

2024 Review of the Vehicle-for-Hire By-law and Industry

Date: November 26, 2024

To: Executive Committee

From: City Manager, Executive Director, Municipal Licensing and Standards and General Manager, Transportation Services

Wards: All

SUMMARY

Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire, regulates the provision of vehicle-for-hire (VFH) services, such as taxicabs, limousines and private transportation companies (PTCs), in Toronto. Municipal Licensing and Standards (MLS) administers and enforces Chapter 546, which includes the issuance of licences to the various vehicle-for-hire business classes, including the drivers of taxicabs, limousines, and PTC vehicles. MLS also issues licences to entities that facilitate requests for vehicle-for-hire services, such as taxi brokers and PTCs.

This report responds to several Council directives requesting staff to review specific issues related to VFH, including options to limit the number of drivers, industry impacts on public policy goals related to transportation, emissions and equity, inactive taxicab owner licences, PTC participation in the Zero Emissions Grant Program, and taxicab tariffs and charges. This report also addresses on-demand wheelchair accessible service and taxicab data requirements, as initiated by staff based on the current state of the industry and stakeholder feedback.

Staff conducted a review on these issues to update and enhance the City's regulatory framework for the VFH industry by focusing on improving accessibility and addressing potential impacts of the VFH industry on Toronto's transportation and emissions reduction goals. To achieve this, and address stakeholder feedback and previous Council directives, this report outlines a suite of initiatives and recommends several bylaw amendments.

Recommendations include establishing a cap on the number of licenced PTC drivers as the number licensed on December 1, 2024 (80,429), with an exemption for zero emission and wheelchair accessible vehicles, as a proactive measure to mitigate the risk of increasing traffic congestion and emissions, and impact on public transit use, while balancing considerations for driver equity and user mobility.

This report also includes several initiatives to improve accessible service, including: issuing new wheelchair-accessible Toronto Taxicab Licences based on the current amount of vacant taxicab owner licences (628 total); updating the Accessibility Fund Program (AFP); creating a Centralized Dispatch Service (CDS) for on-demand wheelchair accessible service; establishing a 15-minute maximum wait time standard for PTC wheelchair accessible trips; permitting PTCs to dispatch wheelchair accessible taxicabs; and permanently extending the age limit for wheelchair accessible vehicles (WAVs) from seven to ten model years.

Other recommendations include: requiring taxicab owners to operate their vehicles with digital trip meters; requiring taxicab owners to report trip data; administrative amendments to clarify data reporting requirements; and permitting three PTCs to participate in the Zero Emissions Grant Program beginning in 2025.

The initiatives and recommendations in this report were informed by an extensive, year-long process with several inputs throughout the review, including five public consultation sessions, two focus groups and two surveys involving over 4,000 participants, jurisdictional research, substantial internal analysis, and third-party academic research conducted by the University of Toronto.

This report was prepared in consultation with Policy, Planning, Finance and Administration, and Legal Services.

RECOMMENDATIONS

The City Manager, Executive Director, Municipal Licensing and Standards and the General Manager, Transportation Services recommends that:

Implement a cap on Private Transportation Company drivers with an exemption for zero emission and wheelchair accessible vehicles

1. City Council amend Chapter 546 to cap the number of Private Transportation Company driver licences such that the number of drivers to whom a licence may be issued by MLS shall be no greater than 80,429 PTC drivers, subject to the following:

- a. The cap is to be reached by attrition as Private Transportation Company driver licences are cancelled or terminated; and
- b. MLS may issue Private Transportation Company Driver licences in excess of the cap provided that, as a condition of holding their licence, the Private Transportation Company driver registers and operates only an Accessible or Zero-Emission Vehicle throughout the term of their Private Transportation Company driver licence.

2. City Council direct the Executive Director, Municipal Licensing and Standards, and the General Manager, Transportation Services, to monitor and publish key indicators of the vehicle-for-hire industry, including but not limited to sector efficiency; user fares; wait times; daily active vehicles; trips per day; and the number of Zero Emission Vehicles

licensed as Private Transportation Companies, taxicabs and limousines, as well as monitor the impact of any new major transit projects on user mobility.

Create a centralized dispatch service for wheelchair accessible vehicles-for-hire

3. City Council direct the Executive Director, Municipal Licensing and Standards, to develop and implement a centralized dispatch service for on-demand wheelchair accessible vehicle-for-hire service.

4. City Council authorize the Executive Director, Municipal Licensing and Standards, to fund the centralized dispatch service using licensing fee revenues held in the Vehicle-for-Hire Reserve Fund.

Amend the wait time standard for accessible service requested through a Private Transportation Company platform

5. City Council amend Chapter 546-119(B)(1) to require Private Transportation Companies to ensure that wheelchair accessible vehicles are available when requested by a passenger through the Private Transportation Company's platform within a wait time of 15 minutes.

6. City Council delete Chapter 546-119(C).

7. City Council amend Chapter 546-116(G) to require Private Transportation Companies to also report on the wait times for each trip by an accessible taxicab that provides accessible transportation service through a Private Transportation Company.

8. City Council direct the by-law amendments in Parts 5 to 7 above come into effect on January 1, 2026.

Extend the model year age limit for wheelchair accessible vehicles

9. City Council amend Chapter 546-51 to increase the maximum age limit of wheelchair accessible vehicles used as a taxicab or Private Transportation Company vehicle to ten model years beyond December 31, 2025.

Clarify the maximum number of Standard Taxicab Owner and Toronto Taxicab Licences

10. City Council amend Chapter 546 to specify that the total maximum number of Standard Taxicab Owner licences and Toronto Taxicab Licences that the Executive Director, Municipal Licensing and Standards, can issue is 5,472, which is based on previous City Council decisions to issue taxicab owner licences and Toronto Taxicab Owner Licences.

Issue taxicab owner licences and transition from the Drivers' list to a first-come first-serve system

11. City Council amend Chapter 546 as follows:

- a. Delete Chapter 546-34 (B)-(G), 546-35 and 546-36
- b. Amend 546-34(A) to remove the requirement that the notice must include the date of next available accessible vehicle training course.
- c. Amend Chapter 546 to require that anyone who is sent a notice pursuant to 546-34(A) shall attend and complete an accessible vehicle training course and provide proof of such to Municipal Licensing and Standards, along with an application for a Toronto Taxicab Licence, within 90 days of the date of the notice failing which they will be removed from the Drivers' list. This amendment shall subsequently be revoked on December 17, 2025.
- d. Amend Chapter 546 to provide that a Toronto Taxicab Licence holder must register a vehicle with Municipal Licensing and Standards that qualifies as an accessible vehicle within 90 days of being issued a Toronto Taxicab Licence.

12. City Council amend Chapter 546 as follows, effective December 17, 2025:

- a. Delete Chapter 546-34(A), 546-39 and 546-40 thereby eliminating the Drivers' list.
- b. Toronto Taxicab Licences will be issued with priority given to the order that a complete application is received by Municipal Licensing and Standards.
- c. Individuals applying to receive or renew a Toronto Taxicab Licence shall, if requested by Municipal Licensing and Standards, permit Municipal Licensing and Standards to take their photograph.
- d. On the third Monday of every March, commencing March 2026, the Executive Director shall post the total number of Toronto Taxicab Licences available for issuance on the City of Toronto's website.
- e. MLS shall start accepting Toronto Taxicab Licence applications no earlier than 14 days from the date the total number of Toronto Taxicab Licences available for issuance are posted on the City of Toronto's website.
- f. Municipal Licensing and Standards will stop accepting Toronto Taxicab Licence applications no earlier than 180 days after MLS started accepting Toronto Taxicab Licence applications.

Permit Private Transportation Companies to dispatch accessible taxicabs

13. City Council amend Chapter 546 to permit a Private Transportation Company to accept, facilitate or broker requests for or advertise accessible transportation service in an accessible taxicab.

14. City Council amend Chapter 546 to exempt Private Transportation Companies from the requirements of 546-112(B) with respect to VFH drivers who provide accessible

transportation service through a Private Transportation Company in an accessible taxicab.

15. City Council amend Chapter 546 to exempt Vehicle-for-Hire licence holders who provide accessible transportation service in an accessible taxicab through a Private Transportation Company from the requirements of 546-19(A) and (F), 546-20(A), 546-23 (B)-(D), 546-25(A)-(B) and 546-112(A).

16. City Council amend Chapter 546 to require that a Private Transportation Company shall not permit any individual to provide accessible transportation service in an accessible taxicab through their Private Transportation Company unless the individual holds a current Vehicle-for-Hire driver's licence issued by MLS.

17. City Council direct the by-law amendments in Parts 13 to 16 above come into effect on January 1, 2025.

Require taxicab owners to operate with digital trip meters

18. City Council amend the definition of Trip Meter in Chapter 546-1 to add that it shall also digitally record and transmit business records required to be maintained under Chapter 546 in a format prescribed or approved by the Executive Director, Municipal Licensing and Standards, through a vendor approved by the Executive Director, Municipal Licensing and Standards.

19. City Council add a provision to Chapter 546 allowing the Executive Director, Municipal Licensing and Standards to:

- a. Establish the criteria for the approval of a Trip Meter vendor;
- b. Approve Trip Meter vendors in accordance with the established criteria; and
- c. Publish a list of approved Trip Meter vendors.

20. City Council add a provision to Chapter 546 requiring that each applicant seeking approval as a Trip Meter vendor shall provide, at minimum, to the Executive Director, Municipal Licensing and Standards:

- a. The applicant's full name;
- b. Mailing address;
- c. Contact information, including a phone number and e-mail address;
- d. Information confirming its ability to comply with the Trip Meter vendor requirements, in accordance with the criteria established by the Executive Director; and
- e. Any other information required by the Executive Director, Municipal Licensing and Standards.

21. City Council add a provision to Chapter 546 that Municipal Licensing and Standards has the authority to audit a Trip Meter vendor and request information related to the audit, as required.

22. City Council add a provision that the Executive Director, Municipal Licensing and Standards, has the authority to revoke the approval of a Trip Meter vendor if:

a. Municipal Licensing and Standards has reasonable grounds to believe that the Trip Meter vendor no longer meets the requirements for inclusion on the approved list, in accordance with the criteria established by the Executive Director, Municipal Licensing and Standards;

b. Municipal Licensing and Standards has reasonable grounds to believe that the vendor or its officers, directors, or employees have not acted in accordance with the intent of the City of Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire, or if incomplete or inaccurate information has been provided; or

c. Municipal Licensing and Standards has reasonable grounds to believe that the conduct of the vendor or its officers, directors, or employees has resulted, or will result, in a breach of the City of Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire, or any other law.

23. City Council direct the by-law amendments in Parts 18 to 22 above come into effect on July 1, 2026.

Update business record requirements for taxicabs and Private Transportation Companies

24. City Council amend the requirements for business records that taxicab brokers and owners must maintain by amending Chapter 546-26 to include the following requirements:

a. Amend the meaning of business records in Chapter 546-26(A) to add the following:

i. Total distance driven for each trip.

ii. Total fare collected for each trip.

iii. Vehicle-for-Hire licence number of the driver that completed each trip.

b. Require taxicab brokers and taxicab owners that do not have an arrangement with a taxicab broker to maintain the business records required under Chapter 546-26 in relation to all trips that commence or terminate in Toronto.

25. City Council amend the requirements for collision records that taxicab brokers and owners must maintain by amending Chapter 546-26.1. to include the following requirements:

a. Require taxicab owners that do not have an arrangement with a taxicab broker to maintain collision records required under Chapter 546-26.1.

b. Require taxicab brokers and owners that do not have an arrangement with a taxicab broker to maintain collision records that also include the incident identification number issued by the Toronto Police Service and Collision Reporting Centre associated with each recorded collision, if available.

26. City Council amend the requirements for information that taxicab brokers and owners must keep by amending Chapter 546-27 to require taxicab owners that do not have an arrangement with a taxicab broker to keep a record of information showing a continuous account of the total distance driven for each day the taxicab was available for service, the times at which the taxicab went on the road each day, any time or times when it was off duty and the time at which it was last available for service to the public on that day.

27. City Council amend Chapter 546 to require taxicab owners to comply with the requirements under Chapter 546-10.1(A)-(C) regarding audit and investigative authority and record submission requirements.

28. City Council amend Chapter 546-116(F) to require every Private Transportation Company to include the incident identification number issued by the Toronto Police Service and Collision Reporting Centre associated with each recorded collision, if available.

29. City Council direct the by-law amendments in Parts 24 to 28 above come into effect on July 1, 2026.

Permit Private Transportation Companies to participate in the Zero Emissions Grant Program

30. City Council approve zero emission grant remittance plans from HOVR, Lyft and Uber, outlined in Attachments 1, 2 and 3 to this report, to enable them to begin participating in the Zero Emissions Grant Program on January 1, 2025.

Add a definition for all-weather tires

31. City Council add the following definition for "all-weather tire" to Chapter 546: a tire that is marked with the pictograph of a peaked mountain with a snowflake.

32. City Council authorize the City Solicitor to introduce the necessary bills to give effect to City Council's decision and City Council authorize the City Solicitor to make any necessary clarifications, refinements, minor modifications, technical amendments, or by-law amendments as may be identified by the City Solicitor, and the Executive Director, Municipal Licensing Standards.

