



STAFF REPORT ACTION REQUIRED

Review of Limousine Licensing Regulations, including the Transport of Passengers to the Airport

Date:	November 16, 2007
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	6035

SUMMARY

The language contained in Section 545-2B(1) of Chapter 545, Licensing, of the *Toronto Municipal Code* (which exempts cabs traveling to Crown-operated airports from the requirement to hold a taxicab license issued by the City, the Exemption) should be repealed. The existing language of the Exemption provision should be repealed because it is not applicable to vehicles picking up passengers within the City for transportation to Lester B. Pearson International Airport (the Airport).

Appropriate staff will undertake a review of the standards and regulations applicable to limousines licensed by the City and report back to Licensing and Standards Committee by December 2008. Consultations will be undertaken with the limousine industry and other appropriate stakeholders and will take into consideration such matters as the types of vehicles that should be used as limousines (including low emission and hybrid technologies), the appropriateness of the ratios adopted, and whether it may be appropriate to re-impose limitations on the number of limousines licenses issued and if so, what number of licenses would be appropriate.

In the interim, the number of limousine licenses issued by the City should be fixed at the total number of licenses currently issued or those applied for as of the date of the meeting of Licensing and Standards Committee, being November 30, 2007.

RECOMMENDATIONS

Municipal Licensing and Standards Division recommends that Toronto Municipal Code, Chapter 545, Licensing, be amended by:

1. Removing from Subsection 2B(1) of Chapter 545-2, Licensing, the following wording:

“.....except where such conveyance is made to an airport owned and operated by the Crown in right of Canada situated outside the municipality by a cab rearing a valid and subsisting plate issued in respect of such airport under the Government Airport Concession Operators Regulations made under the Department of Transport Act (Canada).”

2. Adding to the Chapter a provision that will establish a maximum number of licences to be issued for limousine owners, that number equalling the total number of licenses issued or applied for as November 30, 2007, being the date of the meeting of Licensing and Standards Committee.

3. The Executive Director, Municipal Licensing and Standards, in consultation with the General Manager, Economic Development, Culture and Tourism Division, the limousine industry and other appropriate stakeholders undertake a review of the standards and regulations applicable to limousines licensed by the City and report back to Licensing and Standards Committee by December 2008.

4. City Council direct the City Solicitor to prepare the necessary bill to give effect to the recommendations from this report, as adopted by Council.

5. City Council authorize and direct City staff to take any other action necessary to implement the recommendations from this report, as adopted by Council.

FINANCIAL IMPACT

There are no financial impacts arising from this report beyond what has already been approved in the current year's budget.

DECISION HISTORY

Council, at its meeting of May 17, 18 and 19, 2005 considered a report from the Commissioner of Urban Development Services, dated April 1, 2005, entitled Licensing of Livery Vehicles in the City of Toronto. A series of recommendations were adopted amending the licensing regime applicable to limousines. It was also recommended that staff continue consultation with representatives of the limousine industry to recommend any further changes to the regulations. It was contemplated that topics for discussion would include, but not be limited to, a complete review of the provisions with an aim to creating a separate schedule in Chapter 545 of the Municipal Code for limousine licences, the types of vehicles that should be used as limousine cabs, the training of limousine cab drivers, and the relationship between limousine vehicles licensed by the City and those licensed by the Airport Authority, and the Province under the *Public Vehicles Act*.

The Licensing and Standards Committee, at its meeting of January 19, 2007, received a letter dated January 15, 2007, from Councillor Minnan-Wong requesting that the Executive Director, Municipal Licensing and Standards Division, report to the Licensing and Standards Committee on March 30, 2007, on options for using the powers under the new *City of Toronto Act, 2006*, to prevent vehicles unlicensed by the City, known as “scoopers”, from picking up fares in the City. The letter specifically referenced section 155(2) of the *Municipal Act* (now contained in s. 156(3)). Section 155(2) was the provision of the *Municipal Act, 2001* that provided for an “airport exemption” and this section was not carried forward into the *City of Toronto Act, 2006*.

The Licensing and Standards Committee, at its meeting of February 16, 2007, adopted a motion which further clarified that the report being requested was to address the removal of the airport exemption from Chapter 545, Licensing, of the City of Toronto Municipal Code.

City Council, on April 23 and 24, 2007, when considering the report from the Executive Director, Municipal Licensing and Standards Division, dated March, 16, 2007, adopted a series of motions, that:

1. amended the Toronto Municipal Code, Chapter 545-2, Licence requirement, by removing from Subsection *B*(1) the words:

.....except where such conveyance is made to an airport owned and operated by the Crown in right of Canada situated outside the municipality by a cab bearing a valid and subsisting plate issued in respect of such airport under the Government Airport Concession Operators Regulations made under the Department of Transport Act (Canada).
2. directing that negotiations be undertaken with respect to whether and how a more comprehensive strategy for transportation to and from the Airport could be achieved and bring any recommendations forward to the Licensing and Standards Committee for public consideration.

