



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
December 4, 2012

**Honorable Members of the
Law and Legislation Committee**

Title: Ordinance: Taxicab Automobile Insurance

Location/Council District: Citywide

Recommendation: Approve and forward to the City Council the ordinance repealing section 5.136.250; adding sections 5.136.440, 5.136.450, and 5.136.460; and amending sections 5.135.550 and 5.136.700 of the Sacramento City Code relating to taxicabs.

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Presenter: Patrick Flaherty, Risk Manager, Department of Human Resources, Risk Management Division

Department: Human Resources

Division: Risk Management

Dept. ID: 08001311

Description/Analysis

Issue: Automobile liability insurance is required on any taxicab operating in the City of Sacramento. The taxicab automobile insurance provisions of the ordinance have been revised to clarify the insurance requirements for taxicab associations and their members so that all taxicabs operating in the City of Sacramento are properly insured.

Policy Considerations: Taxicabs provide an essential component of the public transit system that serves the City. A well-functioning taxi system can be a valuable resource for visitors, business people, and patrons of bars, clubs, restaurants, and stores. At the same time, taxis can also assist those who do not have a car for a variety of reasons such as income, age, disability or personal

choice. Taxicabs are operated by private persons that utilize the public rights of way to advertise and deliver their services. Automobile liability insurance should be required so that insurance coverage is available when accidents occur while the taxicabs are being operated.

Committee/Commission Action: None

Environmental Considerations: The regulation of taxicabs is not subject to CEQA. (CEQA Guidelines §§ 15060(c)(2), 15060(c)(3), 15061(b)(3), 15321(b), 15378.)

Sustainability Considerations: There are no sustainability considerations applicable to amending City Code relating to taxicabs.

Rationale for Recommendation: This revision to the Sacramento City Code will clarify the taxicab automobile insurance requirements and help protect taxicab associations and their members, taxicab customers, and members of the public from automobile accidents involving taxicabs.

Financial Considerations: The proposed changes to the City Code are not anticipated to have any financial impact to the City.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: _____
Patrick Flaherty, Risk Manager

Approved by: _____
Geri Hamby, Director of Human Resources

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Attachment 1**Background****1. Taxicab Automobile Insurance**

Currently, taxicab driver permittees are required to obtain and keep in force automobile liability insurance that covers any taxicab vehicle that they operate. However, staff has discovered that this requirement is challenging to enforce because violations can only be charged while the taxicab is in operation—it cannot be enforced during a periodic inspection of the taxicab association. The automobile liability insurance provisions in the ordinance have been revised to clarify the insurance requirements and enable staff to enforce the requirements during periodic inspections. Substantive changes to the ordinance include the following:

- Automobile liability insurance may be obtained by the taxicab association or the taxicab vehicle permittee.
- Each taxicab vehicle must be covered by insurance at all times during the term of that vehicle's taxicab vehicle permit.
- If the taxicab vehicle permittee obtains the automobile liability insurance, current certificates of insurance shall be provided to the taxicab fleet association to which the vehicle is registered.
- If the taxicab vehicle permittee obtains the automobile liability insurance, taxicab vehicle permittees shall notify the manager of the taxicab fleet association to which the vehicle is registered if the automobile liability insurance is cancelled or lapses.

The changes in the ordinance are designed to ensure that all taxicabs operating in the City of Sacramento are properly insured.

Attachment 2

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE REPEALING SECTION 5.136.250; ADDING SECTIONS 5.136.440, 5.136.450, AND 5.136.460; AND AMENDING SECTIONS 5.136.550 AND 5.136.700 OF THE SACRAMENTO CITY CODE RELATING TO TAXICABS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.136.250 of the Sacramento City Code is repealed.

SECTION 2.

Section 5.136.440 is added to the Sacramento City Code to read as follows:

5.136.440 Automobile liability insurance required.

A. At all times during the term of a taxicab vehicle permit issued pursuant to this chapter, the taxicab vehicle permittee or the taxicab vehicle association to which the taxicab is registered shall continuously maintain in full force and effect automobile liability insurance that covers that taxicab and its drivers. The insurance shall:

1. Be issued by an insurer licensed to do business in California;
2. Provide coverage at least as broad as ISO Form CA 00 01 for bodily injury, including the death of one or more persons, property damage, and personal injury;
3. Provide a combined single limit of not less than five hundred thousand dollars (\$500,000.00) per accident; and
4. Cover all losses and damages as specified in Section 5.136.260.

B. No person shall operate a taxicab without the insurance coverage required by this section.

C. Violation of this section, shall be grounds for immediate revocation of the taxicab vehicle permit pursuant to Section 5.136.700(B).

SECTION 3.

Section 5.136.450 is added to the Sacramento City Code to read as follows:

5.136.450 Automobile liability insurance – Record keeping.

Taxicab vehicle permittees shall file all current certificates of automobile liability insurance that establish their compliance with Section 5.136.440, with the taxicab fleet association to which the vehicle is registered.

SECTION 4.

Section 5.136.460 is added to the Sacramento City Code to read as follows:

5.136.460 Automobile liability insurance – Reporting.

Taxicab vehicle permittees shall immediately notify the manager of the taxicab fleet association to which the vehicle is registered of any cancellation or lapse of automobile liability insurance required by Section 5.136.440.

SECTION 5.

Section 5.136.550 of the Sacramento City Code is amended to read as follows:

5.136.550 Registered taxicab drivers—Recordkeeping.

A. Taxicab fleet associations shall maintain in the association office a current list of all taxicab drivers who are registered to that association. The association shall advise the city of any change in registration of a taxicab driver within seven calendar days of such change.

B. Taxicab fleet associations shall collect and maintain in the association office the following records relating to each taxicab driver who is registered to that association:

1. A copy of a valid taxicab driver permit issued pursuant to this chapter. The copies shall be maintained in the association office for at least one year after the date that the permit expired;

2. Triplogs for each day the taxicab driver operates a taxicab, as described in Section 5.136.220. The triplogs shall be maintained in the association office for at least one year from the date of the triplog;

3. Current certificates of automobile liability insurance, as described in Section 5.136.450. The certificates shall be maintained in the association office for at least three years after the date that the insurance policy expires.

SECTION 6.

Section 5.136.700 of the Sacramento City Code is amended to read as follows:

5.136.700 Hearing required—Exception.

A. No permit issued pursuant to this chapter shall be suspended or revoked until the permittee is provided notice, pursuant to Section 5.136.710, and an opportunity to be heard by the director.

B. Notwithstanding subsection A of this section, a permit issued pursuant to this chapter may be suspended or revoked immediately upon the director's determination that any of the following circumstances exist:

1. The permittee is in violation of the insurance requirements set forth in Sections 5.136.440 or 5.136.650; or

2. The suspension or revocation of the permit is based on subsections D or E of Section 5.136.120, 5.136.320 or 5.136.520 relating to criminal charges or convictions; or

3. Immediate suspension of the permit is necessary to protect the public health, safety or welfare.

C. If a permit is immediately suspended pursuant to subsection B of this section, the subject permittee shall subsequently be provided notice, pursuant to Section 5.136.710, and an opportunity to be heard by the director.