FINANCIAL IMPACT

Licensing Cap on PTC Drivers

As a proactive measure to mitigate further risk of increasing traffic congestion and emissions, and impact to public transit use, staff are proposing a licensing cap that would limit further growth in the number of licensed PTC drivers, with an exemption for zero emission and wheelchair accessible vehicles. The cap would result in projected annual foregone revenue of \$0.87 million (based on an average net increase of roughly 3,000 PTC driver licences per month) from the two PTC driver licence fees: (1) the \$16.94 PTC per driver fee; and (2) the \$7.99 Accessibility Fund Program fee.

Licensing fees are based on a cost recovery model and therefore foregone revenue would have offset future cost (that will now be avoided) to administer the additional PTC driver licences.

Updates to the Accessibility Fund Program (AFP)

Staff recommend initiatives aimed at addressing stakeholder feedback and Council direction to consider equity and accessibility for the VFH sector (as per item [2021.GL27.19](#)). Firstly, to improve the financial feasibility of operating an accessible vehicle, this report recommends changing the existing \$16,189 - \$20,287 grant, which is disbursed over seven years, to a single \$55,000 upfront grant for taxicab owners who purchase a wheelchair accessible vehicle (WAV).

In addition, to support on-demand, wheelchair accessible taxicab services, staff recommend the creation of a centralized dispatch service and replacing the AFP's current service standard incentive with a \$15 per-trip incentive (\$25 for off-peak, night-time trips) to taxicab drivers for every WAV trip they complete.

Both initiatives will be fully funded by existing and future revenues in the VFH Reserve Fund, which was initially set up to support accessibility initiatives for vehicles-for-hire. Based on current projections for VFH licensing volumes and PTC trips, yearly contributions to the Fund are projected to be \$5.28 million. To disburse updated AFP grants and incentives, MLS will need to withdraw an estimated total of \$24.2 million from the Fund from 2025 to 2027 based on current projections for VFH licensing volumes. Also, based on experiences in other jurisdictions, the costs to administer the centralized dispatch service is estimated to be no more than \$1 million.

To maintain the financial sustainability of the VFH Reserve Fund, the Executive Director, MLS, has existing authority to adjust the AFP regulatory charge that most licensees within the VFH industry are currently required to pay upon licence renewals, as well as for every trip completed on a PTC platform. MLS, in consultation with the Financial Planning Division, will monitor the Fund's balance and adjust the AFP regulatory charge, if necessary.

Zero Emission Grant Program

If Council approves HOVR, Lyft and Uber's PTC grant remittance plans, all three PTCs will be eligible to participate in the grant program beginning January 1, 2025. The estimated foregone revenue would be \$4.85 million between 2025-27. These

projections were included in MLS' report submitted as part of item [2023.EC6.6](#). The actual amount in foregone revenue will depend on the number of taxicab and limousine owners who purchase a zero-emission vehicle (ZEV) and PTC trips taken in a ZEV between 2025-27. The recommended licensing cap's exemption for ZEV PTC drivers may incentivize more drivers to transition to ZEVs, which could result in a higher than anticipated amount of ZEV PTC trips. MLS will continue to monitor the volume of ZEV PTC trips, as it has the authority to recalibrate the grant amount so that total foregone revenues do not exceed \$10 million.

Staff Complement

To implement this report's proposals and initiatives, MLS has identified the need for 1 permanent and 3 temporary full-time positions at a total cost of \$361,000 in 2025, to support the administration of Toronto Taxicab Licences and new technology solutions that will help the City collect and publish VFH trip data. These positions will be funded from the VFH Reserve Fund and will be requested for consideration through the 2025 Budget Process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

EQUITY IMPACT

Staff recommendations aim to limit impacts on equity-deserving groups and advance equitable access to on-demand transportation by implementing a licensing cap on drivers, gathering data required for informed transportation planning, and supporting the VFH industry to provide more wheelchair accessible service. These recommendations have potential impacts on newcomer or racialized drivers and users with disabilities.

Over 70% of PTC and taxicab drivers in Toronto self-reported as being racialized in a stakeholder survey conducted as part of this review. For those who are newcomers, and facing additional language, cultural or educational barriers, the low entry requirements, immediate availability of work, and flexible hours in the VFH industry make it a potential way to earn an income. Limiting the number of licensed drivers in Toronto could restrict newcomer driver access to this income-earning opportunity and increase wait times and fares for users, including those with disabilities, and/or during periods of high demand if driver availability is low. Restricting the number of licensed drivers could also lead to existing drivers focusing on serving trips closer to the City's downtown core where demand is highest - lowering service coverage in suburban areas of the City. This report will discuss how staff's recommendation to implement a licensing cap and monitor its impact on drivers based on key indicators is a balanced approach that considers the needs of driver equity, users and mobility, and enables the City to adjust its approach based on data-driven analyses.

At the same time, Toronto faces challenges with providing accessible transportation services. In a city where 22% of residents have a disability (according to the 2023 Toronto Population Health Profile), nearly one-fifth are housebound due to insufficient accessible transit. Many users with disabilities rely on wheelchair accessible VFH services to move around the city.

To proactively address potential impacts, the City is supporting wheelchair accessible service by helping reduce costs associated with providing on-demand wheelchair accessible service, providing financial incentives, and issuing new wheelchair accessible taxicab owner licences to help meet user demand. This may open up more income-earning opportunities for newcomer and racialized drivers seeking to enter the industry while improving on demand accessible service. Newcomer and racialized drivers may face barriers in accessing information about supports for wheelchair accessible service providers, which can be mitigated through sufficient public notice and targeted outreach.

DECISION HISTORY

On December 13, 2023, City Council adopted [CC13.7 - Uber Litigation Regarding Limit on Number of Private Transportation Company Driver Licences](#). Council directed the City Manager to report on options to limit licensed drivers that account for congestion, climate, transit, and transportation planning objectives, including whether to exempt zero-emission vehicles from the cap.

On October 11, 2023, City Council adopted [EC6.6 - Transitioning the Vehicle-for-Hire Industry to Net Zero Emissions by 2030](#). Council set a cap on vehicle-for-hire industry licenses, amended Chapter 546 to require non-accessible vehicles to be zero-emission vehicles by 2030, established the Zero Emissions Grant Program, and directed the Executive Director, MLS, to report back on the equity impacts of the cap in areas without higher-order transit.

On July 19, 2022, Council adopted [GL32.29 - Extending the Vehicle Age Limit for Accessible Taxicabs](#), which temporarily extends the age limit for wheelchair accessible taxis to 10 years until January 1, 2026.

On December 15, 2021, City Council adopted [GL27.19 - Update on Outstanding Vehicle-for-Hire Directives](#), which set a goal of achieving net-zero emissions by 2030 for all vehicles operated by licensed drivers.

On July 16, 2019, City Council adopted [GL6.31 - Review of the City of Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire](#). Council established the Accessibility Fund Program and amended Chapter 546 to require trip data from PTC companies, taxicab brokers, and limousine service companies.

On May 3, 2016, City Council adopted [LS10.3 - A New Vehicle-for-Hire Bylaw to Regulate Toronto's Ground Transportation Industry](#). Council established PTC licensing categories and directed the Executive Director of MLS to report back on incentivizing transportation-related emission reductions, funding accessible taxicabs through levies, and implementation updates for the by-law.

COMMENTS

Vehicle-for-Hire Licensing

Toronto Municipal Code Chapter 546, Licensing of Vehicles-for-Hire (the bylaw) regulates the provision of vehicle-for-hire (VFH) services such as taxicabs, limousines and private transportation companies (PTCs) in Toronto. MLS administers and enforces the bylaw, which includes the issuance of licences to the various business classes.

The regulation and licensing of taxicabs and limousines has been a long-standing practice in many parts of the world including Toronto, with taxicab regulations dating back to the 1950s. While the specifics of regulations of vehicles-for-hire vary across different jurisdictions, they are generally designed for consumer protection of the travelling public.

The introduction of private vehicles into the market in 2014/15 led to the adoption of Chapter 546 in 2016, updating regulations for the whole VFH industry and introducing new regulations to licence PTCs and PTC drivers. Table 1 below shows VFH licensing activity since 2016.

Table 1: Volume of VFH Industry Licensing

Category Name	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Dec 1)
Limousine Owner	921	711	573	413	114	51	58	138	178
Taxicab Owner	5,223	5,224	5,214	5,218	5,189	5,190	4,992	4,945	4,808
Taxicab Broker	27	26	24	26	26	16	17	20	20
Taxicab Operator	0	0	0	9	30	7	7	9	6
Vehicle-for-Hire (Taxi and Limo) Driver	14,146	15,398	13,921	11,954	9,028	7,152	6,640	6,557	6,981
PTCs	1	5	5	6	7	8	9	3	5
PTC Driver*	29,051	51,161	78,168	95,424	63,421	51,835	50,831	61,906	80,429

* This represents the total number of licensed PTC drivers, regardless of the number of PTC platforms they drive for. A PTC driver is required to have a licence for each PTC they drive for.

Taxicabs

The number of taxicab vehicles operating in Toronto is limited to the number of issued taxicab owner licences. The number of available taxicab owner licences has been capped by Council for many years and was last increased in 2015 to 5,472. Taxicab owners can sell their taxicab and its equipment, and the purchaser is eligible to apply for a new licence, which has resulted in the number of taxicab owner licences remaining relatively stable since 2016. Of the 4,808 current taxicab owner licences as of December 1, 2024, 1,734 owners have indicated to MLS that they are not operating at all (as of December 1, 2024). Only 3,074 taxicabs, or 64% of the licensed fleet, are active.

A taxicab broker's main function is to dispatch taxicabs to customers. Passengers book a taxicab through a broker of their choosing via telephone or smartphone app. A taxicab owner can choose to have an arrangement with a broker so that their vehicle can be dispatched to the broker's customers. In exchange for a broker fee, many taxicab owners choose to affiliate with a broker so that they can provide service to a larger customer base, rather than being solely dependent on street-hails. Taxicabs that have an arrangement with a broker are still permitted to accept street-hails. A total of 2,531 active taxicab owners (82% of active taxicabs) are currently affiliated with a broker.

Taxicab operators manage taxicabs on an owner's behalf, including vehicle maintenance and repair and the managing of shifts and drivers. The number of operator licences has been declining since the number of taxicab owners and VFH (taxi and limo) drivers have also been decreasing.

Limousines

Limousine services are pre-arranged and cannot be street-hailed like a taxicab. MLS also maintains a pre-approved list of vehicles that can be used as a limousine.

There has been a sharp decline in the number of limousine owner licences, dropping from 921 in 2016 to 178 on December 1, 2024. Unlike taxicabs, there is no limit on the number of limousine owner licences.

Vehicle-for-Hire (VFH) Drivers

The bylaw requires that any person wishing to drive a taxicab or limousine be licensed as a VFH driver. There is no limit on the number of VFH driver licences. Each VFH driver will only hold one licence, and with that licence can drive any taxicab or limousine in Toronto. There is no requirement for a VFH driver to register or drive a specific vehicle, although many taxicab owners are also licensed as drivers and likely drive their own vehicles. VFH drivers that are not taxicab owners often have leasing arrangements with one, or multiple, taxicab owners to operate their taxicabs and deliver VFH services. Every VFH driver must complete a City-approved training course. The number of licensed VFH drivers has declined from 14,146 in 2016 to 6,981 on December 1, 2024.

Private Transportation Companies

PTCs connect passengers with PTC drivers via a smartphone app. Services are pre-booked, and unlike a taxicab, cannot be arranged through a street-hail. The ride fare must be provided to the passenger upfront, who must accept it before the trip begins. Currently, there is no limit on the number of PTC driver licences.

The bylaw requires both PTCs and any person driving on the PTC's platform to be licensed. A PTC driver must have a vehicle registered to their licence, and PTC driver licences cannot be transferred or sold to another person. Turnover of PTC driver licences is high - between January and November 2024, an average of 3,488 PTC licences were cancelled, while 6,407 PTC were issued, per month.

A PTC driver must obtain a separate licence for each PTC they are affiliated with, meaning it is possible for a single driver to hold multiple PTC licences. Every driver must complete a City-approved training course. As of December 1, 2024, there were 80,429 active licensed PTC drivers, holding 122,666 PTC licences.

Data Requirements for Vehicle-for-Hire

The bylaw contains provisions that require PTCs, taxicab brokers, and limousine service companies to submit trip data, including:

- Pickup location (within 10 metres) and time of pickup for every trip;
- Destination location (within 10 metres) and time of drop off for every trip;
- Length of time between when the ride is requested and when the trip starts;
- Information about the driver;
- Time of when a driver starts and ends their shift; and
- Data of any collisions involving a PTC, taxicab or limousine.

Data requirements were introduced in 2016 as part of the adoption of Chapter 546, and enhanced in 2019. PTCs have been submitting trip data since the implementation of the bylaw, which has allowed staff to conduct analyses about interaction between PTCs and the transportation network.

Taxicab brokers and limousine service companies have not submitted regular or complete trip data sets to date. This lack of data, particularly from taxicabs, means that analysis conducted by staff is unable to represent a complete picture of the VFH industry. Since 2023, the taxicab industry has made some progress with submitting trip data to MLS. Further details on this, as well as recommendations for updating taxicab trip data requirements, will be discussed later in this report.

Public and Industry Consultations

To inform the review, MLS consulted stakeholders from June to July 2024 across a total of 27 engagements, including five public consultation sessions, two focus groups with the accessibility community and service providers, and a publicly available survey. Through the market research firm, Maru/Blue, Transportation Services also conducted a VFH user survey with a representative panel of over 1,000 participants to better understand why individuals choose taxis or PTC vehicles. Findings from this survey will be discussed later in this report.