3. directing that protocols for enforcement of the Municipal Code provisions regarding taxicabs and limousines operating in the City be established, in consultation with the Toronto Police Service.
4. directing that no licenses be issued by the City to limousines already holding licenses issued by other jurisdictions until such time as a review of the existing ground transportation system was completed.
5. delaying implementation of the deletion of the airport exemption language from the Municipal Code be delayed for one month.

Council's decision with respect to the above was set out in By-law No. 435-2007.

City Council, at its meeting of May 23, 24 and 25, 2007, re-opened Licensing and Standards Committee Item 3.1 from the Council Meeting of April 23 and 24, 2007, as it related to the date of removing the airport exemption, and delayed implementation of section 1 of By-law No. 435-2007, which removed the Exemption, until September 30, 2007.

City Council, at its meeting on September 26 and 27, 2007, repealed By-law No. 435-2007, as amended, which had deleted the Exemption language in the Municipal Code and imposed a dual licensing prohibition.

At the same time, City Council adopted the recommendation that a study be undertaken to develop a strategic policy framework for transportation services for the travelling public going to or arriving at the Airport from the City and amended Chapter 545, Licensing of the Municipal Code to provide:

- a. for a flat rate fare for Toronto licensed taxicabs and limousines for trips originating within the City of Toronto (except for the area bounded by Kipling on the east, Finch Avenue on the north, Eglinton Avenue on the south and the western boundary of the City of Toronto) and ending at the Airport, the fare to be equivalent to the tariff rates set by the Greater Toronto Airport Authority for their licensed taxicabs and limousines for similar trips;
- b. that the passenger has the right to pay the lesser amount of the meter rate or the applicable flat rate, at the passenger's discretion;
- c. that the passenger's right to chose the meter rate or an applicable flat rate be prominently printed on the rate schedule that must be presented to the passenger prior to commencing the trip; and
- d. within the area bounded by Kipling on the east, Finch Avenue on the north, Eglinton Avenue on the south and the western boundary of the City of Toronto, taxicabs were required to charge passengers the meter rate.

City Council's decision with respect to the above was set out in By-law No. 1082-2007.

Reports

Licensing of Livery Vehicles in the City of Toronto (April 1, 2005)

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050517/plt4rpt/cl001.pdf>

Impact of Airport Limousines on the Taxicab Industry (March 16, 2007)

<http://www.toronto.ca/legdocs/mmis/2007/ls/bgrd/backgroundfile-2371.pdf>

Legal Analysis of Proposed By-Laws Respecting Airport Taxicabs and Limousines (March 27, 2007)

<http://www.toronto.ca/legdocs/mmis/2007/ls/bgrd/backgroundfile-2496.pdf>

Applications By the Airport Taxi and Limousine Associations to Quash the Airport Exemption By-law (August 28, 2007)

<http://www.toronto.ca/legdocs/mmis/2007/ls/bgrd/backgroundfile-6603.pdf>

COMMENTS

The Executive Director, Municipal Licensing and Standards Division, and the General Manager, Economic Development, Culture and Tourism Division, were requested by the Licensing and Standards Committee to continue to undertake the necessary study for the purpose of developing a strategic policy framework for transportation services for the travelling public going to or arriving at the Airport and report to Committee in November 2007. The study contemplated further consultation with the Toronto taxi and limousine industry, appropriate City Divisions, the Greater Toronto Airport Authority (the GTAA), the Provincial government, the Federal government, the Greater Toronto Transportation Authority (the GTTA), municipalities adjacent to the City of Toronto (the City) and other stakeholders regarding the service.

Various stakeholder groups were contacted. In the case of the Greater Toronto Airport Authority, it advised it was prepared to pursue options that had been previously identified in discussions with City staff and reported to the Licensing and Standards Committee at its September 2007 meeting. However, these options were predicated on an airport exemption continuing and did not provide for an open system that would have enabled Toronto licensed taxis and limousines without GTAA plates to freely pick up at the Airport.

Further, correspondence has been forwarded to the Greater Toronto Transportation Authority requesting it consider the matter of Airport taxicab and limousine transportation. The GTTA has a mandate to take a region-wide approach to transit and transportation in the Greater Toronto Area and Hamilton. Given the cross municipal-border travel between municipalities and the Airport of taxi and limousine clients, a region-wide approach may be more appropriate in the future. However, since the GTTA is just now commencing its work, it is not expected that this issue could be considered for some time.

