

**Community Services Report to
SPC on Community and Protective Services
2021 March 10**

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CPS2021-0367
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Livery Transport Bylaw Review

RECOMMENDATION:

That the Standing Policy Committee on Community and Protective Services recommend that Council give three readings to the proposed Livery Transport Bylaw (Attachment 2) to replace Livery Transport Bylaw 6M2007

RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON COMMUNITY AND PROTECTIVE SERVICES, 2021 MARCH 10:

That Council give three readings to **Proposed Bylaw 20M2021**, Livery Transport Bylaw (Attachment 2) to replace Livery Transport Bylaw 6M2007

HIGHLIGHTS

- The proposed Bylaw was guided by Council's approved regulatory framework, previous Council direction to review fees, as well as in-depth feedback from industry stakeholder engagement.
- **What does this mean to Calgarians?** The proposed Bylaw streamlines regulations and operations, improves public and driver safety, and provides accessible, affordable and convenient vehicle-for-hire choices for customers.
- **Why does this matter?** Administration is committed to providing a safe, efficient, and customer-focused livery regulatory system within Calgary's transportation network to enhance mobility options for all Calgarians including those with disabilities.
- Administration developed new provisions to address Council's direction for: an upfront pricing option for taxis, a unified taxi/limousine driver's licence, vehicle age limits and inspection frequencies, and vehicle marking and camera notification requirements. Some provisions were refined after industry engagement to better reflect their concerns with implementation.
- The remaining recommendations from the approved regulatory framework, including exploring stand rent, streamlining the plate release process, and addressing systemic racism, were explored through research and stakeholder engagement to understand the issues and determine further actions or recommendations.
- Other proposed changes to the Bylaw provisions increase clarity and strengthen enforceability of regulations. The new Bylaw provides consistency in driver expectations across livery sectors, aligns and clarifies plate holder responsibilities, and strengthens applicability of the Bylaw for larger stretch limousines.
- The proposed fee schedule represents a fair distribution of the costs associated with licensing and regulating the industry.
- On 2020 July 28, through CPS2020-0708, Council approved eight regulatory framework recommendations to guide Administration in the detailed review and update of the Bylaw. Additionally, Council directed Administration to advance anti-racism in the Bylaw review.
- Strategic Alignment to Council's Citizen Priorities: A city that moves
- Background and Previous Council Direction is included as Attachment 1.

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DISCUSSION

Summary of Bylaw Review Work

Upon Council's approval of **a new regulatory framework** in 2020 July, Administration consulted internal City departments, engaged stakeholders, and developed corresponding Bylaw provisions or recommended further actions. A summary of the **actions taken** for each of **Council's regulatory framework recommendations** is included as **Attachment 3**.

To follow up on Council's Motion Arising on **advancing anti-racism**, multiple stakeholders were asked about their experiences with systemic racism in the livery industry and suggestions for how to address it. Many driver respondents confirmed that they experience racism from customers and shared examples of these experiences. This feedback will be critical to moving forward with City and community-led initiatives to advance anti-racism throughout the livery industry and related City services. Further details of this feedback is provided in **Attachment 4**.

Through a review of industry feedback and internal staff recommendations, Administration identified other opportunities to streamline and update regulations. In many cases, provisions have been updated to enhance clarity and consistency in regulatory requirements across sectors. Although there were many minor adjustments to wording or placement of provisions throughout the new Bylaw, the majority of the regulatory principles have remained the same. A summary of **key Bylaw changes** is included in **Attachment 5** and a summary of Bylaw **impacts for different stakeholders** is provided in **Attachment 6**. The proposed changes primarily strengthen and simplify regulations for drivers, plate holders and brokerages, while addressing a licensing gap for larger limousines.

Fee Schedule

After completing all Bylaw amendments and new provisions, a fee schedule was developed based on Activity Based Costing (ABC), a commonly accepted accounting methodology introduced to Council in 2019 May as part of the Livery Fee Review report. ABC is used to understand the total costs of providing a good or service and to determine the licence fees for industry participants associated with licensing and regulating the industry.

A review of the licensing and regulating costs was conducted to find efficiencies which would translate into lower fees for industry than were proposed in 2019 where possible. Identified cost savings included: fleet costs, contractual fees, salaries and wages, and office rent. Lower costs are also anticipated from streamlining regulations such as the combined taxi/limousine driver's licence.

The Bylaw's fee schedule proposes reduced fees for multiple licensing categories such as driver's licences, taxi/limousine plate licences and yearly renewal of brokerage and ride share company licences. A new fee has been introduced to sustain the on-line livery driver training program for all driver applicants, and fees have increased for mechanics and garages. A summary of **fee changes** is included in **Attachment 7**.

Next Steps

Administration will work closely with industry to help participants transition to the new regulations in the proposed Bylaw.