Staff directly promoted the consultation sessions to 860 users with disabilities and accessibility advocacy organizations, 6,000 taxi drivers, owners, and operators, 25 taxicab brokerages, 4 PTCs and approximately 70,000 PTC drivers. Staff also presented to the Toronto Accessibility Advisory Committee and several industry and

stakeholder organizations. To support consultations, MLS retained Gladki Planning Associates Inc. (GPA) to act as a third-party facilitator.

These efforts engaged 3,224 participants: 1,746 vehicle-for-hire users, including 121 who identified as having a disability, 1,186 PTC industry stakeholders (mainly drivers), and 292 taxicab industry stakeholders. Below is a high-level summary of key feedback heard from stakeholders. See Attachment 4 for a full summary of feedback received during engagement.

Accessibility

- **Users report accessible service is inadequate:** 33% of surveyed users with disabilities say wait times are too long, up from 5–10 minutes before COVID to 20–25 minutes as of Summer 2024. Users with disabilities requested the establishment of a wait time standard for wheelchair accessible service.
- **There is a service gap versus non-accessible rides:** 44% of surveyed users access ride-hailing within 5-9 minutes while only 24% of users with disabilities receive similar service.
- **55% of surveyed users with disabilities support a centralized dispatch service (CDS):** Others are concerned about complicated bookings, increased fares, and too few accessible vehicles.
- **Taxicab drivers seek financial support:** 43% of taxicab survey respondents support the CDS but requested support for purchasing and operating WAVs.

Licensing Limits

- **46% of respondents identifying as users (riders) did not support a limit while 36% supported one:** Surveyed users were concerned a limit would increase fares and wait times, particularly in areas without higher order transit.
- **71% of taxicab industry survey respondents support a limit:** 58% believe a limit would relieve congestion and 47% believe it would reduce emissions.
- **49% of PTC industry survey respondents support a limit:** 40% believe a limit would relieve traffic congestion and 29% believe it would reduce greenhouse gas emissions.

Inactive Owner Licences

- **Taxicab owners are choosing not to operate due to financial considerations:** Many owners indicated they are remaining inactive because their costs are too high and revenues are too low.

Recommended Updates and Proposed Bylaw Amendments

Throughout consultations and the VFH bylaw review period, staff received feedback focused on licensing and licensing limits, accessibility, and taxicab data. This section discusses proposed program updates and bylaw amendments aimed at addressing stakeholder feedback and Council directives and enhancing the City's VFH regulatory framework.

1. Limit Vehicle-for-Hire and Private Transportation Company Driver Licences

At its meeting of December 13, 2023, through item [2023.CC13.7](#), City Council directed staff to provide options to limit the number of VFH and PTC driver licences, including advice on whether it is appropriate to exempt zero emission vehicles (ZEVs) and taking into consideration congestion, climate targets, public transit, and transportation planning, and measures the City may take if Council imposes a cap at a number less than the number of existing licences at the time Council decides.

A. Recommendation

Staff recommend that Council cap the total number of PTC drivers at the number to whom a licence has been issued as of December 1, 2024, which is 80,429. Drivers who solely operate zero emission or wheelchair accessible vehicles (WAVs) would be exempt from the cap. Drivers obtaining a licence via the cap exemption would not be permitted to register or operate any additional non-exempted vehicles.

The objective of the cap is to mitigate the risk of worsening traffic congestion, increased emissions and impact to public transit use by ceasing further growth in the number of PTC drivers, while balancing considerations for driver equity and user mobility.

For the purposes of this report and the policy goals of considering the impact of the industry on congestion, climate targets, public transit and transportation planning, the total number of licensed PTC drivers, rather than the number of issued PTC driver licences, is the relevant measure. Regardless of the number of PTC driver licences held by one individual, that person can only operate one vehicle at a time. The total number of licensed PTC drivers is therefore the measure for the number of PTC vehicles that operate at any given time.

B. Research

2024 Transportation Impact of Vehicles-for-Hire Study

As part of developing the recommendations for a PTC driver licensing cap, staff conducted a comprehensive review of the VFH industry. This was supported by Transportation Service's 2024 Transportation Impact Study - an executive summary of the report can be found in Attachment 5. The 2024 study updates and builds on similar research conducted by Transportation Services in 2019 and 2021, and includes:

- Analysis of trends in PTC industry trip demand, vehicle supply, vehicle efficiency, and overall vehicle kilometers travelled on Toronto's roads;
- Insights from a VFH user survey which aims to understand the reasons why individuals use taxicabs and PTCs;
- Findings from a model developed by the University of Toronto Mobility Network aiming to assess the transportation impacts across different PTC supply scenarios; and;
- Analysis of taxicab wait times and total distance travelled, which was enabled by a growing, though still limited, taxicab dataset.

Growing demand for PTC trips

The 2024 Transportation Impact Study analyzed trip data submitted by PTCs from January 2020, just before the initial pandemic lockdowns, to September 2024. As of

September 2024, PTCs averaged 212,000 trips starting or ending in Toronto per day, an 8% increase from pre-pandemic levels in February 2020. During this period, the average number of daily active vehicles (defined as a vehicle that accepted a trip request at least once in that day) rose by 18%, from 22,200 in February 2020 to 26,300 in September 2024.

Despite this rise in daily trips and daily active vehicles, the number of licensed PTC drivers in September 2024 remains 19% below February 2020 levels. This suggests that, although there are fewer licensed drivers, those currently licensed are working more frequently on a day-to-day basis.

Table 2: Change in PTC trips, licensed drivers, and average daily active vehicles

	February 2020	September 2024	% Change
Number of average daily trips	196,000 trips	212,000 trips	+8%
Number of licensed PTC drivers	96,000 drivers	77,300 drivers	-19%
Number of average daily active vehicles	22,200 active vehicles	26,300 active vehicles	+18%

PTCs make up 14.2% of vehicle travel in the downtown core in 2024

Traffic congestion is a significant concern for Toronto road users, especially in the downtown area. The City monitors travel times regularly, with a focus on the downtown core. Analysis shows that traffic congestion in downtown Toronto has increased post-pandemic. This trend is influenced by several factors, including major road construction projects (for example: Ontario Line construction and Gardiner Expressway reconstruction), ongoing construction related to new developments, and a rise in special events. To provide context on the scale of PTCs' impact on city roads, data shows that while PTC vehicles account for 4.5% of total traffic citywide, this figure rises to 14.2% within the downtown core, which also corresponds to where there is the highest concentration of development and construction projects, resulting in increased congestion. This increased congestion can have an impact on all road users, including the efficient and reliable operation of TTC surface transit.

Table 3: Average daily vehicle kilometres travelled by PTC on weekdays

Average daily vehicle kilometres	Downtown TOCore	Toronto and East York Outside Downtown	Etobicoke, York, North York, and Scarborough	City of Toronto Overall
From PTC vehicles Sept 2024 weekdays	374,900	623,300	2,121,300	3,119,400
From all vehicles 2023 average daily values	2,645,300	7,626,500	59,573,200	69,845,000
% of PTC VKTs over all vehicles	14.2%	8.2%	3.6%	4.5%

Note: TOCore boundaries are defined by Lake Ontario to the south, Bathurst Street to the west, the mid-town rail corridor and Rosedale Valley Road to the north and the Don River to the east

Recent declines in PTC sector efficiency

One way to measure the efficiency of the sector is by measuring the distance travelled by PTC vehicles when they are carrying a passenger, versus when they are empty waiting for their next fare. PTCs, like all vehicles for hire, must travel the road network empty in search of customers, an activity that optimally should be minimized where possible to reduce congestion and emissions. In September 2024, 33% of the distance PTC vehicles travelled city-wide (and 23% downtown) were spent cruising for a passenger, an increase from a low of 15% in May 2022, though still an improvement from pre-pandemic levels in February 2020 (39%). This means that for every 100 vehicles on the road downtown, 14 are PTCs, with 4 of these driving empty (either waiting for their next fare or driving to the next pick-up destination).

The increase in empty kilometres since May 2022 is driven by the number of active vehicles growing faster than trips, resulting in each active vehicle making fewer trips per day on average. On a typical day in September 2024, an active PTC vehicle completed an average of 8.1 trips, down from 9.4 trips in March 2022.

Table 4: PTC efficiency measures: percentage of distance travelled spent by PTC vehicles cruising for a passenger and average daily trips per active vehicle by month

	Feb 2020	Feb 2021	Feb 2022	May 2022	Feb 2023	Feb 2024	Sep 2024
% of distance cruising for a passenger	39%	47%	20%	15%*	26%	35%	33%
Daily trips per vehicle	8.8	7.1	9.1	9.1	8.7	8.1	8.1

* Reflects its highest percentage

PTCs' Impact on Transit

To assess the impact of PTCs on transit ridership, findings were drawn from:

- A VFH user survey where users were asked, among other questions, what alternative mode they would have chosen if PTC or taxis had been unavailable; and
- A transportation model developed by the University of Toronto Mobility Network that measures the network effects in a hypothetical scenario without PTCs.

Based on these analyses, it was estimated that 41-61% of PTC users would choose transit as an alternative for these trips, which corresponds to 79,000-118,000 trips per day based on 193,000 PTC average daily trips as reported in July 2024, the most recent month with comparable figures from the TTC. After accounting for the 24% of PTC trips that would still connect to the TTC on subway, bus, or streetcar routes, the shift from PTC trips to transit would represent approximately 4.6% to 6.9% of the July 2024 weekday TTC ridership of 1,300,000 trips.

Although 41-61% of PTC users would likely choose transit as an alternative, the VFH user survey highlighted that some PTC users already connect to transit to complete their journey. Notably, 34% of respondents connected with at least one mode of transit (TTC, GO, UP Express), during their trip suggesting that PTCs contribute to a significant number of travellers' mobility by enhancing access to transit.

VFH services are an important transportation mode for Toronto residents

Transportation Services retained HDR and the market research firm Maru/Blue to conduct a VFH user survey with a representative panel of over 1,000 participants to better understand why individuals choose taxis or PTC vehicles. The following are some highlight insights from the VFH user survey:

- Users primarily choose taxis and PTC services for speed (47% of responses), reliability (40%), ease of requesting service (36%), and cost (33%)
- VFH services serve a unique role in Toronto's transportation system and are used regularly for a wide range of trip purposes. Discretionary travel is a large component of respondents' trip purposes, including visiting family (15%), going to restaurants, bars, or cafes (13%), trips to/from the airport (11%), and recreation or leisure activities (10%). Only 14% of trips were made for commuting purposes. In particular, VFH services play a key role in enabling residents to avoid impaired driving.
- PTC and taxi services can reduce people's reliance on vehicle ownership. Among households with no vehicles, 35% of taxi and PTC users reported that PTCs and taxis had reduced their need for vehicle ownership. In households with one vehicle, 31% of users indicated that these services reduced the need to own additional vehicles.
- Satisfaction levels are high among both PTC and taxi users, with 80% of PTC users and 72% of taxi users reporting they were "satisfied" or "very satisfied". Ratings are based on seven customer service indicators, including service availability, vehicle comfort, travel information, ease of requesting service, and cost.

2023 Vehicle-for-Hire Emissions Calculation and Modelling

In 2022, the City retained the University of Toronto's Transportation and Air Quality research group to study the greenhouse gas (GHG) emissions impact of the VFH industry to support the 2023 Council report on shifting the VFH industry to net zero. They determined that the VFH industry (including PTCs, taxicabs and limousines)

accounted for 5.8% and 3.6% of total transportation sector GHG emissions in Toronto in 2019 and 2020 respectively. The transportation sector, including gasoline powered trucks and cars, accounted for roughly 36% of total Toronto community-wide GHG emissions in 2019 and 33% in 2020. The summary report on GHG emissions impacts of vehicles-for-hire can be found as Attachment 6.

A shift away from the use of gasoline- and diesel- powered vehicles is a central focus of TransformTO Net Zero Strategy, whether that shift be to other modes of transportation (walking, cycling, or by transit) or through a shift in technology to non-greenhouse gas emitting vehicles, such as battery electric vehicles.

C. Discussion

Options to implement a licensing limit

As directed by Council, staff reviewed options for how a licensing limit on drivers in the VFH industry could be implemented. Two main options exist: a licensing cap and a licensing pause. A licensing cap is a model that sets a specific number as an uppermost limit, and then operates on a one-in, one-out system, so that as one driver leaves the industry, a new one may join to take their place, keeping the overall number of licensed drivers static. By contrast, a licensing pause ceases the intake of any new drivers for as long as the pause is in place. This would mean that the overall pool of drivers would decrease as drivers leave the industry by attrition.

Licensing Cap on PTC Drivers

In response to the continued increase in PTC trips and drivers and decreasing vehicle efficiency, staff are recommending a cap on the number of PTC drivers, with an exemption for zero emission and wheelchair accessible vehicles, as a proactive approach to mitigate the risk of worsening traffic congestion, increased emissions and impact to public transit, while considering driver equity and user mobility.

Given that the 2024 Transportation Study's findings indicate that PTC trip activity has exceeded pre-COVID levels, a PTC driver cap could help mitigate the PTC industry's contributions to overall emissions and congestion by preventing further growth in the number of drivers and vehicles on the road, particularly in the downtown area where PTC vehicles account for an average of 14% of downtown traffic.

