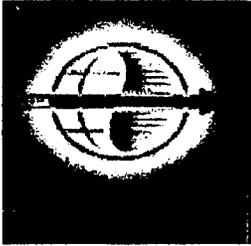
(b) Such governing body makes and recites in such measure its findings establishing the existence in fact of a housing emergency so grave as to constitute a serious menace to the general public and that such controls are necessary and proper to eliminate such grave housing emergency.

(c) Such measure is approved by the voters in such municipality, county, or other entity of local government.

(6) In any court action brought to challenge the validity of rent control imposed pursuant to the provisions of this section, the evidentiary effect of any findings or recitations required by subsection (5) shall be limited to imposing upon any party challenging the validity of such measure the burden of going forward with the evidence, and the burden of proof (that is, the risk of nonpersuasion) shall rest upon any party seeking to have the measure upheld.

(7) Notwithstanding any other provisions of this section, municipalities, counties, or other entities of local government may adopt and maintain in effect any law, ordinance, rule, or other measure which is adopted for the purposes of increasing the supply of affordable housing using land use mechanisms such as inclusionary housing ordinances.

History.--ss. 1, 2, 3, 4, 5, 6, ch. 77-50; s. 71, ch. 79-400; s. 1, ch. 88-240; s. 2, ch. 90-283; s. 52, ch. 97-300; s. 4, ch. 98-324; s. 8, ch. 99-360; s. 33, ch. 2001-201.



TAXICAB, LIMOUSINE & PARATRANSIT ASSOCIATION



Attachment 3

- About Us
- In The News
- Meetings and Events
- Washington Watch
- The Foundation
- Transportation Leader
- Contracting Opportunities
- Studies and Reports
- Find a Ride
- Buyer's Guide
- Classified Ads
- Join TLPA
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- Site Map
- TLPA Home

Association Member News

TLPA Announces New AD&D Insurance Program for Member Companies

TLPA is pleased to announce a historic first: our endorsement of a product designed to help benefit our members.

TLPA is sponsoring an **Accidental Death and Dismemberment (AD&D) Program** designed for our members. In the TLPA AD&D Program, coverage is purchased on the vehicle, not the driver, so no employee-employer relationship exists or is implied. This feature is critical to the majority of our members.

The mainstay of TLPA's AD&D program is that members can purchase \$100,000 Accidental Death and Dismemberment coverage (including assault and battery) for their drivers. This coverage provides much-needed payments to a driver's beneficiary if the driver is injured or killed while driving an insured vehicle.

In response to a request from TLPA's Taxicab, Limousine & Sedan, and Paratransit & Contracting Steering Committees that the association solicit for insurance to cover independent contractor and/or employee drivers, the Board of Directors approved issuing a request for proposals. The end result of two rounds of RFPs open to all TLPA associate members who offer insurance is the selection of a broker, John Burnham Insurance Services, which has years of experience in our industry and has developed a similar product specifically for their large transportation clients. Some TLPA Board members have purchased the coverage for many years.

Additional coverage available

Members who purchase the insurance can expand the accident coverage by including two additional marquee benefits — **Accident Medical Expense** to cover the usual and customary charges incurred for medically necessary medical services received by the driver due to a covered injury* up to \$10,000 per accident (after a \$250 deductible and any other valid and collectible insurance) and/or **Weekly Accident Indemnity** to pay the driver up to \$200 weekly for up to 13 weeks if, as a result of an injury*, the driver is rendered totally disabled within 30 days of the accident that caused the injury. Payments will begin after the first 30 days of total disability.

TLPA has partnered with AIG Accident & Health Division, a subsidiary of American International Group, Inc. (AIG), to help develop this customized package, which can address the real-life needs of drivers who face the rigors of daily transport and the associated accident exposures which come from traversing the country's highways and byways. Further, partnering with AIG Accident & Health Division, TLPA is confident that the high level of quality service and advocacy to which its members have come accustomed will continue.

Underwriter

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Member ID:

Last Name:

[Sign in](#)

[Forgot your login info?](#)

Site Search:

[Help](#)

Coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, Pa., with its principal place of business in New York, N.Y., and is subject to underwriting review and approval. The description herein is a summary only. It does not include all terms, conditions and exclusions of the policy described. The actual policy will contain complete details of coverage and exclusions. Coverage may not be available in all states.

Contact information

For more information, please contact Mr. Masoud Shahri at John Burnham Insurance Services, (619) 525-2849 or by e-mail at shahri@johnburnham.com. If your insurance agent is an associate member of TLPA, he or she may access our plan for you by contacting Mr. Shahri.

**Injury — means bodily injury: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's coverage under the Policy is in force; (2) which occurs while such person is participating in a Covered Activity; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss.*

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