



**STAFF REPORT
ACTION REQUIRED
Confidential Attachment**

**Court Decision regarding Municipal Code Chapter 545
Article VIII, Owners and Drivers of Taxicabs**

Date:	March 24, 2015
To:	City Council
From:	City Solicitor
Wards:	All
Reason for Confidential Information:	This report is about litigation or potential litigation that affects the City or one of its agencies, boards, and commissions. This report also contains advice or communications that are subject to solicitor-client privilege.
Reference Number:	

SUMMARY

This report summarizes the decision of the Ontario Superior Court of Justice released on January 30, 2015 in a court application regarding Municipal Code Chapter 545, Article VIII, Owners and Drivers of Taxicabs. The confidential portion of this report (Attachment 1) provides confidential information and recommendations regarding this decision.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council adopt the recommendations contained in Attachment 1; and
2. City Council authorize the public release of the Confidential Recommendations if adopted and that the balance of Attachment 1 remain confidential.

FINANCIAL IMPACT

If adopted, the recommendations in this report will have no financial impact beyond what has already been approved in the current year's budget. Additional financial impacts are identified in Attachment 1.

The Deputy City Manager and Chief Financial Officer has reviewed this report and Attachment 1 and agrees with the financial impact information.

DECISION HISTORY

The taxicab regulations contained in Article VIII of Chapter 545 were amended by the enactment of By-law No. 503-2014 on June 13, 2014 following the adoption by City Council on February 19, 2014 of Item LS26.1 entitled "The Taxicab Industry Review – Final Report", as amended.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.LS26.1>

ISSUE BACKGROUND

On April 22, 2014 the Toronto Taxi Alliance Inc (the "TTA") commenced a court application challenging the validity of By-law No. 503-2014 based on procedural grounds. The Taxiworkers Association of Ontario ("iTaxi") sought and obtained status as a respondent in this court application. Both the TTA and iTaxi are taxicab industry organizations. TTA members are primarily taxicab owners, fleet operators and brokerages while iTaxi members are primarily taxicab drivers, lessees and ambassador taxicab owners.

By-law No. 503-2014 implemented a number of changes to the City's regulations governing taxicabs. The changes in issue in the court application were the creation of the Toronto Taxicab Licence ("TTL") and the transition of existing taxicab owners licences to TTL licences. On the issue of transition, the court application challenged both the start date for the transition of standard taxicab owners licences upon the sale of those licences and the 10-year deadline within which all existing licences were to be transitioned to TTL licences.

In support of its application, the TTA relied on a number of procedural grounds alleging that City Council had not followed its procedural rules as set out in Chapter 27 of the Toronto Municipal Code. More specifically, the TTA argued that: (1) the matter was not properly before City Council because the Licensing and Standards Committee had referred some of the staff recommendations for further report; and (2) there was no notice of the start date for the transition to TTLs; (3) there was no notice of the 10-year deadline for conversion to TTL's; and (4) City Council had acted in bad faith in failing to comply with its procedural rules.

COMMENTS

The Court decision, released on January 30, 2015, dismissed all but one of the TTA's arguments. The Court upheld the validity of the creation of the TTL, it upheld the validity of the start date for transition of existing licences to TTLs, and it found that City Council had acted in good faith. The Court, however, found that there was no notice that a deadline for conversion of existing licences to TTLs was under consideration. Accordingly, the Court found that the 10-year deadline was invalid.

The practical consequence of the Court decision is that all of the regulations governing TTL licences continue to apply. This means that the City can continue to issue TTL licences to qualified people on the drivers' list. In addition, the new regulations which allow for sale and transfer of ambassador and accessible taxicabs will continue to apply and TTL licences will be issued to qualified purchasers of those taxicabs. Similarly, TTL licences will be issued to qualified purchasers of standard taxicabs and to existing owners who wish to convert their licences to TTLs. The only change which results from the Court decision is that existing owners do not have to convert their licences to TTL's by 2024.

The Court decision is available online at:

<http://www.canlii.org/en/on/onsc/doc/2015/2015onsc685/2015onsc685.html>

The Executive Director, Municipal Licensing and Standards, has been consulted in the preparation of this report.

CONTACT

Ansuya Pachai, Solicitor, Legal Services, Telephone: 416-392-9074, Fax: 416-397-5624, Email: APachai@toronto.ca.

SIGNATURE

Anna Kinastowski
City Solicitor

ATTACHMENTS

Attachment 1: Confidential Information