Limiting the growth of gasoline- or diesel- powered vehicles operating on Toronto roads via a cap on PTC drivers would help slow further growth in emissions produced by the VFH industry and cease the increase of net new gasoline-powered vehicles licensed. As discussed above, the 2024 Transportation Impact Study's VFH user survey shows that at least 41% of users would have chosen transit for their last trip if PTCs were unavailable. The net zero by 2030 goal for the VFH industry would also reduce emissions, as all trips would be delivered by zero-emission vehicles by 2031, as required by the City's goal.

A licensing cap also provides a balanced approach that considers the needs of driver equity, users and mobility. A significant number of drivers come from lower-income and racialized communities and a licensing limit may impact access to an otherwise flexible, low-barrier income-earning opportunity. With a licensing cap, this impact is lessened as

there would continue to be potential for new drivers to enter the industry as others leave.

While there is a high level of PTC activity in the downtown core, PTC users travel in all parts of the city and for various reasons, including commuting, discretionary and essential travel, and to connect to transit. A limit to licensing that reduces the number of drivers and vehicles may have an impact on the mobility of users in parts of the city, especially in locations where there is a lack of higher order transit. Through consultations, many users raised concerns related to rising fares and longer wait times that could arise with the potential of a licensing limit. A licensing cap set to the number as of December 1, 2024 (80,429), reduces the risk of these potential impacts when compared to an option that reduces the available pool of drivers (such as a licensing pause, where fewer drivers on the road may mean greater travel times between passengers and increased fares).

During consultations, the taxicab sector and PTC drivers expressed general support for a licensing limit, citing potential benefits, such as reduced traffic congestion and emissions. Survey responses somewhat reflected these sentiments, as 71% and 49% of taxicab industry and PTC driver respondents indicated in favour of a licensing limit, respectively. Users were more split on the idea of a licensing limit, with 36% indicating support of a licensing limit while 46% indicated they were against it.

Concurrently, recent shifts in the mobility landscape have occurred beyond the VFH industry, including the expansion of bike share programs, expanded bike lanes, ongoing car-sharing initiatives, ongoing and planned transit capital expansion (such as the Eglinton Crosstown, Finch West LRT and Ontario Line), and changes to land-use policies that reduce or remove parking requirements. These shifts also are expected to influence decisions of how people travel, including choices related to purchasing or foregoing a private vehicle.

Imposing a Cap on PTC Drivers rather than PTC Licences

Staff recommend a cap be based on the number of PTC drivers rather than the overall number of PTC licences. While a PTC driver must obtain a separate licence for each PTC they are affiliated with, that person can only operate one vehicle at a time. As such, capping PTC drivers directly translates to limiting the number of actual vehicles on the road. This also maintains the flexibility for drivers to work for whichever PTC they prefer. A cap on PTC licences would require drivers to potentially wait for a licensing spot to become available every time they want to obtain a new licence with a different PTC.

Exemptions for zero emission and wheelchair accessible vehicles

Staff recommend that ZEVs and WAVs be exempted from the cap. This aligns with the City's net zero by 2030 goal for the VFH industry and the City's ongoing efforts to improve on-demand wheelchair accessible service for the public. These exemptions are an incentive that allows drivers to apply for a PTC driver licence immediately, as opposed to waiting for the number of PTC drivers to fall below the cap before applying. Those who obtain a PTC driver licence through this exemption would be required to exclusively operate either a ZEV or WAV for the duration of their licence. Due to the City's net zero by 2030 requirement for the VFH industry, staff expect the number of

ZEVs to continue to increase under this exemption. As part of future monitoring on the licensing cap and the VFH industry, staff will continue to review and make recommendations, where appropriate, on the licensing cap exemption for ZEVs and whether it remains warranted and balances the City's VFH net zero targets with the transportation system impact goals of the cap.

Not Imposing a Licensing Cap at a Number Less than the Number of Existing Licences
City Council directed that staff report on measures the City may take if Council imposes a cap at a number less than the number of existing licences at the time Council decides (for example: licences per capita). Meeting a cap set at a number less than the number of existing licences could be accomplished through attrition of existing PTC and taxi and limo drivers as licences are either revoked, cancelled by the PTC (in the case of a PTC driver), or not renewed by the licence holder. In other words, a licensing pause would be put in place to reduce the amount of licences until a set number is achieved. The City would not revoke existing licences to achieve a lower number of licences, as it would be difficult to determine how to do this equitably.

Staff do not recommend implementing a licensing limit at a number of drivers below the number currently licensed. The proposed licensing cap strikes a balance between the policy goals of addressing congestion, emissions and impact to transit use while considering user mobility and driver equity. A lower limit could risk increasing wait times and trip fares and impact equitable access to mobility, particularly in areas without higher order transit, and act as a barrier to income-earning opportunities. When Council imposed a PTC and taxi and limo driver licensing pause between November 2021 and May 2022, no definitive conclusions could be made since it coincided with the emergence of the Omicron COVID variant, making it challenging to isolate its specific effects. A cap results in the more equitable treatment of drivers, as it still provides new drivers and PTCs the opportunity to enter the industry as existing drivers exit. On the other hand, a pause would completely prohibit new drivers from entering the industry, for an unknown length of time.

Not Imposing a Licensing Cap on VFH (taxi and limo) Drivers

Staff recommend the cap only apply to PTC drivers, and not VFH (taxi and limo) drivers. While the bylaw requires drivers to apply for a PTC licence along with an eligible vehicle, the same does not apply to taxi and limo drivers, as they are not tied to a vehicle like PTC drivers are. Council limits the number of taxicab vehicles via a cap on taxicab owner licences, and for further clarity, this number is recommended to be added to the bylaw by this report. In many cases, more than one driver would operate a single taxicab. A cap on taxi and limo drivers would disrupt this long-standing feature of the taxicab industry while failing to limit the number of taxicabs on the road since taxi and limo drivers are not tied to a vehicle.

Licensing Caps in Other Jurisdictions

Staff reviewed the implementation of licensing caps for PTCs and taxicabs in other comparator jurisdictions. It is long-standing common practice in many jurisdictions to cap the number of taxicab vehicles licenced, however staff are not aware of any jurisdictions that restrict the number of licensed taxicab *drivers* (versus licences or vehicles). There are a few countries in Europe and Asia that have banned PTCs or regulated them in such a way that the PTC withdrew service from that country. Staff are

only aware of one North American jurisdiction that limits licensing of PTC vehicles (New York City).

In 2018, New York City Local Law 147 was adopted, which paused the issuance of new For-Hire Vehicles (inclusive of taxis, limousines and PTCs) licences, for one year. In 2019, a congestion study, produced by the New York City Department of Transportation, was considered by New York City's Taxi & Limousine Commission (TLC), who decided to continue the pause on the issuance of new licences, maintaining its exemption for WAVs, and adding an exemption for ZEVs. In making this decision, the TLC did not establish a target for a specific reduction in the number of PTC and VFH licences. While roughly 10,000 to 11,000 new vehicle licences were issued specifically to ZEVs in 2023, the TLC decided to once again pause the general issuance of For-Hire Vehicle licences in February 2024, except for WAVs.

Between December 2018 and July 2024, New York's restriction on For-Hire Vehicle licence applications has reduced the total number of active taxi and limos from 34,930 to 25,285 (a 26% reduction) and the number of active PTC vehicles from 85,146 to 81,319 (a 4.5% reduction).

Table 5 below shows a comparison of licensed drivers, daily PTC trips, daily active PTC drivers between Toronto and New York City. On a per-capita basis, Toronto and New York City have comparable amounts of PTC activity, despite the differences in regulation and urban contexts between the two cities.

Table 5: Comparison of Toronto and New York City PTC Activity (July 2024)

Metric	Toronto	New York City
Population (2022)	3,025,647	8,335,897
Daily PTC Trips	201,610 (66.6 per 1000 pop)	618,802 (74.2 per 1000 pop)
Active Daily PTC Vehicles	25,280 (8.7 per 1000 pop)	56,458 (6.8 per 1000 pop)
Proportion of time drivers spent transporting passengers	56%	53%
Daily PTC Trips/Vehicle	8.4	11.0

Next Steps and Implementation

Should Council adopt staff's recommendation, the licensing cap would come into force immediately upon approval. MLS would communicate through the City's website to provide information on how applications will be processed and how the cap will impact eligibility for PTC driver licences. If necessary to operationalize the cap, MLS will impose a temporary moratorium on accepting new PTC driver licences until the total number of licences achieves 80,429 - the total amount as of December 1, 2024. Staff will then administer a one-in, one-out system, so that as one driver ceases to be licenced, a spot for another driver to be licenced opens to maintain the number of

overall licensed drivers at 80,429. MLS will communicate to the industry on when it will begin accepting new licence applications in accordance with the cap.

In support of the recommendation for a licensing cap, staff will establish a set of performance indicators and proactively monitor and publish data on these indicators, to understand the effects of the licensing cap on users, the transportation system, and the industry. Examples of indicators that will be tracked include sector efficiency, user fares, wait times, daily active vehicles, overall number of trips, the impact of any new major transit projects on user mobility, and the number of ZEVs licenced as PTCs, taxicabs and limousines. These indicators will be updated regularly and published on the City's website. Transportation Services is planning to do further research and modelling to complement future analysis of how consumers and the VFH industry respond to the PTC driver cap and how that impacts the City's public policy goals related to congestion, emissions, equity and accessibility.

2. Enhancing Accessible On-Demand Service

Current Regulations

The *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) establishes broad expectations for municipalities to prevent and remove barriers to public transportation, including a requirement to provide an annual status report on City-wide accessibility. The Act also requires municipalities to meet local needs for on-demand accessible taxicabs and prohibit owners and operators from charging higher trip fares for customers with accessibility needs. Based on feedback from the accessibility community, including identifying long wait times and overall lack of service, further work is needed to meet local needs and achieve AODA compliance. These AODA requirements have guided the development of this report's recommended approach for enhancing accessible on-demand transportation, in addition to stakeholder feedback and past Council direction ([item 2021.GL27.19](#)).

On-demand wheelchair accessible service is currently provided by PTCs and two taxicab owner licence classes: Toronto Taxicab Licences (TTLs) and standard taxicabs that are wheelchair accessible vehicles (WAVs). All TTLs are currently required to be WAVs, while standard taxicabs can either be a WAV or non-accessible vehicle. Currently, the City has 578 TTLs and 131 standard taxicabs that are WAVs, which means that 15% of the City's taxicab fleet is wheelchair accessible. 45% of the City's WAV taxicab fleet (317 WAVs) are also under contract with the Toronto Transit Commission (TTC) to provide Wheel-Trans service. To ensure WAVs can be dispatched to customers, all WAVs must be affiliated with a taxicab broker.

PTCs with more than 500 drivers on their platforms are required to provide wheelchair accessible services to the public. The bylaw requires that the average wait time for this service must be the same as the average wait time for non-accessible taxicab service. Fares for this service cannot be higher than the lowest cost non-accessible service offered by the PTC. These regulations are in place to require PTCs to provide a wheelchair accessible option on their platforms that is comparable to their non-accessible offerings. MLS has not established a wait time standard due to a lack of trip data from the taxicab industry.

As part of the driver licence application processes, all drivers must complete a City-approved third-party driver training program, which includes accessibility as a course component. Drivers of accessible PTCs and taxicabs must also complete additional City-approved accessible training delivered by a third-party provider. Accessible vehicle drivers must then complete a refresher training course every four years. There are currently two City-approved course providers actively offering accessible driver training to the public.

Current Status

Through survey results and consultations with the public and the Toronto Accessibility Advisory Committee, MLS heard that service quality for on-demand, wheelchair accessible services is inadequate for users. For example, survey results indicated that only 24% of respondents with accessibility needs were able to secure a ride within 5-9 minutes. According to available taxicab trip data, which represents a portion, but not all, wheelchair accessible taxicabs, in 2023, 46% of WAV taxicab trips had wait times less than 10 minutes, while 82% of non-accessible taxicab trips achieved wait times less than 10 minutes. These trips do not include WAV trips fulfilled through the TTC's Wheel-Trans service. In March 2024, Wheel-Transit completed an average of 5,100 WAV trips per day, of which 2,800 were through contracted taxis. Table 6 below details the average wait times for WAV and non-WAV taxicab trips.

Currently available data shows that wait times for WAV trips remain significantly longer than those for non-WAV trips. This service gap may be longer as wait time measurements do not account for customers who cannot find a WAV after attempting to request one. Users said that they often find themselves contacting multiple taxi brokers to book a trip due to a lack of available wheelchair accessible taxicabs, or ultimately cancelling their request after giving up trying to find one. As such, additional efforts are necessary to close the service gap for accessible transportation.

Table 6: Average wait times comparison between completed WAV and non-WAV trips from January 2023 to March 2024

	Taxi trips*	PTC trips
WAV trips	24 minutes <i>Representing on average 14 trips per day</i>	13 minutes <i>Representing on average 28 trips per day</i>
Non-WAV trips	15 minutes	5 minutes

*Based on data available from six taxi brokerages representing 62% of all active taxicabs. Does not include trips made under contract with the TTC for Wheel-Trans service.

The percentage of trip cancellations serves as an important measure of the quality of WAV services. Data from PTCs indicates a significant rise in the proportion of cancelled WAV trips. In January 2020, less than 10% of WAV trips were cancelled by riders. During the pandemic, up to January 2023, this percentage fluctuated between 15% and 25%. Since 2023, the percentage has increased sharply, exceeding 40%.

