

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Kathleen Butler		2. Telephone No. 503-865-2486	3. Bureau/Office/Dept. OMF - Revenue
4a. To be filed (date): June 21, 2012	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: June 12, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Amend civil penalties for companies and drivers that operate or drive in violation of Private For-Hire Transportation Regulations; make operation of an unpermitted private for-hire vehicle a criminal offense (Ordinance; amend Code Section 16.40.540 and 16.40.560)

2) Purpose of the Proposed Legislation:

Unpermitted for-hire transportation drivers and companies have continued to pick up passengers in Portland, even after being cited by the Revenue Bureau under existing civil penalties. The permitting process provides necessary regulatory scrutiny of vehicle inspections, driver background checks, and proof of commercial liability and automobile insurance. This ordinance makes it a criminal offense to provide for-hire transportation without the required City driver, vehicle and company permits, and enables stronger enforcement actions against unpermitted operators. The ordinance also provides increased penalties for all violations of the private for-hire transportation regulations that pertain to public safety.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> City-wide/Regional | <input checked="" type="checkbox"/> Northeast | <input checked="" type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input checked="" type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input checked="" type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation is primarily intended to improve public safety by discouraging illegal private for-hire transportation operators. The higher penalties may generate a small amount of additional penalty and permit revenues within the first year or two after passage. The ordinance is also expected to result in greater compliance, thus reducing the overall number of penalties issued. For that reason, there may be no net gain in revenues resulting from this ordinance.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense?

There are no additional costs associated with this legislation.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be created, eliminated or re-classified as a result of this legislation.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No positions will be created, eliminated or re-classified in future years as a result of this legislation.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☒ **YES:** Please proceed to Question #9.
☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If “YES,” please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This ordinance will increase safety protections for the public through improved enforcement mechanisms against unpermitted providers of for-hire transportation services. The ordinance also creates higher penalties, and thus stronger disincentives, for violations of safety related requirements by permitted operators.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

During the past 18 months, the Private for-Hire Transportation (PFHT) Board of Review, the PFHT Driver Standing Committee, and the PFHT Company Standing Committee discussed the necessity for improved enforcement mechanisms at several public meetings of each group. The potential safety risks posed by unpermitted drivers and companies have been highlighted in Committee and Board discussions. Board members represent the riding public, governmental agencies and City bureaus, as well as transportation companies and drivers. The Board voted to recommend approval of the increased penalties at their meeting on March 28, 2012.

c) How did public involvement shape the outcome of this Council item?

The discussions at PFHT Board and Committee meetings assisted with identification of enforcement mechanisms most likely to be effective in protecting public safety. The Board identified additional Code changes necessary – a separate permitting process for out of area medical transportation providers. The strength and breadth of support for improved enforcement made it a priority for staff.

d) Who designed and implemented the public involvement related to this Council item?

The Private for-Hire Transportation Board with the assistance of the Revenue Bureau.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Kathleen Butler, Regulatory Division Manager

503-865-2486

kathleen.butler@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

The Regulatory Division and the Private for-Hire Transportation Board will monitor the public response to the implementation of these changes.

Thomas W. Lannom



BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer
Thomas W. Lannom, Revenue Bureau Director

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DATE: June 12, 2012

FOR MAYOR'S OFFICE USE ONLY

TO: Mayor Sam Adams

Reviewed by Bureau Liaison

FROM: Thomas W. Lannom, Revenue Bureau

A handwritten signature in black ink, appearing to read "Tom Lannom".

185498

SUBJECT: Amend civil penalties for companies and drivers that operate or drive in violation of Private For-Hire Transportation Regulations; make operation of an unpermitted private for-hire vehicle a criminal offense (Ordinance; amend Code Section 16.40.540 and 16.40.560)

1. **INTENDED THURSDAY FILING DATE:** June 21, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** June 27, 2012
3. **CONTACT NAME & NUMBER:** Kathleen Butler 503-865-2486
4. **PLACE ON:** CONSENT X REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** X Y N N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM:** Y N X N/A

7. BACKGROUND / ANALYSIS

The Private for-Hire Transportation permitting process provides oversight of certified vehicle inspection and maintenance; review of driver criminal and driving records and skills tests; and proof of commercial automobile and liability insurance. Current civil penalties are inadequate to deter unpermitted operators and other violations of the Code that create a safety risk to the public. Unpermitted drivers and companies continue to pick up unsuspecting or uninformed customers in Portland, even after being cited by the Revenue Bureau under existing civil penalties. Regulatory Division staff reviewed best practices in comparable jurisdictions, and noted that making the unpermitted operation a criminal offense enables more effective enforcement actions. The PFHT Board has discussed the need for more effective enforcement mechanisms and increased penalties at several public Committee and Board meetings. On March 28, 2012, the Board voted to recommend the passage of increased penalties, including the addition of criminal penalties for operating without driver, vehicle and company permits.

8. FINANCIAL IMPACT

This legislation is intended to discourage illegal activity and promote public safety. A significant net gain in revenues is not anticipated.

9. RECOMMENDATION / ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed to provide better protection to the public from potentially uninsured and unsafe transportation providers.

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To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.