

AMENDED IN SENATE AUGUST 31, 2016
AMENDED IN SENATE AUGUST 19, 2016
AMENDED IN SENATE AUGUST 15, 2016
AMENDED IN SENATE AUGUST 2, 2016
AMENDED IN SENATE JUNE 23, 2016
AMENDED IN SENATE MAY 27, 2016
AMENDED IN SENATE APRIL 14, 2016
AMENDED IN SENATE SEPTEMBER 4, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 650

**Introduced by Assembly Member Low
(~~Coauthor: Assembly Member Santiago~~)**

February 24, 2015

~~An act to amend, repeal, and add Section 85 of the Code of Civil Procedure, to amend and repeal Sections 53075.6, 53075.61, 53075.7, 53075.8, and 53075.9 of, and to amend, repeal, and add Section 53075.5 of, the Government Code, to amend Section 830.7 of the Penal Code, to amend Section 5353 of, to amend, repeal, and add Sections 5411.5, 5412.2, 5413.5, and 120269 of, and to add Chapter 8.5 (commencing with Section 5451) to Division 2 of, the Public Utilities Code, and to amend, repeal, and add Sections 1808.1, 12523.6, 21100, 21100.4, and 27908 of the Vehicle Code, relating to transportation. An act to amend Section 53075.5 of, and to add Sections 53075.71 and 53075.72 to, the Government Code, relating to transportation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 650, as amended, Low. ~~Public Utilities Commission: regulation of taxicabs.~~ *Taxicab transportation services.*

Existing law requires every city or county to adopt an ordinance or resolution in regard to taxicab transportation service and requires each city or county to provide for a policy for entry into the business of providing taxicab transportation service, establishment or registration of rates for the provision of taxicab transportation service, and a mandatory controlled substance and alcohol testing certification program for drivers, as specified.

This bill would make those provisions inapplicable to a city or county, other than the City and County of San Francisco, on the date upon which the Director of Finance notifies the Speaker of the Assembly and the President pro Tempore of the Senate of the completion of a state reorganization of transportation duties from the Public Utilities Commission to other agencies, if taxicab transportation services are included in the reorganization. The bill would require taxicab transportation services and taxicab drivers to be subject to rules or regulations adopted by cities and counties as they existed on July 1, 2016, except for requirements specified in the bill that would apply to cities and counties, including charter cities and counties, other than the City and County of San Francisco. By imposing new duties on local governments, this bill would impose a state-mandated local program. The bill would declare that its provisions are a matter of statewide concern and not a municipal affair. The bill would declare the intent of the Legislature that, among other things, regulation of taxicab transportation services shall be modernized and moved to one state agency.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law provides for regulation of various types of passenger carriers by the Public Utilities Commission, including passenger stage corporations and charter-party carriers of passengers. Existing law, among other transportation services, provides for regulation of limousines and transportation network companies by the commission as charter-party carriers of passengers. Existing law requires every city and county to adopt an ordinance to regulate taxicab service within its jurisdiction, and exempts taxicab service from commission regulation.~~

~~This bill would enact the Taxicab Transportation Services Act and provide, effective January 1, 2018, for the statewide regulation of taxicab transportation services by the commission, except taxicab transportation services originating in the City and County of San Francisco, which would continue to be locally regulated but would be subject to a requirement for taxicab carriers to monitor the driving records of taxicab drivers. The bill would provide for issuance of permits by the commission elsewhere in the state to taxicab carriers authorizing carriers to operate. The bill would specify the requirements that taxicab drivers in commission jurisdiction must meet. The bill would enact various provisions relating to insurance, vehicle inspections, monitoring of taxicab drivers, and other matters relating to taxicab carriers in commission jurisdiction. The bill would require the commission to require the disclosure of fares, fees and rates, as specified. The bill would prohibit entities from providing taxicab transportation services in commission jurisdiction without the required permit, and would provide for the commission to investigate and take action against unlicensed activity. The bill would require the commission to adopt a general order pertaining to taxicab carriers, and would authorize peace officers to enforce the provisions of the bill and the general order. The bill would specify certain fees to be imposed by the commission on taxicab carriers.~~

~~The bill would repeal provisions providing for city and county regulation of taxicab services on January 1, 2018, but would authorize cities and counties, at their option, to elect to issue curbside operation permits to taxicab carriers under commission jurisdiction as of that date, granting exclusive authority to provide certain types of taxicab transportation services within their respective jurisdictions, including responding to street hails, sitting at taxi stands, and picking up at airports. The bill would authorize cities and counties issuing curbside operation permits to limit the number of taxicabs that may operate under that authority, would limit the local regulatory fees that those cities and~~

~~counties may charge to \$50 per taxicab, and would prohibit the imposition of taxicab carrier and taxicab driver fees, requirements, and standards beyond those required by the commission. The bill would also authorize airports to continue to regulate the provision of taxicab transportation services to and from airports. The bill would require cities and counties that license taxicab services as of December 31, 2017, excluding the City and County of San Francisco, to forward to the commission licensure information for each licensee, as specified; and would thereby impose a state-mandated local program. The bill also would make conforming changes to other related provisions.~~