MLS also heard from the VFH industry that the cost to provide wheelchair accessible service is too high. Survey results noted that the biggest challenge with providing this

service was the high cost of purchasing a WAV, an issue that has long been noted by the industry. In recognition of the importance of accessible, on-demand transportation, City Council adopted the Accessibility Fund Program (AFP) in 2019 to help offset the higher cost of providing on-demand, wheelchair accessible service. The AFP does this by providing grants and incentives to wheelchair accessible taxicab owners and drivers based on the cost to purchase or convert their vehicle to a WAV and various service standards. From 2020 to 2023, the number of AFP applications has decreased by 41% while total funds disbursed has decreased by 39%. Based on the decreasing trend in program uptake, and consistent with stakeholder feedback, the taxicab industry is increasingly finding that financial support from the AFP is not enough to make it feasible to provide wheelchair accessible service.

Recommended Approach

To address AODA requirements, stakeholder feedback and Council direction requesting staff to review approaches to advance VFH equity and accessibility, as per [item 2021.GL27.19](#), staff focused on the following three goals:

- Improve the overall quality of on-demand wheelchair accessible service;
- Increase the number of on-demand wheelchair accessible vehicles; and
- Lower the cost to provide on-demand wheelchair accessible service.

Staff recommend a suite of initiatives to improve on-demand wheelchair accessible transportation in Toronto, which includes:

A. Issuing Toronto Taxicab Licences

B. Updating the AFP;

C. Creating a Centralized Dispatch Service (CDS) for on-demand wheelchair accessible service;

D. Establishing a wait time standard for wheelchair accessible services on PTC platforms in 2026;

E. Permitting PTCs to dispatch wheelchair accessible taxicabs; and

F. Extending the age limit for WAVs from seven to ten model years.

Further details on these items are discussed below.

A. Issuing Toronto Taxicab Licences

Background

From 2019 to December 1, 2024, the number of licenced taxi and limo drivers, taxicab owners and limousine owners decreased by 42%, 8%, and 57%, respectively, mainly due to COVID-related financial hardships. The total number of "on-the-shelf" taxicab owner licences (taxicabs that are not currently operating) and taxicab owner licences that have been cancelled amounts to 1,734 (32% of total licences) and 586 (12% of total licences), respectively.

Based on past Council decisions to issue additional taxicab owner licences, the maximum number of taxicab owners MLS can licence is 5,472.

In the past, when new taxicab licences were issued, it was done through the drivers' waiting list that maintained a running waitlist of persons who were interested in a taxicab owner licence. Chapter 546 requires that any new taxicab owner licences must be

issued as Toronto Taxicab Licences (TTLs), which have a requirement to be wheelchair accessible. MLS would issue the licences by order of seniority on the list. MLS monitors everyone's eligibility to stay on the list, as they must meet various requirements to maintain their position and eligibility for a licence (for example: completing the required accessible vehicle training course). Even though Council closed the drivers' waiting list to new applicants in 2016 (meaning new people could not be added to the list), 337 prospective owners currently remain on the list.

Proposed Approach

Through consultations, MLS heard from users of wheelchair accessible vehicles that there is a decreasing level of on-demand wheelchair accessible service, which is amplified by the number of wheelchair accessible taxicab owners choosing to go "on-the-shelf" and not operate (384 total inactive wheelchair accessible taxicabs). To increase the number of wheelchair accessible vehicles for hire on the road, MLS will issue the current allotment of 664 cancelled licences to prospective TTL owners.

In accordance with the bylaw, licences would be issued in order of seniority of persons on the drivers' waiting list (as described above). To simplify the licence issuance process, staff recommend this process stay in place for the next year and then transition to a first-come, first-serve process with the repeal of the drivers' waiting list and other related provisions.

Staff recommend Council adopt recommended bylaw provisions establishing a first-come, first-serve process for licence issuances commencing in March 2026. The bylaw would also require MLS to publicly notify how many licences are available to issue on an annual basis, as well as require MLS to announce the day that applicants could begin applying for the licences.

Discussion

Staff are aiming to provide those who have been waiting for an owner licence the opportunity to enter the industry by issuing new licences. The City's total number of taxicab owner licences would remain the same, as the issued licences will come from previously cancelled licences.

Those who receive a new licence would be required to operate with a WAV, which is a condition of the TTL. City Council has waived all fees for application and licensing renewal for TTLs. The primary objective is to increase the number of WAVs and improve on-demand wheelchair accessible service. This would also help create an adequate number of wheelchair accessible taxicabs to meet future user demand through this report's proposed centralized dispatch service.

Staff also recommend that the drivers' waiting list permanently close and transition to a first-come, first-serve system to better streamline the process for issuing taxicab owner licences. Out of fairness, staff are recommending that the drivers' list exist for one more year (from the day of Council approval) to provide individuals who are still on the drivers' list ample opportunity to obtain a taxicab owner licence before those who apply via the future first-come, first-serve system. To align with the closure of the drivers' list in December 2025, staff are also recommending bylaw amendments to require remaining persons on the drivers' list who are still interested in a TTL to complete the mandatory

accessible driver training and submit their TTL application within 90 days from the time MLS notifies that they are eligible for a TTL. Upon receiving their licence, owners would have another 90 days to register a WAV with the City. In March 2026, the first-come, first-serve system would commence to issue any remaining licences, and future licences. For transparency, staff are recommending the bylaw require MLS to annually announce the number of licences available for issuance on the third Monday of every March and open the application period no earlier than 14 days after.

Implementation

If Council adopts staff's recommendations, MLS will begin contacting eligible individuals on the drivers' waiting list in order of seniority regarding their eligibility for a TTL, up to December 2025.

Any remaining TTLs by December 2025 would be issued first-come, first-serve in accordance with staff's recommendations. MLS would conduct targeted outreach to notify the industry of upcoming TTL issuances. MLS would develop an application form and create a City webpage outlining criteria for a first-come, first-serve application. This includes conditions, such as prioritizing first-come, first-serve applicants based on whether they submit their applications in full.

B. Updating the Accessibility Fund Program

Summary of Recommendations

In recognition of the rising costs of providing on-demand wheelchair accessible service for the VFH industry, MLS is proposing the following changes to the AFP:

- Increase the amount available as a grant for the purchase of a WAV to \$55,000 (up from the current amount of \$16,189 - \$20,287) and provide the grant upfront to offset the capital costs of the purchase;
- Change eligibility for the upfront grant to only permit the purchase or conversion of a side-entry WAV (rear-entry WAVs would not be eligible); and
- In 2026, introduce a \$15 per-trip incentive for drivers for every daytime wheelchair accessible trip they complete and \$25 for trips during off-peak hours, to replace the existing flat-rate incentive for drivers.

Background

The bylaw delegates authority to the Executive Director, MLS, to administer the AFP and revise the program, as needed. This includes the authority to amend the AFP's eligibility criteria and funding formula, determine applicants' eligibility for funding and recover or revoke funding from ineligible recipients.

In recognition of the higher costs for the VFH industry to provide wheelchair accessible service, particularly for the purchase or conversion of a WAV, the primary goal of the program, which was introduced in 2020, is to provide financial support to members of the industry providing wheelchair accessible service as outlined in Table 7 below.

Table 7: Current AFP Grant and Incentive Amounts and Eligibility

Recipient	Grant	Incentive
Accessible taxicab owner: side-entry vehicle	\$20,287.47 (dispersed annually over 7 years)	Up to \$1,898.21 (annually)
Accessible taxicab owner: rear-entry vehicle	\$16,188.97 (dispersed annually over 7 years)	Up to \$1,312.71 (annually)
Accessible taxicab driver	N/A	Up to \$2,187.50 (annually)

The AFP is fully funded by a regulatory charge levied on VFH industry members who do not provide accessible service (ranges from \$69 to \$277 per renewal depending on the taxicab licensing class; \$8 per PTC driver licence renewal; and \$0.10 per PTC trip).

The AFP grant is currently intended to help cover most of the average cost for converting taxicabs to WAVs, and some vehicle maintenance costs. The grant is split into annual disbursements over the life span of the vehicle (which is seven years, as this is the current maximum allowable limit in the bylaw for taxicabs). The amount of the grant was based on vehicle conversion costs when the AFP was being developed in 2019 - at the time, the average cost for converting to a WAV was \$26,575 for side-entry conversions and \$18,378 for rear-entry conversions. AFP incentives are intended to cover the remaining portion of vehicle conversion costs, as well as vehicle maintenance. Incentives are also disbursed annually, but the amount can vary for each recipient as it is tied to specific service standards, such as minimum hours available for dispatch and acceptance rate of all dispatched WAV trips.

Owners and drivers under contract to provide TTC Wheel-Trans service are not eligible for AFP grants or incentives. As part of their contracts, the TTC already subsidizes the cost for wheelchair accessible owners and drivers to provide service to Wheel-Trans customers. PTC drivers are also not currently eligible to get funding under the AFP.

MLS currently verifies AFP claims by requiring drivers and owners to submit self-declaration forms confirming they have converted their vehicles and/or met the established service standards. Staff can audit claims by requesting additional information, such as vehicle conversion documents and driver activity logs. If staff determine that the information is incomplete or inaccurate, MLS could recover the funds and/or prohibit the applicant from applying to the AFP for two years.

Outside of the AFP, MLS provides additional supports to wheelchair accessible service providers, such as:

- Exempting wheelchair accessible taxicab owners from application and licensing renewal fees; and

- Reimbursing the annual AFP regulatory charge for VFH (taxi and limo) drivers (if they meet the AFP incentive service standards).

Upfront Grant for Purchasing or Converting to a WAV

Throughout consultations, staff heard from the taxicab industry that the cost to provide wheelchair accessible service has remained high, despite the availability of financial support from the AFP. Taxi owners and drivers said that the cost of purchasing or converting to a WAV remains the top reason why the taxicab industry has been unable to provide widely available wheelchair accessible service, and that the AFP does not provide sufficient support to make it financially viable.

Industry stakeholders said that the \$16,189 - \$20,287 currently available through the AFP is not enough to significantly cover vehicle conversion costs, even if it were provided up-front instead of dispersed over seven years. Through conversations with WAV conversion companies, staff have concluded that the current structure and amount of the grant is not enough to offset current WAV conversion costs to the extent that it makes operating a WAV financially feasible for taxicab owners. The current cost to convert taxicabs to wheelchair accessible, as reported by conversation companies and some taxicab brokers, is on average, \$37,000 for rear-entry vehicles and \$54,000 for side-entry vehicles. These conversion costs do not include the cost of purchasing the base vehicle. For example, it costs approximately \$50,000 to \$55,000 for a vehicle conversion company to purchase a minivan that is compatible with WAV conversions. As such, a taxicab owner would have to pay over \$100,000 in total to purchase a base vehicle and get it converted to a side-entry WAV.

WAV conversion companies have attributed rising costs to supply chain issues, as minivans that are compatible with WAV conversions have been increasingly difficult to procure from vehicle manufacturers. Inflation since the COVID pandemic has also broadly elevated costs associated with converting vehicles.

In light of industry stakeholder feedback and rising WAV conversion costs since the AFP began in 2020, MLS is planning to increase the AFP's total grant amount to \$55,000 and re-structure it to an upfront lump sum to more accurately reflect the current market for WAV conversions and cover the conversion cost for WAVs and some maintenance costs. Due to the significant capital investment taxicab owners must make to purchase a WAV, the updated structure and amount of the grant would provide immediate, meaningful relief for wheelchair accessible taxicab owners.

The updated grant is not intended to cover the cost of purchasing a base vehicle that is compatible with WAV conversions - staff view vehicle purchases as a cost that normally comes with the business of operating both a wheelchair accessible, or non-accessible taxicab. Owners under contract to provide TTC Wheel-Trans service will remain ineligible for AFP grants since the TTC provides guaranteed revenue in exchange for providing paratransit service to its customers.

As part of the updated grant, only side-entry WAVs will be eligible. Stakeholders from the accessibility community have indicated that side-entry WAVs are the preferred vehicle when requesting service due to safety concerns with rear-entry WAVs where customers often must enter the vehicle from the street. Side-entry WAVs can deploy

ramps directly onto the curb where customers can enter the vehicle more safely from a sidewalk. Additionally, this change aligns with TTC Wheel-Trans policy, which only contracts out to side-entry wheelchair accessible taxicabs.

A \$55,000 upfront grant will be one of the largest, relative to other comparable jurisdictions who provide WAV conversion grants to taxicab owners. Chicago provides a sum larger than \$55,000, as it includes an upfront grant of up to \$35,000 (roughly \$48,800 CAD) for side-entry WAVs only, plus an annual maintenance grant of up to \$9,000 (roughly \$12,000 CAD) for up to 15 years. Calgary also offers a comparable sum, which includes up to \$25,000 upfront and up to \$3,500 annually for WAV maintenance (up to ten years).

MLS would institute an updated AFP application and auditing processes. This would involve requiring grant applicants to submit, at minimum, the following information to verify eligibility and monitor the vehicle's status:

- Proof of purchase of a new WAV;
- Proof of side-entry conversion;
- Vehicle information (for example: vehicle identification number);
- Taxicab Owner Licence number; and
- Licensed VFH drivers who are affiliated with the vehicle.

Applicants would also be required to agree to specific conditions when applying for the AFP grant, including a potential requirement that recipients must have their purchased WAV registered with MLS and operating for the duration of the vehicle's lifespan to prove that they are providing wheelchair accessible service. The application form would also outline potential consequences for breaching grant conditions, such as:

- Refusal or cancellation of any future funding (if any);
- Ineligibility to apply for future funding for a specific period of time;
- Taking legal action (for example: commencement of civil claim); and
- Taking collection action (for example: referral to a collection agency).

