



The Corporation of the Town of Milton

Report To: Council

From: Meaghen Reid, Director, Legislative & Legal Services/Town Clerk

Date: June 19, 2023

Report No: CORS-033-23

Subject: Vehicles For Hire By-law

Recommendation: THAT the necessary by-law, included on the June 19, 2023 Council meeting agenda, be considered for approval;
AND THAT the licensing fees, as set out within this report, be approved and included in the Town's User Fee By-law at the next available opportunity.

EXECUTIVE SUMMARY

This purpose of this report is to present a Vehicles for Hire By-law for Council's consideration, which would repeal and replace the Town's existing Taxi and Limousine Licensing By-law 094-2004. The proposed by-law also seeks to:

- better reflect the current and evolving business environment of app enabled ride sharing;
- level the playing field amongst various types of transportation services such as taxis, limousines and TNCs;
- ensure safe and responsible business practices;
- provide tools that promote compliance;
- develop efficiencies;
- reduce regulatory burden

Adjustments to licensing fees are also being recommended in alignment with the changes in the proposed by-law.

REPORT

Background

Along with public transit, vehicles for hire (which includes taxi cabs and transportation network companies) provide an essential service for many residents and visitors who



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either lack a means of personal transportation, or who occasionally rely on taxicabs and other services to meet a specific transportation requirement.

Due to the changing needs in the community for 24/7 on-demand transportation services offered by vehicles for hire (i.e. taxicabs and TNC vehicles), staff are recommending that By-law 094-2004 be repealed and replaced with an updated by-law that would incorporate regulations for taxi cabs and TNC vehicles.

The Town's Legislative and Legal Services Division has undertaken a review of the Town's current Taxi and Limousine Licensing By-law in an effort to modernize municipal legislation. This review included consultations with the public and the taxi industry and this feedback is reflected in the proposed by-law.

In accordance with the Municipal Act, 2001, as amended, the Town may provide for a system of licenses with respect to certain classifications of businesses by adopting a licensing by-law. As specified in the Municipal Act, 2001, as amended, a licensing by-law should relate to consumer protection, the economic and social well-being of the municipality, and the health, safety, and well-being of persons in the municipality.

Discussion

Existing Taxi Services in Milton

The Town's Licensing & Enforcement Unit has seen a decrease in licensed taxi brokers, owners and drivers over the past four years. This change could be attributed to challenges related to the recent pandemic and/or the growing presence of transportation network companies (TNC) in Halton Region. The chart below outlines the number of taxi licenses issued from 2019- 2022.

	2019	2020	2021	2022
Licensed Brokers	4	4	3	2
Licensed Drivers & Owners	116	97	72	49
Accessible Vehicles	4	2	1	0

Comparator Review

Town staff have reviewed Vehicle For Hire by-law regulations implemented by communities such as Brampton, Burlington, Halton Hills, Hamilton, Mississauga, Oakville, Oshawa and Vaughan to understand best practices throughout Ontario. The table below

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provides an overview of the types of vehicles for hire that are licensed in other comparator municipalities.

	Brampton	Burlington	Halton Hills	Hamilton	Mississauga	Oakville	Oshawa	Vaughan
Taxi Company/ Broker	X	X	X	X	X	X	X	X
Taxi Driver	X	X	X	X	X	X	X	X
Taxi Owner	X	X	X	X	X	X	X	X
Accessible Taxi Driver				X		X		X
Limo Broker								X
Limo Owner	X	X	X	X	X	X	X	X
Limo Driver	X	X	X	X	X	X	X	X
TNC Broker/ Owner	X			X	X	X	X	X
TNC Driver	X			X				
TNC Km Rate	X					X	X	X

Staff have also reviewed and assessed each municipality’s regulations and enforcement models in the development of the proposed by-law for Council’s consideration.

Consultation:

In the development of a proposed Vehicle for Hire by-law, staff consulted with the public, the Milton Accessibility Advisory Committee, the local taxi industry and the TNC industry.

1. Citizen Engagement Survey

The Town’s digital engagement platform, Let’s Talk Milton, was used for this project as a way to receive input from the public. The online was advertised on social media and on the Town website. The project page had 41 visitors, of which 37 filled out the survey.

The survey consisted of 22 questions and more than half of the respondents identified themselves as regular users of taxicab and/or TNC services. Respondents provided feedback with respect to fare regulations, accessible vehicle requirements and support for license requirements for TNCs in addition to the existing requirements for taxicabs.

2. Milton Accessibility Advisory Committee (MAAC) Consultation

On March 22, 2023 staff consulted with MAAC, on licensing TNCs. MAAC members had no objections to the licensing of TNCs, in addition to updated licensing requirements for taxicabs.

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3. Taxi Industry

During the inspection process in 2020, staff solicited feedback from members of the taxi industry directly. Of the 15 respondents to this survey, feedback supported the Town having consistent regulations and licensing requirements for the taxi industry and for TNC vehicles.