Therefore, given the above, the City is unable to take any further steps to develop and implement a strategic policy framework for transportation services for the people traveling to or from the Airport at this time.

Repeal of the Exemption Language in Section 545-2(B)(1) of the Municipal Code

As presently drafted, section 545-2B(1) of the Municipal Code exempts owners and drivers of taxis from the requirement to have a license issued by the City if they are picking up passengers in the City of Toronto:

1. for transportation to an airport owned and operated by the Crown in right of Canada; and
2. if the taxicab bears a valid and subsisting plate issued for that airport by the federal Minister of Transport under the *Government Airport Concession Operations Regulations*, the *Department of Transport Act* (Canada) (known as GACOR Permits).

The Exemption was inserted in the Municipal Code at a time when the *Municipal Act* governed the City and the language used repeated the language in section 156(3)(a) of the *Municipal Act*. The *Municipal Act* no longer governs the City and the *City of Toronto Act* does not contain any section that is similar to section 156(3) of the *Municipal Act*. Therefore, the *City of Toronto Act* does not exempt taxicabs or limousines picking up passengers in the City to travel to the Airport from the general requirement to hold a license issued by the City.

The Exemption should be repealed because the language does not apply to vehicles travelling to the Airport. The Airport is not an airport “operated by the Crown,” rather it is operated by the GTAA. The GTAA is a not-for-profit corporation operating the Airport in accordance with the terms of its Ground Lease with the Crown, who continues to own the property leased by the GTAA. Since the GTAA operates the Airport, the GTAA issues permits to taxicabs and limousines operating at the Airport, but these are not GACOR permits (which could only be issued by the Federal Minister of Transport).

Therefore, even though the Municipal Code contains an Exemption provision, the provision does not entitle vehicles to pick up passengers for transportation because the Airport is not operated by the Crown and taxicabs operating from the Airport do not operate under GACOR Permits. The same analysis applies to other airports that are not operated by the federal Crown, including, for example, John C. Munro Hamilton International Airport.

Accordingly, since the taxi and limousine operators travelling to and from the Airport are no longer governed by the Exemption provision and are required to hold a license issued by the City, the language should be repealed. Repealing the language will reduce the potential for confusion among taxi and limousine drivers and operators and make it clearer that they are required to hold a license issued by the City to pick up passengers in the City for transportation to the Airport or another airport operated by an airport authority or corporation.

Review of Existing Limousine Requirements in the Municipal Code

On May 17, 18 and 19, 2005, following substantial changes made to the regulation of limousines in the Municipal Code, City Council requested staff continue consultations with representatives of the limousine industry to recommend any further changes to the regulations. Council directed that the topics for future discussion should include, but not be limited to, a complete review of the provisions with an aim to creating a separate schedule in Chapter 545 of the Municipal Code for limousine licences, the types of vehicles that should be used as limousines, and the training of limousine drivers.

Since May 2005, when an earlier limitation on the total number of limousine licenses that could be issued by the City was removed, there has been an increase in the number of licensed limousines from 304 to 660, an increase of approximately 117%.

Additionally, only those vehicles with City of Toronto licences are permitted to pickup passengers within the City for transport to the Airport. Without the imposition of the limit on licenses that can be issued, there is a potential of an additional 276 limousines, which are currently licensed by other municipalities, seeking a City of Toronto license. This would represent a potential further increase of greater than 40%. Such a dramatic increase, together with the potential for other applications for licenses, may not be healthy for the limousine industry.

The Executive Director, Municipal Licensing and Standards, in consultation with the General Manager, Economic Development, Culture and Tourism Division, the limousine industry and other appropriate stakeholders will undertake a review of the standards and regulations applicable to limousines licensed by the City, as adopted in 2005, and take into consideration such matters as the types of vehicles that should be used as limousines (including low emission and hybrid technologies), the appropriateness of the ratios adopted, whether it may be appropriate to re-impose limitations on the number of limousines licenses issued and if so, what number of licenses would be appropriate.

The fixing, on an interim basis, of the number of limousine licenses issued, discussed below, will permit staff to undertake the necessary review, while ensuring that the industry remains stable. It is proposed that staff will report back to Committee and Council before the end of 2008.

Implementation of Interim Limit on Limousine Licenses

Staff is recommending that the number of limousines licensed by the City be fixed on an interim basis. The number of licences available for issuance should be set at the total number of licenses currently issued or those applied for as of the date of the meeting of Licensing and Standards Committee, being November 30, 2007.

The date of November 30, 2007 is recommended to maintain the status quo while staff conducts a review of the existing limousine licensing regime.

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