Grant application requirements can be implemented by updating the AFP's existing application process within the first or second quarter of 2025. Launching the updated AFP grant by early next year is important as 45 WAVs are due for replacement by March 31, 2025. This number increases to 47 if Council does not adopt staff's recommendation to permanently extend the maximum model year limit for WAVs to ten years. The number of WAVs due for replacement by March 31, 2026 is notably larger at a total of 203 vehicles (335 if the maximum model year limit for WAVs remains at seven years). This is due to previous Council-directed vehicle age limit extensions that were provided as COVID-related relief measures for the taxicab industry. Based on this volume and potential additional entrants into the VFH industry, MLS projects that \$22.6M in grants will be disbursed from 2025 to 2027. MLS projects that the VFH Reserve Fund can absorb the increased projected costs resulting from the updated increase for the AFP grant.

Per-Trip Incentive for Wheelchair Accessible Trips

Throughout consultations, staff heard from the taxicab industry that another issue with providing wheelchair accessible service was the lack of trip revenue. The contributing factors for this are primarily two-fold: (1) low customer demand; and (2) wheelchair

accessible trips tend to take longer for a driver to complete. For example, according to the survey, 72% respondents who say they provide wheelchair accessible service indicated that they can only complete a maximum of two wheelchair accessible trips per hour and get an average of 2-3 wheelchair accessible trip requests in total per day. The current incentive is a fixed amount based on whether the driver achieves a flat minimum number of hours that they are available to provide service (currently 432 hours per year). This does not reward drivers for more service and excludes drivers who provide service, but fall short of the minimum.

Changing the incentive to a per-trip structure is a more accurate way to compensate drivers since the incentive amount will directly correlate with the number of wheelchair accessible trips a driver provides, while recognizing the additional time and care it takes for a driver to deliver a wheelchair accessible trip. Through research and industry consultations, staff recommend that the per-trip incentive should be set at \$15-per trip, and \$25-per trip for those completed during off-peak hours (specific hours to be determined), both indexed to inflation. The increased rate for off-peak trips is to further incentivize drivers to provide service during hours where public transit options are less available. Assuming drivers complete two daytime WAV trips per day over 251 working days, they would receive \$7,530 in total incentives per year. This represents a 244% increase from the current maximum AFP driver incentive of \$2,187.50 and would more appropriately reflect the additional cost and time it takes to provide wheelchair accessible service.

During consultations, staff had initially proposed a \$10-per trip incentive, which aligns with the City of Winnipeg's current per daytime trip incentive amount for their [Wheelchair Accessible Vehicle Pilot](#). There was consensus amongst industry participants that \$10 was too low to offset the longer time it takes to complete wheelchair accessible trips. Calgary offers \$15 and \$25 for daytime and off-peak trips, respectively, through their [Accessible Taxi Incentive Program](#). Drivers can also receive up to \$4,500 annually if they meet certain service standards. Details on wheelchair accessible service incentives in these municipalities and other jurisdictions can be found in Attachment 7.

On average, survey respondents suggested that the incentive should be \$17, while a written joint-submission from six Toronto taxicab brokers recommended a \$15-per trip incentive that is tied to inflation.

To mitigate the risk of inconsistent service, drivers will only be eligible to receive their incentive if they accept all their requests for wheelchair accessible trips, except for service refusals permitted by the bylaw. Trips eligible for the incentive must be dispatched through the City's future centralized dispatch service (CDS), which would track each trip. To incentivize more service, MLS will permit drivers operating rear-entry WAVs and WAVs contracted to provide Wheel-Trans service to be eligible for the incentive for on-demand trips they complete during hours they are not scheduled to provide Wheel-Trans service. Drivers will continue to be permitted to provide non-accessible trips, but these will not be eligible for the incentive.

Staff are planning to implement the per-trip incentive in 2026 to align with the launch of the CDS. Wheelchair accessible trips would be verified through the CDS, which would

compile datapoints necessary to accurately disburse the incentive, such as trip time and location and the driver who completed the trip. Currently, MLS does not have the data infrastructure to verify trips since data reporting is currently inconsistent across the City's taxicab industry. The CDS would be a City-run program that enables MLS to better ensure trip data is being collected and recorded accurately. Once the CDS launches in 2026, MLS would require AFP recipients to participate in the CDS.

Leading up to the implementation of the per-trip incentive in 2026, MLS will conduct more analysis to determine the specific hours eligible for the \$25 off-peak trip incentive. If market conditions for wheelchair accessible service significantly change leading up to 2026, and/or after, MLS will make necessary adjustments to the proposed per-trip incentive. MLS would also update the per-trip incentive amounts based on annual inflation.

C. Creating a Centralized Dispatch Service (CDS) for On-Demand Wheelchair Accessible Service

Recommendation

Staff recommend Council direct MLS to create a CDS for on-demand wheelchair accessible service. Using revenues from the AFP regulatory charge, this would be a City-funded service and there would be no additional fee for users to use the service or for the industry to participate. As an option for on-demand transportation, the CDS would be a separate service from TTC Wheel-Trans, which provides pre-booked paratransit service.

The CDS would provide users a single point of contact to request an on-demand WAV in various ways, which could include telephone, website and/or smartphone app. Once requested, the CDS would dispatch the closest available WAV, regardless of broker or company affiliation. These features aim to improve user experience and make dispatching more efficient. The CDS would also enable MLS to collect wheelchair accessible trip data, facilitate timely incentive payments to drivers and monitor WAVs providing service.

Background

Throughout consultations with the accessibility community, staff recognize that on-demand wheelchair accessible transportation users do not receive comparable service as those receiving non-accessible service, with wait times and vehicle availability as the primary challenges.

After accounting for inactive WAV taxicab owners and TTC-contracted WAV taxicabs, staff estimate that there only about 10 wheelchair accessible taxicabs that are active and primarily provide on-demand service. Almost all active wheelchair accessible taxicabs are contracted to provide TTC Wheel-Trans service (97%).

Discussion

Implementing a centralized dispatch service would improve customer experience and achieve efficiencies in service delivery, by connecting users and service providers under one consolidated system. Users would have the option to use one dedicated point of contact to book WAVs, as opposed to contacting multiple taxicab brokers who may

have varying degrees of availability. For service providers, demand would be less fragmented, as trip requests would funnel through one system.

At consultations, stakeholders were generally supportive of a CDS and recognized the potential benefits, such as how it could make booking a trip more convenient and lower overall wait times. Furthermore, 55% of survey respondents who use wheelchair accessible service expressed support for a CDS. However, stakeholders also expressed concerns with how it would be implemented and wanted the City to ensure it would not complicate the process for booking a ride or increase fares. In recognition of these concerns, the CDS would be free for users to access, with a simple registration process. Industry and user stakeholders also emphasized that there needs to be enough WAVs operating for a CDS to successfully meet customer demand. Issuing TTLs and the AFP updates previously discussed above are meant to help bolster Toronto's accessible fleet.

The CDS will also improve trip data collection for wheelchair accessible trips and enable MLS to verify AFP incentive eligibility and disburse them in a more streamlined manner. Since the CDS would be a City-funded program, MLS could closely monitor datapoints, such as trip time, distance travelled, fare payment, and customer complaints.

Jurisdictional Scan

CDSs have been implemented to improve wheelchair accessible service in other jurisdictions. Calgary and Winnipeg are two notable Canadian cities that began their own CDS programs via third-party operators in 2019 and 2022, respectively. Both cities have observed lower wait times and an increase in WAV trips since their services launched. Since the CDS launched in both Calgary and Winnipeg, wait times have decreased by over 50% while the number of WAV trips increased by 75%. Other comparable U.S. jurisdictions, such as Chicago and New York City have also adopted CDS programs operated by third parties.

Implementation

Implementing a CDS will require a significant amount of effort to assess business and customer needs, secure a third-party vendor, and launch the service. Upon Council approval, staff will begin the procurement process and also engage with Technology Services to ensure the City is able to transfer and intake data from the CDS. Staff anticipate that the entire process from procurement to launching the CDS will take between 18 to 24 months, which means the CDS would launch no earlier than the third quarter of 2026. Leading up to this time, MLS will allocate any necessary staffing and IT resources needed to operate the service on an ongoing basis, as well as an implementation plan comprised of MLS' approach to communications and educating the public and VFH industry about the CDS.

While staff cannot predict how much it would cost to retain a potential third-party vendor for the City's CDS, MLS does not expect the total annual cost to be above \$1 million based on other jurisdictions' experiences. The CDS would be fully funded by the AFP regulatory charge MLS currently levies against members of the VFH industry that provide non-accessible service.

D. Implementing a 15-minute maximum wait time standard for wheelchair accessible PTC trips

Recommendation

Staff recommend including a wait time standard in the bylaw requiring all wheelchair accessible PTC trips to have a wait time of 15-minutes or less, which comes into effect on January 1, 2026. Staff are targeting 2026 to give PTCs advance notice and over one year to comply with this requirement while balancing the accessibility community's needs for reliable on-demand transportation.

Background and Discussion

When the bylaw was created in 2016, it delegated authority to MLS to calculate a wait time standard for wheelchair accessible PTC trips equal to the average wait time for non-accessible taxicab trips. This standard applies to PTCs with over 500 drivers on their platforms. MLS has not published a wait time standard since the taxicab industry has been unable to provide trip data in accordance with the bylaw.

As directed by Council, MLS created the Taxicab Data Working Group in 2022 with the taxicab industry to help understand and rectify their challenges with providing trip data. As a result, since 2023, some taxicab brokers have made progress on fulfilling the bylaw's trip data requirements and MLS has been able to collect data necessary to determine a wait time standard for wheelchair accessible PTC trips. The recommended 15-minute wait time standard is based on all the most recent available taxicab trip data MLS has been able to collect. 15-minutes equates to the average wait time for non-accessible taxicab trips observed over the time period between January 2023 and March 2024.

Throughout consultations, staff heard from stakeholders that wheelchair accessible service on PTC platforms has become significantly less available since the COVID-19 pandemic. The accessibility community's need for reliable on-demand transportation coupled with the taxicab industry's improvement in trip data reporting has provided an opportunity for the City to set a clear regulatory expectation via maximum wait times for PTCs and their wheelchair accessible services.

Jurisdictional Scan

Out of all the jurisdictions reviewed, only New York City has a wait time standard for PTCs. However, this applies specifically to Uber and Lyft who, in 2018, agreed with the City's Taxi & Limousine Commission to become dispatchers for wheelchair accessible trips instead of meeting a requirement that 25% of all trips be completed by WAVs. As dispatchers, Uber and Lyft have been required to ensure 90% of all wheelchair accessible trips they dispatch have a wait time of 15 minutes or less since 2021. To do this, Uber and Lyft have arrangements with several other VFH companies to dispatch their WAVs and fulfill wheelchair accessible trip requests.

Service standards for on-demand wheelchair accessible service in other reviewed jurisdictions specifically apply to taxicabs. Examples include San Francisco which defines 30-minutes or less from request to arrival as an "on-time" WAV taxicab, while the Province of British Columbia may require taxicab companies to have a minimum number of WAVs on a case-by-case basis.

Implementation

By targeting implementation in 2026, MLS is providing PTCs over one year to meet the City's wait time standard for wheelchair accessible trips on their platforms. Upon implementation, enforcing the wait time standard would primarily be conducted through investigations of user complaints on a case-by-case basis and reviewing trip data that MLS already regularly collects from PTCs against the bylaw's 15-minute standard. Leading up to 2026, MLS will develop and implement a more detailed compliance and enforcement approach, which could include:

- Proactively engaging with PTCs before implementation of the wait time standard;
- Educating users via stakeholder outreach and City website updates about the wait time standard and how to submit wait time complaints; and
- Taking enforcement action, such as charges, fines and/or licence suspensions, as necessary.

MLS is continuing to engage with the industry on data collection and reporting, and as new data becomes available and MLS continues to monitor travel trends, staff would report back with recommendations to adjust the wait time standard, as necessary.

E. Permitting PTCs to Dispatch Wheelchair Accessible Taxicabs

The bylaw currently permits taxicabs to be dispatched by taxicab brokers only. Staff are recommending bylaw amendments to permit the dispatch of wheelchair accessible taxicabs to respond to wheelchair accessible trip requests received through a PTC platform. This would effectively allow PTCs to dispatch taxicabs to specifically fulfill requests for wheelchair accessible service without a taxicab broker licence (currently, there is one PTC who holds a taxi broker licence). The purpose of this recommendation is to give PTCs more potential ways to provide wheelchair accessible service. As such, this recommendation is scoped to specifically dispatching wheelchair accessible taxicabs and does not apply to all taxicabs. The recommendations also include several minor administrative amendments to enable PTCs to dispatch wheelchair accessible taxicabs, such as permitting PTCs to allow drivers with a VFH licence to provide service on their platforms, but only for the purpose of providing wheelchair accessible taxicab trips.

Bylaw requirements for PTC fares and payment would still apply to the trips even though they are fulfilled by a wheelchair accessible taxicab. Passengers would receive upfront pricing as they normally do on the PTC's platform, and payments would be processed by the PTC. However, once the passenger enters the taxicab, the trip would be treated as a taxicab trip. As such, VFH driver requirements would continue to apply to the driver while delivering the trip (for example: ensuring the taxicab's required camera and emergency lights are fully functioning).

