



## CITY OF HARRISONBURG CITY MANAGER

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801  
OFFICE (540) 432-7701 • FAX (540) 432-7778

TO: Ande Banks, Interim City Manager  
FROM: G. Chris Brown  
DATE: 3/11/2002  
RE: Substantial Re-Write of City Taxi Ordinance

**Summary:** This is a substantial re-write of the City's ordinance regulating taxicabs.

**Background:** For some time now, the Department of Public Transportation, HPD, and the City Attorney's office have been working on a complete re-write of the City Code sections regulating all aspects of the taxicabs operating in the City. This proposed new Title 14, Chapter 1 cleans up many issues in the existing ordinances, shortens and streamlines the chapter, changes the regulations regarding background checks, and, perhaps most significantly, allows the taxicab companies to determine their own rates instead of having those rates set by City Council. This new ordinance re-write seeks to place taxicab companies on more equal footing with Transportation Network Companies ("TNCs") such as Uber and Lyft, which have significantly affected the taxicab industry in the City and across the country.

**Key Issues:** There are numerous key issues in the taxicab ordinance re-write. The most significant is that the new ordinance would allow taxicab owners to set their own rates. The current ordinance requires City Council to set rates. Rates have not been increased since 2008 (although there was at one time a fuel surcharge permitted, which was then added to the pick-up fee in 2014). TNCs have great flexibility as to rates and this puts the City's taxicab companies at a significant disadvantage, especially with fluctuating gas prices. Since the rise of TNCs, many localities have moved to letting taxicab companies set their own rates in order to better compete. Under new Section 14-1-40, taxicab companies in the City can set their own rates. The rates must be clearly stated and displayed in an area on the taxi that can be seen by potential customers. Section 14-1-41. The rates must be filed with HPD and can't be changed until HPD is notified. The new ordinance provides that the taxicabs can't charge more than the advertised rates, but they can negotiate lower rates for regular customers and others.



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Another significant change is to reallocate responsibility for the taxicab ordinances. Currently HDPT has complete responsibility for the ordinances except that Council issues the required certificate of public necessity. The proposed ordinance would have the City Manager's office handle the application for certificates. HDPT would retain responsibility for taxicab inspections. Applications for taxicab drivers' licenses and enforcement of the ordinances generally would be moved to HPD. There is a relatively small number of owners and drivers now in Harrisonburg, and they are generally well known to HPD. It is easier for HPD to enforce the ordinances, and the application process for drivers' licenses has been streamlined (discussed below) so as not to be overly burdensome on HPD.

The taxicab driver's license application process has been changed to make it less cumbersome. Background check requirements for drivers have been changed to make them closely follow what the state has implemented for TNCs. Section 14-1-32 now requires owners to obtain background checks on potential drivers and to secure DMV license reports. Previously, HDPT obtained the background checks and ended up spending more money than collected in fees. Section 14-1-32 sets forth in detail what would preclude someone from obtaining a taxicab license. Again, these regulations closely follow state law as it applies to TNC drivers. Drug testing is no longer required.

There were numerous other smaller changes, such as eliminating all of the reserved sections in the ordinance and thereby reducing the number of sections by about half. Also, once a certificate of public necessity is issued it stays in place until surrendered or until revoked for violations of the City Code. Renewals of certificates are no longer required.

The ordinance is being shared with taxicab owners for their input.

**Environmental Impact:** None



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**Fiscal Impact:** There should be a slight decrease in expense to the City because HDPT will no longer obtain background checks.

**Prior Actions:**

**Alternatives:** (a) Approve all recommended changes; or,  
(b) Approve some of the recommended changes but not others; or  
(c) Request staff to do additional research on potential changes.

**Community Engagement:** The proposed changes shared with taxicab owners.

**Recommendation:** Staff recommends approval of the proposed amended ordinances.

**Attachments:** New Title 14, Article A.

**Review:**

*The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.*