~~A violation of the Taxicab Transportation Services Act would be a crime and in certain cases would also be subject to a civil penalty. The bill would also require applications for taxicab carrier permits to be verified under oath, and would require certain statements by taxicab carriers relative to workers' compensation to be submitted to the commission under penalty of perjury. The bill would thereby impose a state-mandated local program by creating new crimes.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53075.5 of the Government Code is
- 2 amended to read:
- 3 53075.5. (a) Notwithstanding Chapter 8 (commencing with
- 4 Section 5351) of Division 2 of the Public Utilities Code, every
- 5 city or county shall protect the public health, safety, and welfare
- 6 by adopting an ordinance or resolution in regard to taxicab
- 7 transportation service rendered in vehicles designed for carrying
- 8 not more than eight persons, excluding the driver, which is operated
- 9 within the jurisdiction of the city or county.

1 (b) Each city or county shall provide for, but is not limited to
2 providing for, the following:

3 (1) A policy for entry into the business of providing taxicab
4 transportation service. The policy shall include, but need not be
5 limited to, all of the following provisions:

6 (A) Employment, or an offer of employment, as a taxicab driver
7 in the jurisdiction, including compliance with all of the
8 requirements of the program adopted pursuant to paragraph (3),
9 shall be a condition of issuance of a driver's permit.

10 (B) The driver's permit shall become void upon termination of
11 employment.

12 (C) The driver's permit shall state the name of the employer.

13 (D) The employer shall notify the city or county upon
14 termination of employment.

15 (E) The driver shall return the permit to the city or county upon
16 termination of employment.

17 (2) The establishment or registration of rates for the provision
18 of taxicab transportation service.

19 (3) (A) A mandatory controlled substance and alcohol testing
20 certification program. The program shall include, but need not be
21 limited to, all of the following requirements:

22 (i) Drivers shall test negative for each of the controlled
23 substances specified in Part 40 (commencing with Section 40.1)
24 of Title 49 of the Code of Federal Regulations, before employment.
25 Drivers shall test negative for these controlled substances and for
26 alcohol as a condition of permit renewal or, if no periodic permit
27 renewals are required, at such other times as the city or county
28 shall designate. As used in this section, a negative test for alcohol
29 means an alcohol screening test showing a breath alcohol
30 concentration of less than 0.02 percent.

31 (ii) Procedures shall be substantially as in Part 40 (commencing
32 with Section 40.1) of Title 49 of the Code of Federal Regulations,
33 except that the driver shall show a valid California driver's license
34 at the time and place of testing, and except as provided otherwise
35 in this section. Requirements for rehabilitation and for
36 return-to-duty and followup testing and other requirements, except
37 as provided otherwise in this section, shall be substantially as in
38 Part 382 (commencing with Section 382.101) of Title 49 of the
39 Code of Federal Regulations.

(iii) A test in one jurisdiction shall be accepted as meeting the same requirement in any other jurisdiction. Any negative test result shall be accepted for one year as meeting a requirement for periodic permit renewal testing or any other periodic testing in that jurisdiction or any other jurisdiction, if the driver has not tested positive subsequent to a negative result. However, an earlier negative result shall not be accepted as meeting the pre-employment testing requirement for any subsequent employment, or any testing requirements under the program other than periodic testing.

(iv) In the case of a self-employed independent driver, the test results shall be reported directly to the city or county, which shall notify the taxicab leasing company of record, if any, of positive results. In all other cases, the results shall be reported directly to the employing transportation operator, who may be required to notify the city or county of positive results.

(v) All test results are confidential and shall not be released without the consent of the driver, except as authorized or required by law.

(vi) Self-employed independent drivers shall be responsible for compliance with, and shall pay all costs of, this program with regard to themselves. Employing transportation operators shall be responsible for compliance with, and shall pay all costs of, this program with respect to their employees and potential employees, except that an operator may require employees who test positive to pay the costs of rehabilitation and of return-to-duty and followup testing.

(vii) Upon the request of a driver applying for a permit, the city or county shall give the driver a list of the consortia certified pursuant to Part 382 (commencing with Section 382.101) of Title 49 of the Code of Federal Regulations that the city or county knows offer tests in or near the jurisdiction.

(B) No evidence derived from a positive test result pursuant to the program shall be admissible in a criminal prosecution concerning unlawful possession, sale or distribution of controlled substances.

(c) Each city or county may levy service charges, fees, or assessments in an amount sufficient to pay for the costs of carrying out an ordinance or resolution adopted in regard to taxicab transportation services pursuant to this section.

1 (d) Nothing in this section prohibits a city or county from
2 adopting additional requirements for a taxicab to operate in its
3 jurisdiction.