San Francisco is one other jurisdiction where a PTC (Uber) has been permitted to match taxicabs with trip requests. This initiative began in 2022 and is not specific to wheelchair accessible service.

F. Permanently Extending the Age Limit for Wheelchair Accessible Vehicles to 10 Years

Background

In 2016, when Chapter 546 was created to establish the PTC licensing class, the current maximum vehicle age limits for all taxicabs, sedan limousines and PTC vehicles was set to seven model years. In [December 2020](#) and [July 2022](#), Council temporarily extended vehicle age limits for taxicabs, sedan limousines and PTC vehicles as part of COVID-19 relief for the VFH industry. The most recent temporary vehicle age extension was recommended by MLS staff and adopted by Council in October 2023 ([item EC6.6](#)) to support the VFH industry's transition to net zero by 2030, this initiative provided vehicles-for-hire due for replacement in 2023 a one-year extension and exempted zero-emission vehicles from maximum age limits altogether.

These temporary extensions have effectively permitted existing non-accessible and wheelchair accessible taxicabs and sedan limousines to be up to 11 model years old. PTC vehicles can be up to 9 model years old with previously adopted temporary extensions. Vehicles are still required to pass a safety inspection and provide MLS a mechanical safety inspection certificate at time of licensing or renewal.

With all temporary extensions set to expire at the end of this year, approximately 45% of active taxicabs, 10% of limousines and 13% of PTC vehicles are due for replacement by March 31, 2025. MLS provides licensees a three-month grace period to replace their existing vehicle after it expires at the end of a calendar year.

Discussion

Staff are recommending permanently extending the maximum vehicle age limit for WAVs from seven to ten model years. The bylaw's mechanical inspection requirement for vehicles would continue to apply to maintain the mechanical safety throughout a taxicab's operating lifespan.

The purpose of this recommendation is to provide wheelchair accessible owners additional flexibility. Extending the vehicle's lifespan by three years will reduce an owner's vehicle replacement costs since they would be able to delay the purchase of a new replacement vehicle and spread the capital costs over a longer period of time.

Staff are recommending a maximum ten model year age limit specifically for WAVs, effective upon Council approval, based on findings from meetings with WAV conversion companies. These discussions suggested that a wheelchair accessible taxicab could generally last for ten years if the vehicle comes in for regular maintenance. The updated upfront AFP grant is meant to also help cover some vehicle maintenance costs, so recipients could use these funds to receive regular maintenance to better ensure their vehicles can operate for as long as possible.

3. Inactive Taxicab Owner Licences

Background

Since COVID, the number of inactive taxicab owners has increased. As previously mentioned, the total number of "on-the-shelf" and cancelled taxicab owner licences amounts to 1,734 (32% of total licences) and 664 (12% of total licences), respectively.

Due to COVID-related financial hardships, some taxicab owners were unable to sustain their businesses and subsequently decided to not maintain a valid vehicle with their licences (for example: not replacing their vehicle upon expiry, not renewing insurance, etc.) - effectively becoming inactive and putting their licence "on-the-shelf," or cancelling it.

From 2020 to 2022, Council adopted COVID relief measures for the taxicab industry, such as temporary vehicle age limit extensions and discounting taxicab licensing renewal fees by 50%, which is still in place. In October 2023, Council also directed MLS staff to explore reducing licensing fees to a small administrative fee for inactive taxicab owners.

Recommendation

In response to Council's directive, staff do not recommend any changes to the licensing fees for inactive taxicab owners. An analysis of licensing fees is ongoing, as MLS is currently conducting a licensing fee review on all its business licence categories, including taxicabs.

Discussion

Throughout consultations, staff heard from industry stakeholders that many taxicab owners had to go inactive due to the high cost of business and decreasing demand. In recognition of ongoing financial hardship, staff have continued to accommodate taxicab owners and keep their licences "on-the-shelf" for those who wish to do so.

Staff do not recommend further licence fee reductions for plates "on-the-shelf". As a licence is a permission to carry on a business, it does not depend on whether or how a licensee chooses to operate their business. A taxicab owner can choose to not operate their taxicab, but it does not affect the requirement to renew their licence. This is consistent across all categories of business licences that the City administers.

Outcomes from MLS's ongoing licensing fee review in 2025 will be an additional opportunity to consider how taxicab licensing fees could be updated to better reflect current costs.

4. Update Trip Meter and Data Reporting Requirements for Taxicabs

Background

In 2019, Council adopted updated data reporting requirements for taxicab brokers. The bylaw specifies various data points that taxicab brokers must collect related to trips they dispatch to taxicabs. In 2021, MLS reported challenges with data collection, as only the PTC industry and one taxicab broker were complying with the bylaw's data reporting requirements. As a result, Council directed MLS to establish a working group with the taxicab industry to understand and address issues with data reporting.

In 2022, MLS and Transportation Services staff engaged with taxicab brokers through the Council-directed Taxicab Data Working Group and found that many brokers did not have the technological infrastructure needed to collect data required by the bylaw. In 2023, MLS, with the support of Transportation Services, released a Request for Information (RFI) for potential vendors that could facilitate data collection from taxi

brokers. The objective of the RFI was to understand vendors' service offerings and show taxicab brokers feasible data collection solutions. Staff found that vendors generally had the technology, in the form of digital trip meters, needed to collect the data required by the City and the ability to report data to regulators on behalf of their clients.

To support staff's 2024 VFH bylaw review, MLS sent a letter to taxicab brokers in January 2024 requesting data. Eight out of the 20 licensed brokers fulfilled the request to varying degrees, which represents more than half of all active taxicabs (75%). As part of the request, MLS and Transportation Services staff also engaged with the brokers and learned that seven of the eight brokers have begun or completed transitioning to digital dispatching and data collection.

Since 2021, MLS and Transportation Services have consistently engaged the industry to find a path forward on data collection, reporting and regulatory compliance. Trip data is a vital tool for analyzing the impact of the VFH industry on areas such as traffic congestion, equity, emissions, road safety, and assessing wait times for wheelchair accessible PTC trips. Accurate data is critical for supporting evidence-based policy development for the VFH industry.

Recommendations

In light of the progress the taxicab industry has made with data collection and reporting, staff are recommending updates to the bylaw's data requirements. This includes:

- Requiring taxicab owners to ensure their vehicles are operating with a digital trip meter from a pre-approved vendor;
- Requiring taxicab owners to report data, rather than just brokers; and
- Requiring taxicab owners and brokers to report street-hailed trips, rather than just dispatched trips.

Staff recommendations also include a suite of updates on specific kinds of data the industry must report. More details on these changes can be found in the Other Recommended Bylaw Amendments section found later in this report.

Staff propose these amendments come into effect on July 1, 2026 to give the taxicab industry time to work towards meeting these requirements.

Discussion

Throughout the 2024 VFH bylaw review, the absence of comprehensive data from the taxicab industry limited staff's ability to do a complete analysis of the entire VFH industry. Staff faced similar challenges in the past, particularly in 2019 and 2021 when Transportation Services published its Transportation Impact Studies, which primarily focused on the PTC industry since taxicab data was largely unavailable. Despite this, taxicab brokers made progress in data reporting earlier this year, as the 2024 Transportation Impact Study includes some analysis of taxicab trips. To conduct a balanced review of taxicab and PTC activity and develop well-informed policy recommendations, City staff need complete data reporting from the taxicab industry.

Through market research, staff found that subscription fees for digital trip meters were generally less than \$30 per month per vehicle, while one-time upfront fees for

equipment were under \$500. Digital trip meter vendors would normally also collect and report trip and fare data on their client's behalf for no extra fee.

Through a jurisdictional scan, staff also found that digital trip meters have become the industry standard and are commonly used across taxicab fleets in other jurisdictions. Notably, New York City and the Province of British Columbia have established digital trip meter requirements for all their taxicabs. Chicago has trip data requirements which apply across their entire taxicab industry, which effectively pushed all owners to adopt digital trip meter solutions.

Digital Trip Meter Requirement

To help move the taxicab industry towards compliance, staff are recommending that all owners be required to operate their vehicles with a digital trip meter. This is a broad requirement that aims to compel owners to adopt a digital solution, as digital trip meters are the main solution for the industry to meet the City's data reporting requirements. A written joint-submission from six taxicab brokers also expressed support for digital trip meters and suggested the City establish requirements to help standardize the practice across the industry.

Staff also recommend requiring owners to use digital trip meter providers pre-approved by the City. MLS would have the delegated authority to determine the City's business and technology requirements that digital trip meter providers would have to meet. The goal of the pre-approval process is to ensure that the taxicab industry adopts digital trip meter solutions that are able to meet the bylaw's data reporting requirements and are compatible with the City's data submission and intake processes. MLS would also have the delegated authority to audit information provided by trip meter vendors, as well as revoke their pre-approval if they no longer meet the City's requirements. MLS expects that taxicab owners would depend on their digital trip meter provider to report data to the City on their behalf.

Jurisdictions, such as New York City, currently licence digital trip meter companies based on a list of business and technical requirements that licensees must meet. While the Province of British Columbia does not licence digital trip meter companies, taxicab operators must ensure their trip meter can meet the province's technical requirements.

While Council adopted the 50% licensing fee reduction as a COVID relief measure, staff recommend this to continue until 2027 to help support the taxicab industry's transition to digital trip meters. Taxicab owners could use savings from the ongoing 50% reduction in licensing fees to offset some of the upfront costs of digital trip meter equipment. For non-accessible taxicab owners, this equates up to \$555 in annual savings. Instead of creating a new grant program that disburses funds to taxicab owners and would likely necessitate additional resources to administer the grants, continuing the 50% fee reduction enables the City to repurpose an existing COVID relief measure into a financial support that helps the industry achieve compliance with the bylaw's new data reporting requirements by July 1, 2026.

Requiring Taxicab Owners to Report Trip Data

As the current taxi trip data regulations apply only to trips booked via a taxicab brokerage, trip data from independent taxicabs (owners that do not have an

arrangement with a broker) is not currently required. Staff are recommending applying requirements to independent taxicab owners to ensure the City can collect data from the entire industry. Currently, active independent taxicab owners make up approximately 14% of all active taxicabs. Owners who have an arrangement with a broker could continue to have their broker report data to MLS on their behalf.

Requiring Taxicab Owners and Brokers to Report Street-Hailed Trips

To date, staff have been largely unable to analyze street-hailed trips since the bylaw only requires brokers to report data on dispatched trips. Street-hailing to commence an on-demand trip is a feature unique to taxicabs and these trips make up a substantial portion of taxicab activity, which the City has been unable to quantify nor analyze. Collecting trip data on street-hailed trips would be a significant enhancement to the City's dataset for taxicabs, and by extension, enhance the City's ability to assess the transportation and emissions impact of the taxicab industry.

Implementation

Leading up to July 2026, MLS, Transportation Services and Technology Services staff will need to undertake a significant amount of effort to: (1) develop criteria for pre-approved digital trip meter vendors; (2) enhance the City's back-end technology to receive and process taxicab data; and (3) implement a compliance approach for data reporting requirements. To achieve these three milestones, staff would:

- Coordinate across relevant City divisions to establish operational requirements, such as reporting templates, frequency of reporting and IT programming;
- Proactively engage taxicab owners and brokers on the updated requirements;
- Leading up to July 2026, provide guidance and resources via stakeholder outreach and City website updates on details regarding the updated requirements; and
- Conduct periodic data audits and take appropriate enforcement action, as necessary once requirements come into effect.

Based on vendors who meet the City's criteria, MLS would post a list of approved vendors on the City's website that taxicab owners and brokers could refer to when looking for a digital trip meter that meets the City's requirements.

5. PTC Participation in the Zero Emission Grant Program

To support the City's goal of net zero emissions for the VFH industry by 2030, Council adopted the Zero Emission Grant Program on October 11, 2023, via item [2023.EC6.6](#). The program aims to incentivize the early adoption of ZEVs prior to 2030, by providing grants to taxicab and limousine owners and PTC drivers operating a ZEV.

For PTC drivers, the grant is to be provided via a discount on the per-trip fee the City levies against a PTC for every trip completed on their platform. Since PTCs pay the per-trip fee to the City, the program would require PTCs to remit the per-trip discount to eligible drivers for each trip they complete with a ZEV. To maintain transparency with drivers, the program requires PTCs to submit annual remittance plans to MLS describing how they would distribute the per-trip grants to eligible drivers, and also post their plans publicly.

When adopting the grant program, Council directed MLS to assess participating PTCs' grant remittance plans for City Council approval by the end of 2024, prior to the PTCs being allowed to participate in the program.

As part of its assessment, MLS staff requested participating PTCs to describe the following components of their grant remittance to drivers:

1. Frequency of payment disbursement: specifying intervals at which the grants will be disbursed to eligible drivers, ensuring clarity on the frequency, whether it be weekly, bi-weekly, or monthly, etc.

2. Disbursement procedure for suspended or non-licensed drivers: clear process for ensuring that drivers who are suspended or whose licences are not renewed can still receive any grants they are eligible for during the period they were active.

3. Handling vehicle changes: method for managing grant disbursement to drivers who frequently change vehicles, ensuring that each driver's usage of zero-emission vehicles is accurately tracked and compensated.

4. Addressing discrepancies in grant amounts: clear process for addressing and resolving claims from drivers who believe they have not received the correct grant amounts, including a mechanism for review and resolution of such disputes.

Plans from each of the three applying PTCs (HOVR, Lyft and Uber) can be found as Attachment 1, 2, and 3, respectively.