Proposed fees are for 2022 only, with the intention that future fees after 2022 will be reviewed again and updated as required in conjunction with the next four year budget cycle.

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STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☒ Stakeholder or customer dialogue/relations were undertaken

Revising the proposed Bylaw required stakeholder engagement to both inform proposed Bylaw changes and to identify additional opportunities to streamline or improve regulations and services.

Inform the Bylaw and understand implementation impacts

To inform the revision of the Bylaw regulations, livery stakeholders were asked in customized on-line surveys to provide feedback on proposed Bylaw amendments that would affect their licence types (eg. drivers, plate holders, brokerages or transportation network companies). Virtual meetings were also conducted on request. In order to reach the diverse audience of industry stakeholders, bulletins containing the surveys were translated into multiple languages and engagement was promoted through a multicultural radio campaign.

Some topics, such as clarifying driver requirements, were covered in several surveys due to their multi-stakeholder impacts, while others were specific to a licence type, such as changes to rideshare vehicle markings. Stakeholder feedback from a survey specific to accessible taxi drivers and plate holders will be incorporated into a dedicated progress report on accessible taxi programs to be presented to Council later in 2021.

Streamline regulations or improve safety

Stakeholder feedback through the on-line surveys and meetings identified additional opportunities to further streamline the Bylaw and improve services. Reducing fees was a common suggested improvement from stakeholders. Engagement also confirmed widespread interest from stakeholders in moving from in-person licensing to on-line forms of document submission. Administration will continue to work with industry to improve efficiency and submission options for the licensing process.

A summary of **stakeholder engagement** and feedback themes from key topics is provided in **Attachment 4**. For a detailed summary of stakeholder input during this stage of the Bylaw review, please visit Calgary.ca/taxi for the complete What We Heard report.

IMPLICATIONS

Social

The proposed Bylaw allows The City to advance the Social Wellbeing Principles of equity and prevention. Regulations within this Bylaw advance equity by helping remove barriers to entry for drivers to work in multiple livery sectors through lower fees and a combined taxi and limousine driver's licence. Engagement and communication strategies associated with the Bylaw review equitably reflected the needs of diverse livery stakeholders through multi-lingual translations of industry communications. The Bylaw regulations advance the principle of prevention by strengthening safety requirements of livery licensees across sectors, contributing to a safer

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environment for livery drivers and customers. Administration's continued work on anti-racism will enhance the wellbeing and safety of Calgarians through a commitment to work with industry and the public to address systemic racism issues identified through the Bylaw review.

Environmental

Not Applicable.

Economic

The proposed Bylaw supports Calgary's economic progress through streamlined regulations that allow business growth and innovation in the livery industry to meet evolving customer needs. The equitable fee schedule proposed in the Bylaw promotes fiscal responsibility and economic resilience for the livery industry as a result of Administration's efforts to find efficiencies and cost savings through the Bylaw review process.

Service and Financial Implications

Self-supported funding

Taxi, Limousine & Vehicles-for-Hire service line is funded through a cost-recovery model where the fees collected from industry cover all direct and indirect costs. As a result, the fee structure for the industry must ensure the fees associated with each industry participant are fair and sufficient to cover their portion of costs. The 2022 proposed fees will result in a decrease of approximately \$385 thousand in revenues offset by a decrease of \$385 thousand in expenditures due to efficiencies found within the Livery Transport Services budget.

The Livery Transport Services Sustainment Reserve was established to stabilize the operating budget and support capital costs associated with licensing and regulating the livery industry. Although it is anticipated that contributions to the reserve will be lower in the future based on the proposed fee schedule, Administration will ensure an appropriate balance is maintained in the reserve to support capital expenditures and fund one-time operating expenditures as required.

RISK

In a cost-recovery funding model, there is a financial risk to The City if there is a significant reduction in livery industry participation due to a continued or worsened economic downturn or pandemic-related issues. Administration will mitigate this risk by continuously monitoring industry participation. In the unlikely event that budget shortfalls are financially unsustainable under the proposed fee schedule, Administration may propose fee adjustments in the future.

With the changes proposed in the new Bylaw, industry participants may take time to understand and adjust to updated requirements and fees. Upon approval of the Bylaw, Administration will commit to working with industry and ensuring that the implementation of changes is reasonable for impacted participants.

ATTACHMENTS

1. Background and Previous Council Direction
2. **Proposed Bylaw 20M2021** Livery Transport Bylaw
3. Council-Approved Livery Regulatory Framework and Actions Taken
4. Phase Two Stakeholder Engagement for the Livery Transport Bylaw Review
5. Summary of Key Livery Transport Bylaw Changes
6. Highlights of Livery Transport Bylaw Impacts for Stakeholders

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7. Background on Livery Fee Changes

Department Circulation

General Manager	Department	Approve/Consult/Inform
Jill Floen	Law	Consult
Carla Male	Chief Financial Office	Inform