

Monterey County Regional Taxi Authority

*City of Carmel-by-the-Sea • City of Del Rey Oaks • City of Monterey • City of Pacific Grove
City of Salinas • City of Sand City • City of Seaside • Monterey Peninsula Airport District*

Technical Advisory Committee Meeting

**February 17, 2011
2:00 p.m. – Ferrante Room
Monterey Conference Center**

AGENDA ITEMS

1. Call to order
 - 1-1. Roll Call
2. Public Comments on matters not on the Agenda
3. New Business
 - 3-1. Review Fee Structure Worksheet and Chart
 - 3-2. Review Taxi Rates Sampling Worksheet
4. Adjournment

Future Agenda Items

Monterey County Regional Tax Authority -- Technical Advisory Committee
Fee Structure Worksheet
February 17, 2011

General Definitions

At the January 28, 2011, meeting of the RTA TAC, members asked for more precise definitions of several terms related to taxi ownership.

TAXI COMPANY – For the purposes of this discussion, this designation refers to an entity whose primary responsibility is to dispatch taxicab vehicles that have been painted and clearly marked as belonging to the company's dispatch service. The taxi company may or may not actually own vehicles, which may or may not be leased to individual drivers. In addition to dispatching, the taxi company may employ drivers directly, who operate company-owned vehicles for a fixed fee. A TAXI COMPANY may be owned by a single person, a group of persons, or a business entity. To receive a TAXI COMPANY permit, a representative of said TAXI COMPANY must present to the RTA proof of ownership of said TAXI COMPANY as well as proof of compliance with all requirements as identified in the Monterey County Regional Tax Authority Ordinance (currently under development – to be adopted by the RTA Board of Directors).

TAXI DRIVER EMPLOYEE – For the purposes of this discussion, persons are considered "TAXI DRIVER EMPLOYEES" if they do not own the vehicles they drive, are scheduled on a regular basis to drive taxis that are owned by a TAXI COMPANY, and perform services for a fixed-fee. Persons are also considered "TAXI DRIVER EMPLOYEES" if the nature of their employment is as follows:

- Lease the taxicab on a daily basis or pay the lease fee at the end of every shift.
- Do not have a financial interest in the TAXI COMPANY business and are not subject to a financial risk of loss.
- Are not involved in a separate and distinct TAXI COMPANY business of their own.
- Perform work that is a regular part of the TAXI COMPANY's business.
- Can be terminated by the taxicab company without liability by termination or nonrenewal of the lease agreement.

INDEPENDENT CONTRACTORS – For the purposes of this discussion, persons are considered "INDEPENDENT CONTRACTORS" if they lease or own their own vehicle and are either dispatched independently or are dispatched through and identified with a TAXI COMPANY. Taxicab drivers who lease their taxicab on a fixed-fee basis are considered "INDEPENDENT CONTRACTORS" when they:

- Do not perform services under the direction and control of the taxicab company. They are free to conduct their business however they choose.

- Do not rely on the company for their customers. They secure their customers on their own with only an occasional referral from the company. They are not required to accept any referral.
- Prepay to lease a taxicab for a period of at least 28 days.
- Choose their shifts to drive the taxicab.
- Must be provided advance notice of termination or nonrenewal of the lease agreement by the taxicab company or the company may be liable for damages under the terms of the agreement. Drivers are liable for unpaid lease fees when they withdraw from the agreement early, and lease agreements provide provisions for arbitration of disputes.

In addition, taxicab drivers who lease their vehicle based on a percentage of their receipts are also considered “INDEPENDENT CONTRACTORS” when the following circumstances apply:

- The drivers pay a percentage of what they earn to the taxicab company in order to lease a taxicab.
- Since the taxicab company’s income depends on how much revenue is generated by the driver, the company may attempt to increase that income by placing controls and requirements on the drivers, such as assigning shifts, requiring the maintenance of trip sheets and paying for all advertising.
- The drivers do not have a substantial investment in the business, are not subject to an entrepreneurial risk of loss, and do not have a distinct business of their own.
- The work performed by the drivers is a regular part of the taxicab company’s business, and drivers can terminate or be terminated without any liability

RTA TAXICAB VEHICLE PERMIT – In order to pick up passengers within the RTA jurisdictions, a taxicab vehicle must have an RTA TAXICAB VEHICLE PERMIT sticker affixed to the vehicle in accordance with the RTA taxicab regulations. The person or entity requesting a TAXICAB VEHICLE PERMIT must produce a valid California registration for the vehicle. The person(s) or entity/entities listed on the California vehicle registration are responsible for payment of the TAXICAB VEHICLE PERMIT fee. If a vehicle does not pass the annual inspection process, or is cited during a random “on-street” vehicle inspection by RTA staff, then the person(s) or entity/entities listed on the California vehicle registration are also responsible for the re-inspection fees. Non-payment of fees will result in confiscation of the TAXICAB VEHICLE PERMIT. Taxicabs without a valid RTA TAXICAB VEHICLE PERMIT observed by RTA staff to be picking up passengers in RTA jurisdictions will be subject to severe penalties (to be adopted by the RTA Board of Directors).

RTA Fee Structure

At the January 28, 2011, meeting of the RTA TAC, members asked for more precise identification of what fees each classification of taxi category would pay and the terms and conditions for obtaining permits.

TAXI COMPANY – EXISTING

The following fee structure would be incurred by a TAXI COMPANY as defined on page 1 if it was in operation before January 1, 2011. Existing taxi companies would pay this fee on an annual basis to renew their company permit.

