

Appendix 3

Backgrounder: Enterprise Taxi Licenses

Issue

The City of Saskatoon regulates vehicles for hire, including taxis, through *Bylaw 9651 - The Vehicle for Hire Bylaw, 2019*. Among other things, the bylaw establishes a regulatory regime for these vehicles and sets out the licensing fees for taxis. As a result of the COVID-19 pandemic, Enterprise Taxi License holders have requested that the City waive or defer the licensing fees for the operation.

Background/Discussion/Analysis

Request for License Fee Reduction or Deferral

- There are currently 35 temporary Enterprise Taxi Licenses. These licenses are owned by the City and awarded through a lottery to experienced taxi drivers for four-year terms. The license must be renewed annually, on June 28 each year of the term.
- Enterprise licenses have a reduced fee of \$350 compared to \$525 for permanent taxi plates as, unlike permanent taxis, Enterprise taxis can only be operated by one driver.
- The City also does not charge a lease fee for an Enterprise Taxi License. Typically a taxi operator would have either purchased one of the 165 permanent taxi plates on the open market, or paid a lease fee to the owner of the permanent plate.
- In total, the City receives \$12,250 in Enterprise taxi licensing fees.
- Provisions in the *Vehicle for Hire Bylaw* require Enterprise Taxi License holders to operate a minimum of 40 hours per week. The license holder may take eight weeks of vacation. The bylaw requires that the license be forfeited if the driver cannot meet this condition; in such cases the license would be awarded to the next person on the wait list, as selected during the initial lottery process. In contrast, holders of permanent taxi plates are not subject to such requirements.
- The permanent taxi plate holder pays an annual license fee of \$525, which is due on January 1.
- Deferring or reducing the license fees for Enterprise Taxi Licenses will likely be perceived as an inequity within the taxi industry. All other permanent taxi licenses were renewed in January 2020 at the full taxi license rate of \$525. Many of the drivers are responsible for additional lease fees to the license owner, while the Enterprise License holders are not. While formal requests have not been submitted, Administration is aware of the financial difficulties facing the taxi industry as a whole resulting from decreased demand for service during the pandemic.
- Licensing fees support a regulatory regime and are generally set at rates sufficient to recover costs of a service and to ensure future sustainability of the program. COVID-19 did not suspend or eliminate the regulatory regime for taxis and thus, the fees are a requirement for the efficient and transparent operation of such a regime.

Proposed Bylaw Amendment: Enterprise Taxi Licenses - Vacation Time During a Pandemic

- The Administration is aware that many Enterprise drivers are using their vacation time during the pandemic. Recognizing this unique situation of very low demand for taxi services, City Council may wish to resolve that the City Solicitor prepare an amendment to the *Vehicles for Hire Bylaw* that the minimum 40 hours per week, and maximum of eight weeks of vacation be suspended during a pandemic or other similar exceptional circumstances. This will allow Enterprise license holders to maintain their license while not operating.