Recommended by-law regulation changes and rationale

Using information gathered from consultation and a review of regulations in comparator municipalities, staff are recommending the following changes be incorporated in a Vehicle for Hire By-law, which would repeal and replace the Town's existing taxicab licensing by-law. The following recommended changes would create internal efficiencies, develop consistent requirements for all vehicles for hire and reduce the administrative burden for the taxicab/vehicle for hire industry:

- 1. Eliminating annual mandatory vehicle Town inspections:** The Town's existing Taxicab Licensing By-law requires the Town to conduct an annual inspection of vehicles. Staff are recommending the elimination of annual mandatory municipal inspections to avoid duplication with provincial vehicle safety requirements and provide efficiencies for the vehicle for hire industry and the Town. The Ontario Ministry of Transportation (MTO) Safety Standards Certificate (SSC) is a document that certifies a vehicle's fitness. Any inspection station in Ontario licensed by the MTO can issue a SSC, provided the vehicle passes an inspection. This inspection covers the minimum safety requirements for vehicles in the Province of Ontario. Items reviewed during the inspection include powertrain, suspension, brakes, steering, instruments/auxiliary equipment, lamps, electrical, body, tires and wheels. A vehicle must meet these standards in order to pass the Province's safety inspection and to be considered roadworthy. Taxicab owners will continue to be required to provide a SSC issued by a licensed mechanic under the authority of the MTO. Staff anticipate that eliminating annual MLEO inspection will result in MLEO time savings of approximately 40 hours and 10 hours of administrative time annually. Staff have consulted with the Town's Risk Management staff and there are no concerns with the removal of this provision from the by-law.
- 2. Eliminating taxicab tariff:** Staff also recommend, within the proposed by-law, that the Town no longer set tariff rates as part of the licensing requirements, which would establish the amount that can be charged to the customer by the vehicle for hire. This change seeks to make fee structures equitable for both the taxicab and TNC vehicles. This change would allow for the fee structure to be a business decision for each taxicab broker, owner or TNC to support competitive pricing within the on-demand transportation market. At the time of licensing, staff will work with the taxicab vehicle owner or broker to ensure that best practices are followed with



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respect to displaying the current trip rates in public view of each vehicle to ensure that passengers are aware of the costs related to their commute.

3. **Removal of personal appearance provisions:** Within the proposed by-law, staff have removed existing references related to a vehicle operators' appearance. The removal of these requirements would allow for any such requirements or standards to be a business decision of the vehicle for hire business owners and operators.
4. **Vehicle model year:** Currently, a vehicle up to eight (8) years old can be used as a taxicab with the ability to extend a further year to a maximum of nine (9) years. Staff are recommending the model year restriction for vehicles for hire be amended to 10 years, with no ability for an extension. Taxicab owners will continue to provide Safety Standards Certificates annually. This change makes inspection requirements similar to TNCs and again allows each taxicab business owner to make decisions related to customer attraction.
5. **Eliminating taxi driver test:** Historically, taxicab drivers completed a written examination to test knowledge and awareness of municipal buildings, facilities, business establishments and venues. With the use of in-car global positioning systems, extensive knowledge of the location for points of interest by municipal address is no longer necessary. With the elimination of the taxi driver test, the associated one-time fee for testing would be removed from the User Fee By-law. The approved taxi driver test fee is currently \$75.00 and the study package is \$12.00.

It should be noted that safety provisions of the current Taxi and Limousine Licensing By-law remain unchanged and will be applicable for all vehicles for hire within the proposed by-law (including taxicabs, limousines and TNCs). Taxis and limousines require insurance against loss or damage resulting from bodily injury to or the death of one or more *persons*, or from loss or damage to property resulting from any one accident and include provision for *Passenger* hazard, with limits of not less than two million dollars (\$2,000,000) per occurrence;

TNC vehicles require insurance against loss or damage resulting from bodily injury to or the death of one or more *person(s)*, or from loss or damage to property occurring while in the post-acceptance period resulting from any one accident and include the IPCF 6TN Permission to Carry Paying *Passengers* for a *TNC* endorsement or an equivalent endorsement acceptable to the *Licensing Officer*, with limits of not less than two million dollars (\$2,000,000) per occurrence.

With each vehicle for hire application to the Town, a safety standards certificate dated within 60 days of making application for a municipal license must be submitted to ensure the meets all provincial standards.

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TNC Framework

The licensing by-law places the onus on licensed TNC's to ensure that vehicles and drivers using their platform have met municipal licensing standards. This methodology places licensing responsibility and accountability on the TNC to ensure platform users are in compliance with Town regulations. Audits will be conducted by enforcement services and, if violations are found, a range of enforcement options are available, including: fines, suspensions and license revocation to prevent future non-compliance.

Accessible Taxi Requirements

The Accessibility for Ontarians with Disabilities Act (AODA) requires municipalities to consult with its municipal accessibility advisory committee to determine the proportion of on-demand accessible taxicabs required in the community. The Taxi & Limousine Licensing By-law requires a broker with a fleet of 5 or more vehicles to make available at minimum of one accessible vehicle to the community at all times.