After reviewing PTCs' plans and their responses for how they would address each component, staff recommend their approval. If approved, MLS projects that it will provide approximately \$4.85 million in grants to eligible PTC drivers and taxicab owners from 2025 to 2027 (projections based on estimates included in MLS' report submitted as part of [item 2023.EC6.6](#)).

MLS will use PTC plans to support periodic audits of PTC remittance processes to validate whether PTCs are remitting the licensing fee savings to eligible drivers appropriately. If an audit finds that a PTC is providing inaccurate or incomplete information, MLS will have the authority to rescind licensing fee reductions and/or compel repayment, if necessary. Updated plans would be required to be submitted and approved every year for PTCs to be eligible for the grants. Assessments of annually updated plans would continue to include (but are not limited to) the four areas described above.

6. Review of Taxicab Tariff and Charges

In May 2022, as part of [item GL.30.10](#), Council requested that MLS report back on a review of the taxicab tariff and charges, including consideration for the rate of inflation, cost of fuel, and other operating costs, as well as feedback received through consultations with industry stakeholders and the public.

Under VFH regulations, a taxicab driver is only permitted to charge its customers a fare calculated by the tariff and charges contained in the bylaw, although a taxicab trip pre-booked through a brokerage may offer a discounted rate or, if pre-booked through a smartphone enabled application, a surcharged rate.

The fare for a taxicab trip generally consists of four pieces, the initial rate for beginning the trip, known as the "drop rate", a charge for the distance of the trip, a charge for any waiting time while under engagement, and the per trip fuel surcharge. Currently, the bylaw contains the following rates, last updated in 2022:

Table 8: Taxicab Tariff and Fare rates

Drop Rate	For the first 0.143 km, or part thereof	\$3.25
Distance Charge	For each additional 0.143 km, or part thereof	\$0.25
Waiting Charge	For each 29 seconds waiting while under engagement	\$0.25
Fuel Surcharge	Taxicab fuel surcharge	\$1.00 per trip

There are additional charges for carrying more than four passengers, cleaning required due to soiling by a passenger, document or parcel delivery, and use of a debit or credit card.

Taxicabs are the only transportation vehicle permitted to pick-up street hails. The City regulates taxicab fares to ensure individuals who street hail taxicab rides are aware of how much the ride will cost (as the final fare amount is not provided up front like PTC rides). Under the current taxicab tariff structure, rates are generally derived from the cost of operating a taxicab, and as the regulator of taxicab tariffs, the City responds to the changing market to determine appropriate rates reflective of current operating costs. Determining the most effective way to regulate taxicab rates is an important function of the oversight that the City provides for this industry, and fare reviews are meant to balance considerations for the taxicab industry and consumer protection.

As part of the review staff have researched taxicab fare structures and rates in seven other North American jurisdictions. All jurisdictions reviewed have similar taxicab tariff structures to the City of Toronto, with the majority having comparable initial rates (drop rates) and charges for distance and waiting time. Montreal has higher rates for overnight rides, while New York City has separate surcharges for night and rush hour rides. Most of the jurisdictions also have surcharges for luggage, additional passengers, and cleaning. Four jurisdictions (New York City, Montreal, Calgary, and Winnipeg) have increased taxicab fares since 2021 in response to inflation. Several jurisdictions are also planning to review taxicab tariffs in the near future, with Mississauga and Calgary indicating their reviews may explore opportunities to deregulate taxicab fares. See Attachment 7 for further details on this research.

Next Steps

Staff are in the process of procuring a third-party vendor to conduct an economic analysis to review how the City’s taxicab tariff and surcharge rates should reflect current and expected future costs of operating a taxicab, including the rate of inflation, fuel prices, insurance, and other associated costs. The vendor will also review how potential changes to taxicab fares and tariffs may impact consumers, revenues for taxicab

owners and drivers, and other relevant factors. Options for potential changes may include (but are not limited to) updating tariff and surcharge amounts within the current regulatory model, dynamic taxicab pricing, setting maximum and/or minimum tariff amounts, and/or deregulation. The vendor will consult with taxicab industry stakeholders and City staff as part of the review in 2025.

Outcomes from MLS's ongoing broader licensing fee review is another key input that staff need to consider, as a change in taxicab licensing fees would also impact the cost of operating a taxicab.

Staff will consider findings from the vendor and MLS's broader licensing fee review to inform final recommendations related to taxicab tariff and charges. Staff will report back by the end of 2025 for Council consideration.

6. Other Recommended Bylaw Amendments

As part of the VFH review, staff are also recommending multiple minor bylaw amendments to further enhance and clarify certain requirements. These are noted in Table 9 below.

Table 9: Proposed bylaw amendments and rationale

Bylaw Amendment	Rationale
Add a provision stating the total number of taxicab owner licences and Toronto Taxicab Licences.	This provision would explicitly state the total number of available taxicab owner licences and Toronto Taxicab Licences that MLS can issue, which is not present in the bylaw currently. The number has changed over the years whenever Council decided to issue more licences. The current total maximum of taxicab owner licences and Toronto Taxicab licences is 5,472.
Add a definition for all-weather tires: a tire that is marked with the pictograph of a peaked mountain with a snowflake.	<p>Since the bylaw currently requires taxicab vehicles, limousines and PTC vehicles to be equipped with winter tires or all-weather tires from December to April, the bylaw should also include a definition for all-weather tires to avoid confusion.</p> <p>The language used for the proposed definition is identical to the bylaw's current definition for winter tires because both tires use the same standardized symbol.</p>
Add a provision requiring taxicab brokers and owners to maintain trip records of the total distance driven for each trip and each working shift.	This change would help improve the accuracy of trip distance data. Currently, trip distances are deduced by pick-up and drop-off locations of a trip.

Bylaw Amendment	Rationale
Amend the provision requiring brokers to include the licence number of the taxicab providing each trip to also include the licence number of the VFH driver providing each trip	This would allow MLS to accurately track VFH drivers providing each trip, as multiple VFH drivers could be driving the same taxicab on any given day.
Add a provision requiring taxicab brokers and owners to maintain records of the total fare collected for each trip	Fare data enhances the City's ability to analyze VFH trends and monitor regulatory compliance. PTCs already provide fare data to MLS.
Add provisions requiring taxicab brokers, owners, and PTCs to maintain collision records that also include incident identification number issued by the Toronto Police Service and Collision Reporting Centre associated with each recorded collision.	Incident identification numbers from the Toronto Police Service and Collision Reporting Centres enables MLS and Transportation Services to match taxicabs' and PTC vehicles' collision reports. Collision data from the Toronto Police Service and Collision Reporting Centres offer the City another source of information that helps improve the accuracy of collision data, and is used as a resource in its VisionZero program.

IMPLEMENTATION AND NEXT STEPS

As the VFH industry and user needs evolve, MLS will continuously monitor the VFH industry to adapt the VFH regulatory framework, as needed, so that the bylaw and the City's VFH-related initiatives remain relevant and effective. Based on past Council directives, stakeholder feedback and the current state of the VFH industry, this report outlines several updates and enhancements to the VFH regulatory framework. A summary of how proposed initiatives and recommendations would be implemented are noted below.

Cap on Licensed PTC Drivers

Upon Council approval, the cap would come into force immediately. To implement the cap, staff plan to: (1) provide information on the City's website on updated eligibility for PTC driver licences and how applications will be processed; and (2) impose a temporary moratorium on accepting new PTC driver licences until the total number of licences achieves 80,429 - the total amount as of December 1, 2024. Staff will then administer a one-in, one-out system, so that as one driver ceases to be licensed, a spot for another driver to be licensed opens to maintain the number of overall licensed drivers at 80,429.

To support compliance and enforcement, MLS would also engage with the VFH industry through on-street inspections to ensure: (1) PTC drivers and their vehicles are correctly registered with MLS; and (2) PTC drivers who obtain a licence through the cap's WAV/ZEV exemption are operating the WAV or ZEV they have registered with MLS.

In partnership with Transportation Services, MLS will publish performance indicators on the City's website in 2025 as data becomes available, to continue to assess how the cap is impacting consumers, the VFH industry and the City's public policy goals related to congestion, emissions, equity and accessibility. MLS has identified the need for 1 additional staff (total cost of \$102,000 in 2025) to support the publishing of performance indicators on an ongoing basis.

Issuing Toronto Taxicab Licences

If Council adopts staff's recommendations, MLS will begin contacting eligible individuals on the drivers' waiting list in order of seniority regarding their eligibility for a TTL up to December 17, 2025. One year provides sufficient time for existing persons on the drivers' list to obtain a TTL, if eligible. After this date, MLS would issue any remaining TTLs, beginning March 2026, through the recommended first-come, first-serve process. MLS would develop an application form and create a City webpage outlining criteria for first-come, first-serve applications. MLS has identified the need for 1 additional staff (total cost of \$69,000 in 2025) to support the administration of these future TTL issuances and renewals.

Modernize the Accessibility Fund Program (AFP)

To make the updated AFP grant available for applicants by the first quarter of 2025, MLS is working to update its AFP grant application and auditing processes to ensure staff have the necessary information to verify grant eligibility, such as proof of purchase of a side-entry WAV conversion. The updated application process would also disclose conditions for receiving the grant, such as requiring recipients to have their WAV registered with MLS and ensure their vehicle is available to provide wheelchair accessible service throughout the vehicle's lifespan.

MLS is planning to implement the per-trip incentive in 2026 to align with the launch of the CDS. Wheelchair accessible trips would be verified through the CDS, which would compile datapoints necessary to accurately disburse the incentive, such as trip time and location and the driver who completed the trip. MLS will conduct more analysis to determine the hours eligible for the \$25 off-peak trip incentive. MLS will monitor market conditions for wheelchair accessible service leading up to 2026 and beyond to see if the \$15 and \$25 incentive amounts need to be adjusted beyond inflation. In the interim, accessible drivers will continue to be eligible for the existing AFP incentives.

Centralized Dispatch Service for Wheelchair Accessible Trips

Upon Council approval, MLS would begin the procurement process to find an operator for the CDS. MLS projects that it will take 18-24 months from procurement to launching the CDS, which means the CDS would launch no earlier than the third quarter of 2026. Based on other jurisdictions' experiences, MLS expects the total annual cost to operate the CDS to be below \$1 million, which would be funded by the VFH Reserve Fund.

Leading up to the third quarter of 2026, MLS will determine any additional staffing and IT resources needed to operate the service on an ongoing basis, as well as an

implementation plan comprised of MLS' approach to communications and educating the public and VFH industry about the CDS.

15-minute maximum wait time standard for wheelchair accessible PTC trips

The 2026 timeline provides the PTC industry time to comply with the wait time standard. Upon implementation, enforcing the wait time standard would primarily be conducted through investigations of user complaints on a case-by-case basis and reviewing trip data that MLS already regularly collects from PTCs. Leading up to 2026, MLS will develop and implement a more detailed compliance and enforcement approach, which could include: (1) proactively engaging with the PTCs on the wait time standard; (2) educating users about the wait time standard and how to submit complaints; and (3) taking enforcement action, as necessary once the wait time standard takes effect.

Permit PTCs to Dispatch Wheelchair Accessible Taxicabs

If Council approves, recommended bylaw amendments enabling PTCs to dispatch wheelchair accessible taxicabs for the purpose of accessible service would take effect at the beginning of 2025. MLS will engage with the PTC industry on compliance and enforcement, including upfront fare requirements and data reporting on PTC-dispatched accessible taxicab trips.

Update Trip Meter and Data Reporting Requirements

MLS proposes that the recommended bylaw amendments for digital trip meter and updated data reporting requirements come into effect on July 1, 2026. This provides the taxicab industry additional time to become compliant with the bylaw. Throughout 2025 to 2026, MLS, Transportation Services and Technology Services staff will coordinate to develop criteria for pre-approved digital trip meter vendors, enhance the City's back-end technology to receive and process taxicab data, and implement a compliance approach for data reporting requirement. MLS has identified the need for 2 additional staff (total cost of \$190,000 in 2025) to support data transformation and sustain technology solutions. These additional staff will also support CDS implementation, as noted above.

Based on vendors who meet the City's criteria, MLS would post a list of approved vendors on the City's website that taxicab owners and brokers could refer to when looking for a digital trip meter that meets the City's requirements. Staff will also proactively engage taxicab owners and brokers throughout 2025 to 2026 to provide guidance and resources on the updated requirements.

Other Implementation Considerations

MLS is in the process of procuring a third-party vendor to review the City's taxicab tariff and surcharge rates. MLS is expecting to report back to Council on this review, as well as recommendations by the end of 2025.

Upon Council approval, HOVR, Lyft and Uber would be eligible to participate in the Zero Emissions Grant Program as of January 1, 2025, and MLS would approve subsequent

updated annual plans from these PTCs. Council would approve any plans from new entrants going forward.

Future Report

MLS will report back on recommendations related to taxicab tariff and charges by the end of 2025.

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ATTACHMENTS

Attachment 1: HOVR - Zero Emission Grant Remittance Plan

Attachment 2: Lyft - Zero Emission Grant Remittance Plan

Attachment 3: Uber - Zero Emission Grant Remittance Plan

Attachment 4: Gladki Planning Associates Vehicle-for-Hire Public and Stakeholder Consultation Summary

Attachment 5: Executive Summary of 2024 Transportation Impact Study

Attachment 6: 2023 Summary Report of Vehicle-for-Hire Emissions Calculation and Modelling

Attachment 7: Jurisdictional Scan