4 (e) For purposes of this section, “employment” includes
5 self-employment as an independent driver.

6 (f) *This section shall not apply to a city or county, other than*
7 *the City and County of San Francisco, on the date upon which the*
8 *Director of Finance notifies the Speaker of the Assembly and the*
9 *President pro Tempore of the Senate of the completion of the state*
10 *reorganization of transportation duties from the Public Utilities*
11 *Commission to other agencies, if taxicab transportation services*
12 *are included in the reorganization.*

13 SEC. 2. Section 53075.71 is added to the Government Code,
14 to read:

15 53075.71. (a) Notwithstanding any other law, taxicab
16 transportation services and taxicab drivers shall be subject to
17 rules or regulations adopted by a city or a county as those rules
18 or regulations existed on July 1, 2016, except as follows:

19 (1) Service charges, fees, or assessments levied on a taxicab
20 company shall not exceed the amount in effect on July 1, 2016. No
21 new or additional service charges, fees, or assessments shall be
22 created.

23 (2) Fees for the issuance of taxi driver permits shall not exceed
24 seventy-five dollars (\$75) annually.

25 (3) A city or county shall not limit or prohibit prearranged trips,
26 originated through dispatch, Internet Web site, or online-enabled
27 application, by a licensed taxicab.

28 (4) A city or county may limit the number of taxicab companies
29 or vehicles that use taxi stand areas, pick up passengers at airports,
30 or pick up street hails.

31 (5) A city or county may set a maximum fare structure for
32 taxicab transportation services, subject to the following:

33 (A) The maximum fares shall not be lower than the fares that
34 existed on July 1, 2016.

35 (B) A city or county shall not limit the ability of a taxicab
36 transportation service to offer fares lower than the maximum fare
37 structure.

38 (6) A city or county shall not regulate the type of device used
39 by a taxicab company to calculate fares, including the use of global
40 positioning system metering as a form of calculating fares. Taxicab

1 companies shall disclose fares, fees, or rates to the customer before
2 the customer accepts the ride so that the customer can make a
3 knowledgeable decision. A taxicab company may disclose fares,
4 fees, or rates on its Internet Web site or cellular telephone
5 application.

6 (7) Local rules and regulations adopted prior to July 1, 2016,
7 that ensure adequate service levels to all areas of a city's or
8 county's jurisdiction and promote use of taxicab transportation
9 services by individuals covered under the Americans with
10 Disabilities Act of 1990 (Public Law 101-336) shall remain in
11 effect.

12 (b) Subdivision (a) applies to a charter city or a charter county,
13 other than the City and County of San Francisco.

14 SEC. 3. Section 53075.72 is added to the Government Code,
15 to read:

16 53075.72. It is the intent of the Legislature that:

17 (a) Regulation of taxicab transportation services shall be
18 modernized in order for taxicabs to better compete with all for-hire
19 modes of transportation.

20 (b) Taxicab regulation shall be moved from the patchwork of
21 various local requirements to one state agency to coincide with
22 the Governor's reorganization of transportation.

23 (c) Duties and responsibilities for the regulation of taxicab
24 transportation services shall be established by state departments
25 within the agency that handles all other modes of for-hire
26 transportation.

27 (d) The Governor shall propose the specific budget and statutory
28 changes needed to establish duties and responsibilities to the
29 agency that handles all other modes of for-hire transportation.

30 (e) Conforming changes shall be made to this code and other
31 codes.

32 (f) A city or county shall not impose any rule or regulation
33 governing taxicab transportation services that is inconsistent with
34 or in addition to the requirements established by state departments
35 within the agency that handles all other modes of for-hire
36 transportation.

37 SEC. 4. The Legislature finds and declares that taxicabs face
38 a substantial competitive disadvantage due to the numerous and
39 differing requirements from city to city while all other modes of
40 for-hire transportation are regulated by one statewide entity, and,

1 *therefore, the regulation of taxicab transportation services and*
2 *taxicab drivers is an issue of statewide concern and not a municipal*
3 *affair, as that term is used in Section 5 of Article XI of the*
4 *California Constitution. Therefore, this act shall apply to charter*
5 *cities and charter counties.*

6 *SEC. 5. The Legislature finds and declares that a special law*
7 *is necessary and that a general law cannot be made applicable*
8 *within the meaning of Section 16 of Article IV of the California*
9 *Constitution because of the unique medallion system of the City*
10 *and County of San Francisco.*

11 *SEC. 6. If the Commission on State Mandates determines that*
12 *this act contains costs mandated by the state, reimbursement to*
13 *local agencies and school districts for those costs shall be made*
14 *pursuant to Part 7 (commencing with Section 17500) of Division*
15 *4 of Title 2 of the Government Code.*

16
17
18 **All matter omitted in this version of the bill**
19 **appears in the bill as introduced/amended**
20 **in the Senate, August 19, 2016. (JR11)**
21