At this time, there is a shortage of accessible vehicles in service, for those currently licensed under The Taxi & Limousine Licensing By-law, due to operational, cost and supply considerations. Licensing and Enforcement staff continue to work with the brokers to ensure compliance with accessible vehicle requirements without having to suspend broker licenses, which would impact on-demand transit needs in the community.

TNC Accessibility Levy

While the AODA has requirements for determining the number of accessible taxi cabs within a community, similar requirements are not currently considered in the legislation for TNCs. However, through discussions with Town staff, TNCs have voluntarily agreed to include a trip surcharge on all fares in lieu of providing accessible transportation services in the Town. Town staff will request that any other TNCs applying for a TNC Licence agree to a negotiated fare surcharge in lieu of providing accessible transportation services in the Town. All funds collected from the voluntary accessibility surcharge will be used towards increasing accessible transportation within the Town, including, but not limited to, accessible public transit solutions.

Legislative and Legal Services staff have consulted with Milton Transit staff and it has been determined that any funds collected through an accessibility levy will be used, as received, towards the Town's accessible transit services. As noted in the financial impact section below, the amount of the accessibility levy has yet to be determined and is based on variable fare data. It is, therefore, recommended that any funds received be applied to the accessible transit services operating budget where staff will track the payments received over the next 12 months. After this time and once staff are able to more accurately predict the annual amount of this revenue stream, staff will review what enhancements can be made to accessible transit service with the funds available and incorporate both the expenses and revenues into the 2025 budget.



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Enforcement Considerations

With existing resources, response to public concerns could take up to 2 to 4.5 days, which is consistent with similar response times for complaints related to business licensing. It is important to note that priority will be given to complaints related to public safety and these complaints may be investigated in collaboration with municipal partners, if required. Upon approval of the proposed Vehicle for Hire by-law, new licensing requirements will be communicated and supported by licensing and enforcement staff to ensure that all previously licensed taxi and limousine drivers are made aware of the regulatory changes.

The Municipal Law Enforcement Officers will:

- Ensure taxi, limo and TNC drivers are operating according to the new regulations
- Conduct inspections to ensure continued compliance of municipal regulations
- Investigate concerns from members of the public and
- Proactively identify unlicensed operators

Proactive enforcement and driver education will be conducted, as time and resources permit. Priority complaints related to a vehicles safety or the operation of a vehicle will be investigated in collaboration with Halton Regional Police Service. Town staff have consulted with Halton Regional Police and will continue to collaborate with enforcement response.

Licensing Fees

Licensing fees are collected through an annual application intake process. Staff are recommending fee changes as outlined in the table below.

	Current User Fee	Proposed Fee (effective August 1, 2023)	Comments
Broker	\$568.00	\$568.00	Fee was reviewed through the 2022 User Fee Study and no changes are recommended at this time other than this fee will now also be applicable to TNCs, in addition to Taxis and Limos.



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Taxi/ Limo Owner	\$584.00	\$164.00	Town will now rely on vehicle safety information from the Ministry of Transportation instead of performing safety inspections on each vehicle. The reduction in staff time is reflected through a recommended reduction in fees. The fees now largely represent the cost of a Licensing and Enforcement Clerk processing the application and providing the licensee with a photo and license certificate. Owner fees are applied to the individual making application who is also the registered owner of the vehicle. Driver fees are applied to each individual that may operate the vehicle.
Taxi/ Limo Driver	\$309.00	\$199.00	
Broker Fee for TNC Drivers	-	\$20,000.00	On a quarterly basis, the TNC broker will provide the Town with a list of TNC drivers registered to provide services in Milton. Licensing and enforcement staff will review and audit the driver information to ensure the requirements within the proposed bylaw are adhered to. It is estimated that the reviews will take 40 hours each quarter to process, assuming 5,000 drivers. A new annual flat fee of \$20,000, applicable to the TNCs, is recommended to recover the time associated with this review/ audit process. Unlike the Taxi/Limo drivers, the TNC drivers will not receive a photo license.

Staff have benchmarked the proposed fees to municipal comparators and found the proposed fees to be reasonable. "Appendix A" to this report provides a municipal comparison of licensing regulations for the Vehicle for Hire industry including a comparison of the licensing fees.

Financial Impact

The proposed reduction in Taxi/Limo owner and driver fees will result in reduced license revenue of approximately \$27,000 for 2023, assuming the same volume of license applications as 2022. However, the introduction of the TNC driver fee will more than offset this loss through estimated additional revenue of \$40,000.



Financial Impact

As the amount of the accessibility levy has yet to be determined and may be variable in nature, it is recommended that any funds received be applied to the accessible transit services operating budget where staff will track the payments received over the next 12 months. Once staff are able to more accurately predict the annual amount of this revenue stream, staff will review what enhancements can be made to accessible transit service with the funds available and incorporate both the expenses and revenues into the 2025 budget.

Respectfully submitted,

Meaghen Reid
Director, Legislative & Legal Services/Town Clerk

For questions, please contact: Mary Beth McMullen Phone: Ext. 2133

Attachments

Appendix A- Municipal Comparison of Licensing Regulations

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.