

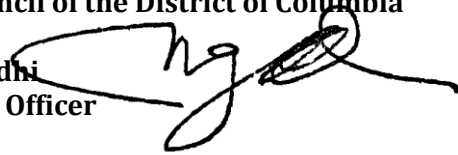
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Philip H. Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: November 9, 2012

SUBJECT: Fiscal Impact Statement – “Public Vehicle-for-Hire Innovation
Amendment Act of 2012”

REFERENCE: Bill 19-892 – Draft Committee Print Shared with the Office of Revenue
Analysis on November 8, 2012

Conclusion

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

The bill makes changes to the Taxicab Service Improvement Amendment Act of 2012¹ (Act), which was passed subject to its inclusion in an approved budget and financial plan, so the bill’s provisions will not be implemented until the Act is funded.

Background

The District of Columbia Taxicab Commission (DCTC) monitors and regulates taxicab and limousine operations, including drivers and vehicle owners. The bulk of DCTC activities involve the oversight of over 6,500 taxicabs, nearly 8,000 licensed taxicab operators, and 116 taxicab companies.

On October 22, 2012, the Mayor signed the Taxicab Service Improvement Amendment Act of 2012. Important components of the Act were to create a definitive sedan class regulated by DCTC and to establish parameters for dispatch services. The bill amends a number of the Act’s provisions impacting industry participants.

First, the bill establishes a digital dispatch definition and requirements for companies that use this dispatch system to avoid certain DCTC regulations.² The fares charged must be calculated in

¹ Taxicab Service Improvement Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; 59 DCR 9431).

accordance with the fare structure established for that class of public vehicle-for-hire, the calculation method must be disclosed to potential riders, including rates and estimated fares, prior to the booking of a vehicle, and a paper or electronic receipt must be made available. All operators and companies must be properly licensed³ and abide by any Washington Metropolitan Area agreements which govern public vehicles-for-hire. Additionally, the bill prohibits digital dispatch companies from instituting any systems that could lead to discriminating against potential passengers based on any of the passenger's personal information or his or her location in the District. Sedan class vehicles must operate under a digital dispatch system.

Next, the bill imposes certain requirements on DCTC. DCTC must create a process for taxicabs to convert to sedan class vehicles and establish a hotline to receive consumer complaints. The bill also requires DCTC to establish a single public vehicle-for-hire license which applies to all classes of vehicle and to actively license drivers, vehicles, and new companies.

Lastly, the bill includes a number of technical and conforming amendments to the Act which allow DCTC to establish various fees and fines by regulation, enhance anti-loitering rules, prohibit tampering with the installation of dome lights and new taxicab smart meters, and eliminate the right to smoke in limousines.

Financial Plan Impact

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

All provisions of the bill that impose requirements on DCTC, including the creation of a single public vehicle-for-hire license and 24-hour complaint hotline,⁴ can be absorbed within the Commissions existing resources. However, since the bill amends the Act, which is not funded, the Commission is unable to effectuate the bill's provisions.

The digital dispatch requirements of the bill are imposed on industry participants and the costs of altering existing or developing new technologies to accommodate the reporting requirements are unknown.

² All sedan class vehicle companies must use digital dispatch and they must still comply with safety, consumer protection, and provision of non-personal trip data regulations.

³ This includes business licenses and vehicle operator licenses.

⁴ This hotline has already been implemented by DCTC.