EXISTING TAXI COMPANY PERMIT: \$1,410 – annually

TAXI COMPANY – NEW

The following fee structure would be incurred by a TAXI COMPANY as defined on page 1 if it was starting up as a new business after January 1, 2011. Higher fees for a new “start-up” taxi business are required in order to fund the work staff must to verify that this new entity is fit for business in the RTA jurisdictions. After the initial year of paying the new taxi company fee, the annual permit fee would be reduced to the existing company fee, as detailed above.

NEW TAXI COMPANY PERMIT: \$4,227 – first year of business only

If the TAXI COMPANY is not listed on the California vehicle registration of any taxicabs that it will be dispatching (occasionally or regularly), the TAXI COMPANY PERMIT FEE (\$4,227 for a new company; \$1,410 per year for renewing companies) is the only fee required by the RTA. If the TAXI COMPANY is listed on the California vehicle registration on any taxicabs that will be picking up passengers in the RTA jurisdictions, it is responsible for paying the \$415 annual fee PER VEHICLE as well as any re-inspection fees that may be required due to failed inspections. If the TAXI COMPANY is listed as one of a number of entities on the California vehicle registration on any taxicabs that will be picking up passengers in the RTA jurisdictions, it and the other entity/entities are jointly responsible for paying the \$415 annual fee PER VEHICLE as well as any re-inspection fees that may be required due to failed inspections.

TAXICAB VEHICLE PERMIT -- \$415 annually

As defined on page 2, all taxicab vehicles must have a permit. An annual fee for the TAXICAB VEHICLE PERMIT must be paid by the entity/entities that are listed on the California vehicle registration. Upon payment of the fee to the RTA, the owner will take the vehicle to be inspected at an RTA-certified mechanic garage/garages. (The RTA will contract the services of the local garage(s) and will reimburse the garage -- no fees are paid by the taxi vehicle owner to the mechanic at the garage.) If the vehicle passes inspection as outlined in the RTA Equipment and Operating Regulations as adopted by the RTA Board of Directors, the vehicle owner will be given a certificate which will then be presented to the RTA taxi administrator, who will then affix the permit to the vehicle.

TAXI DRIVER – 1ST TIME RTA PERMIT -- \$312

Taxi drivers seeking their permits authorizing them to drive within the RTA jurisdiction will submit an application and pay the \$312 fee. Drivers will be fingerprinted and a background check will be conducted in accordance with the Department of Justice. Drivers will have their photographs taken and then be issued an ID card. Whether or not they are currently licensed in one or more of the RTA cities, all drivers must pay the \$312 fee for their first year's permit. A currently valid TAXI DRIVER PERMIT from any of the RTA jurisdictions will be honored until the date of expiration. Taxi Drivers holding RTA jurisdiction permits that have already expired must submit their application for a 1st TIME RTA PERMIT by June 30, 2011. Renewals in subsequent years will be at a slightly reduced fee level (see below.)

TAXI DRIVER – RENEWAL PERMIT -- \$270 Annually

When a 1st TIME RTA PERMIT expires, a taxi driver must come into the RTA office to renew his or her permit. While an annual fingerprinting/Department of Justice background check will not be required, the RTA will conduct an annual local background check on all renewing taxi drivers.

Taxi Permit Fees Summary
Monterey County Regional Taxi Authority

<u>Permit Type</u>	<u>New Company 1st Year Fee</u>	<u>Existing Company Annual renewal fee</u>	<u>Taxi Vehicle</u>	<u>Taxi Driver</u>
New Taxi Dispatching Company with no ownership of taxi cabs	\$4,227			
New Taxi Dispatching Company that owns taxi cab(s)	\$4,227		\$415 per vehicle	
Existing/Renewing Taxi Dispatching Company with no ownership of taxi cabs		\$1,410		
Existing/Renewing Taxi Dispatching Company that owns taxi cab(s)		\$1,410	\$415 per vehicle	
New Taxi driver permit - does not own a taxi cab				\$312
New Taxi driver permit - owns his/her own vehicle			\$415 per vehicle	\$312
New Taxi driver permit - leases cab/name on registration			\$415 per vehicle	\$312
New Taxi driver permit - leases cab/name not on registration				\$312
Renewing Taxi driver permit - does not own a taxi cab				\$270
Renewing Taxi driver permit - owns his/her own vehicle(s)			\$415 per vehicle	\$270
Renewing Taxi driver permit - leases cab/name on registration			\$415 per vehicle	
Renewing Taxi driver permit -- leases cab/name not on registration				\$270

California Area Taxi Rates Sampling

For Discussion Purposes Only

<u>Area</u>	<u>Cab Company</u>	<u>Flag drop</u>	<u>per hour wait</u>	<u>each additional mile</u>
OCRTA	all operators	\$2.95	\$30.00	\$2.60
San Diego	American	\$2.50	\$22.00	\$2.70
	Orange	\$2.50	\$22.00	\$2.70
	Silver	\$2.00	\$20.00	\$2.50
	Yellow	\$2.40	\$20.00	\$2.60
	Maximum Allowed	\$2.90	\$24.00	\$3.10
San Jose	Orange	\$3.50	\$30.00	\$3.00
Los Gatos	Orange	\$3.00	\$35.00	\$3.00
Santa Cruz	Yellow	\$4.00	\$36.00	\$3.00
Oakland	Friendly Cab	\$3.00	\$26.00	\$2.60
Gilroy	Yellow	\$3.00	\$35.00	\$3.00
Ventura	Gold Coast Cab	\$2.90	\$30.00	\$2.90
Livermore	Yellow	\$2.50	\$25.00	\$2.50
Santa Rosa	Yellow	\$3.00	\$30.00	\$3.00
	Checker Cab	\$3.00	\$30.00	\$3.00
Sacramento	BC Cab	\$3.00	\$28.00	\$3.00