

ORDINANCE NO. 185720 As Amended

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

The City of Portland ordains:

Section 1. The Council finds:

1. The Revenue Bureau and the Private For-Hire Transportation Board of Review (the Board) held a series of public meetings and workshops in 2010 and 2011 regarding the problem of payments that were being solicited or required from hotel staff, and in some case taxi company dispatchers, in return for steering the passenger to a particular taxi or executive sedan vehicle. Testimony was received at these public meetings and hearings from many taxi drivers, as well as from hotel valets and managers.
2. The Revenue Bureau and the Board agree that when a cash payment for a taxi fare is required, the choice of service provider is no longer dependent solely upon the quality, safety, or promptness of the service provider and the public is not served.
3. 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 or type they request, or are made to wait longer than they should, as a result of payments for fares.
4. Many taxi drivers testified to the Board, and many drivers have complained to Revenue Bureau staff, that they cannot obtain airport fares at many downtown hotels unless they agree to make a \$5 or \$10 cash payment for each fare to the hotel valet.
5. The practice of requiring payments from drivers in return for assigning fares results in higher taxi costs for taxi customers, who are often tourists and business travelers: the Board heard testimony that drivers may be more likely to take longer routes to the airport than necessary in order to make up these payments.
6. The requirement for payments to hotel valets contributes to driver inequities such as long hours for low pay, and lower net driver income, as documented in the January 2012 Taxi Driver Labor Market Study. Low pay and long hours for drivers are associated with decreased passenger safety.
7. Revenue Bureau staff obtained additional information regarding similar problems in other cities, and noted that several cities had existing prohibitions on such payment arrangements, and several cities had recently added prohibitions against this practice.

8. At their meeting on September 28, 2011, the Private For-Hire Transportation Board voted to recommend that the Council adopt a prohibition against the practice of accepting, soliciting, or requiring payment in return for fares.
9. At their meeting on October 10, 2012, the Private For-Hire Transportation Board voted to affirm their earlier recommendation.
10. The City Council finds that the prohibition of paid passenger referrals is a necessary means of ensuring public safety and welfare with regard to private-for-hire transportation in the City of Portland by (1) protecting the travelling public from inconvenience and illegal fare inflation; (2) protecting the public from unsafe drivers; (3) providing for the safe, fair and efficient operation of for-hire transportation services; and (4) recognizing that the industry constitutes an essential part of the City's transportation system and as such regulation is necessary to insure public safety is protected, the public need provided, and the public convenience promoted.

NOW, THEREFORE, the Council directs:

- a. Add Section 16.40.710 Paid Passenger Referrals Prohibited as follows:
 - A. All private for-hire transportation drivers are prohibited from providing payment to hotel staff, dispatchers, or any other person for referral of a passenger or passengers. The penalties for violation of Subsection 16.40.710 A. are as follows: \$1,500 for the first offense; \$2,000 and 10-day driver permit suspension for the second offense; and \$2,500 and driver permit revocation for the third offense.
 - B. It is prohibited for any person to solicit or accept payment for referral of a passenger to a motor vehicle for hire, or for any person or business, firm, association or corporation to act in concert with or on behalf of another person or persons to solicit or accept payments for the referral of passengers to a motor vehicle for hire. This prohibition does not include payment for legitimate advertising placement, such as placement of flyers or posters, or legitimate commissions provided by tour companies that do not operate on demand. Advertising or commission payments exempted herein must be documented, and said documentation must be provided to the Administrator when requested. The penalties for violation of Subsection 16.40.710 B. are as follows: \$1,500 for the first offense; \$2,500 for the second offense; and \$3,500 for the third and each subsequent offense.
 - C. It is prohibited for any person to solicit or accept gifts and/or gratuities or anything of value from any holder of a City of Portland company, vehicle or driver permit, except as authorized in this Chapter, in return

for any dispatch call, assignment, vehicle or shift. The penalties for violation of Subsection 16.40.710 C. are as follows: \$1,500 for the first offense; \$2,500 for the second offense; and \$3,500 for the third and each subsequent offense.

- D. If a limousine, executive sedan, taxicab, shuttle or other for-hire vehicle is in a marked hotel zone or loading/unloading zone, it is a rebuttable presumption that it is parked there to provide private for-hire transportation services that require a log book entry. Taxis, shuttles, executive sedans and limousines parked in a hotel zone must provide properly documented log book entry when requested by the Administrator. The penalties for violation of Subsection 16.40.710 D. are as follows: \$500 for the first offense; \$1,000 for the second offense; \$2,500 and suspension for the third and subsequent offenses.
- E. Other than for drop off, for-hire vehicles may not park in the hotel zone without a reservation or request for service. Per Section 16.40.460 limousine and executive sedan service must be prearranged. The penalties for violation of Subsection 16.40.710 E. are as follows: \$500 for the first offense; \$1,000 for the second offense; and \$2,500 and suspension for the third and subsequent offenses.
- F. Taxicabs may not park in the hotel zone or loading/unloading zone prior to 15 minutes before pick up for a dispatch or request for service. The dispatched call/request for service must be documented in the required log format, and available for review by any authorized enforcement officer inspecting logs in the field. The penalties for violation of Subsection 16.40.710 F. are as follows: \$500 for the first offense; \$1,000 for the second offense; and \$1,000 and driver permit suspension for the third offense.

Section 2. The Council declares an emergency exist due to a problem where towncars and taxis are getting payments in return for fares and this is undermining the ability of the intent of the laws related to taxis versus towncars and taxis selection based on availability as opposed to payment in return for favored treatment and it creates a safety issue; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: **NOV 07 2012**

Commissioner: Mayor Sam Adams
Prepared by: Kathleen Butler
Date Prepared: October 25, 2012

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland

By:


Deputy

Agenda No. **185720** As Amended
ORDINANCE NO.
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED NOV 02 2012
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams <i>Sam Adams</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: OMF/Revenue <i>JDG</i> CAO: Jack D. Graham Bureau Head: Thomas W. Lannon <i>[Signature]</i>	ACTION TAKEN:
Prepared by: Kathleen Butler Date Prepared: October 26, 2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date November 7, 2012	
City Attorney Approval: <i>KAM</i> required for contract, code, easement, franchise, comp plan, charter	

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> Start time: 2:00 <i>2 of 6</i> Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	