

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 Bureau
4a. To be filed (date): October 31, 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: October 23, 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 Private For-Hire Transportation Regulations to add new section Paid Passenger Referrals prohibited (Ordinance; add Code Section 16.40.710)

2) Purpose of the Proposed Legislation: This ordinance prohibits and provides for penalties for the payment for referrals to hotel staff and dispatchers for transportation referrals. This is intended to end the coerced payments from drivers for the more lucrative fares available, especially at hotels, but excludes legitimate commissions for prearranged tour fares. This prohibition will help protect the travelling public from inconvenience and fare inflation, and helps protect public safety by helping end the practice of the use of unpermitted drivers and companies.

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 type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input 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.

There may be a small increase in future revenues from penalties assessed, anticipated to be less than \$15,000 annually. The practice of paid referrals will be substantially reduced due to this ordinance. The intent is to eliminate the practice.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

Staff is already addressing numerous complaints about this issue, so no additional expense related to this regulation is anticipated.

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?

Net income and equity in fares dispatch for taxi drivers will be improved. Safety and convenience for taxi passengers will be improved.

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?

The Private For-Hire Transportation Board of Review (the Board) held several public meetings in 2010, 2011, and 2012 to consider the impacts of the practice of drivers paying for fares. In addition to extensive testimony from drivers about the practice and proposed solutions, Board members, that include representatives of the riding public, TriMet, the Port of Portland, and Travel Portland discussed the issue at several Board meetings including a special work session. In addition to their testimony at the Board meetings, Revenue Bureau staff also met separately with stakeholder groups including representatives of the lodging industry, both line staff and general managers, and the union that represents some of the hotel workers downtown.

This issue was discussed extensively at the May 2010 meeting of the Board, with a follow up work session on June 2010 dedicated to this issue. Revenue Bureau staff had subsequent meetings with hotel managers and in August 2010 met with the hotel employees union, Unite Here. In January and March of 2011 this was again discussed at the Taxicab Driver Standing Committee and Board meetings and again at the May 2011 Board meeting. There was additional discussion at the June 2011 Taxicab Driver Standing Committee meeting and the July 2011 Board meeting. In September we met with the Portland Concierge Association. It was a topic of discussion at the September 2011 Board meeting, and it has continued to be an issue of importance to drivers as they've advocated for this ordinance's adoption.

The Revenue Bureau subsequently issued Private For-Hire Transportation Program Recommendations for Taxi Industry Reform on September 26, 2012, and posted the Recommendations on the Bureau website. On October 10, 2012, the Board voted to concur with the recommended reforms, which included the prohibitions against payments for fares.

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

This has been a very contentious issue between drivers who pay for fares and those who don't, as it has been an issue for hotel staff and general managers. It has been a challenge to come up with a workable solution and the public involvement helped shape a solution that the Board, drivers, and industry representatives could support.

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

The Revenue Bureau, Regulatory Division manager, Board members, drivers, and staff have all contributed to the design and implementation of the public process.

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

Kathleen Butler, 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.

We will be following up implementation of this with our Board, and the impacted industries, and private for-hire drivers.

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

Revenue Bureau
Thomas W. Lannom, Director
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DATE: November 7, 2012

TO: Mayor Sam Adams

**FOR MAYOR'S OFFICE
USE ONLY**

FROM: Thomas W. Lannom, Revenue Bureau Director 

185720

RE: Amend Private For-Hire Transportation Regulations to add new section Paid Passenger Referrals Prohibited (Ordinance; add Code Section 16.40.710)

1. **INTENDED WEDNESDAY FILING DATE:** October 31, 2012
2. **REQUESTED COUNCIL AGENDA DATE:** November 7, 2012
3. **CONTACT NAME & NUMBER:** Kathleen Butler 503-865-2486
4. **PLACE ON:** ☐ CONSENT ☒ REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ Y ☐ N ☐ N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ Yes ☐ No ☒ X ☐ N/A

7. BACKGROUND/ANALYSIS

At a series of Private For-Hire Transportation Board of Review (Board) meetings in 2010, 2011 and 2012, the Board heard testimony from taxi drivers that they cannot obtain fares at downtown hotels unless they agree to make a \$5 or \$10 cash payment for each fare to the hotel valet. The Revenue Bureau and the Board have found that fares are sometimes assigned to unpermitted and potentially unsafe vehicles, and customers are sometimes denied the service provider they request, or are made to wait longer than they should, as a result of this practice. The Bureau and the Board also concur that when cash payments for fares are required, the choice of service provider is no longer dependent solely upon the quality, safety, or promptness of the service, and may result in increased costs and wait times, and decreased safety for taxi customers. The requirement for these payments also contributes to driver inequities such as long hours for low pay and lower net driver income. On September 26, 2012, the Bureau issued Private For-Hire Transportation Program Recommendations for Taxi Industry Reform. The Board voted on October 10, 2012 to concur with the thirteen recommendations for reform, including the proposed prohibition against payments in return for fares.

8. FINANCIAL IMPACT

This legislation has minimal impact to the General Fund. Increased revenues from penalties are estimated at less than \$15,000 annually. The intent is to eliminate the practice of paid referrals for fares.

9. RECOMMENDATION/ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed in order eliminate the practice of accepting or requiring payments in exchange for assignment of fares, to eliminate inequities and improve taxi driver net income.

An Equal Opportunity Employer

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.

www.portlandonline.com/omf/revenue