

Administrative Procedure
Freezing/Issuing Taxicab Driver Permits in the City of San Jose
During Periods of Economic Decline

Purpose

An Ordinance was established amending Section 6.64 of Title 6 of the San Jose Municipal Code to authorize the Chief of Police to cease the processing of any new applications for Taxicab Driver permits when certain economic indicators demonstrate a decline in the demand for Taxicab Services. Effective January 15, 2010 through January 15, 2013, the following procedure shall be used to limit the issuance of taxicab driver permits so that existing drivers would have access to enough taxicab fares to generate a reasonable level of business. Per the direction of the City Council, the ordinance dictates the use of the following economic indicators as a means to freeze or allow the issuance of taxicab driver permits by the Police Department:

1. Hotel occupancy (in percentage terms) for San Jose hotels
2. Airport on demand taxicab trips (for Mineta San Jose International Airport)

Roles and Responsibilities

The Chief of Police and Police Department are authorized by the San Jose Municipal Code (sections 6.64.460-590) to issue taxicab driver permits. Only individuals meeting the requirements outlined in those code sections and having received a taxicab permit are authorized to drive a taxicab vehicle in the City of San Jose.

The Department of Transportation will support the Police Department by providing data related to the economic conditions in the City of San Jose so the Police Department can make the determination as to whether the City is in a period of issuing taxicab driver permits or whether a freeze on the issuance of taxicab permits is in place.

Procedure for Determining a Freeze or the Issuance of Taxicab Driver Permits

1. On the 15th day of each quarter of the year (January 15, April 15, July 15 and September 15), the Police Department will either freeze or allow the issuance of taxicab driver permits based upon reported information from the Department of Transportation.
2. The Department of Transportation will collect data from the Office of Economic Development/Convention and Visitor's Bureau (hotel occupancy) and the Airport Department (Airport taxicab trips) for the Police Department for each quarter utilizing the most recent three (3) months for which information is available.

The data will then be forwarded to the Police Department by the 10th of each quarter. If the data being reviewed reflects that hotel occupancy rates and on-demand taxicab trips from the Airport are less than what they were during the prior calendar year for the same period of time, the Chief of Police shall post on the Police Department's website by the 25th of each quarter a notice stating that within ten (10) days of the date the notice is posted, the Chief of Police will not accept for processing any applications for new taxicab driver permits. No waiting lists will be maintained by the City.

If the data reflects that hotel occupancy rates and on-demand taxicab trips from the Airport are more than what they were during the prior calendar year for the same period of time, the Chief of Police shall post on the Police Department's website by the 25th of each quarter a notice stating that within ten (10) days of the date the notice is posted, that the police department shall accept applications for new taxicab driver permits.

Procedure for the Transfer of Existing Permitted Taxicab Drivers

An existing permitted City of San Jose taxicab driver, in compliance with all ordinances, rules and regulations of the City, will have the ability to transfer from one licensed taxicab company to another licensed taxicab company regardless of whether the City has frozen the issuance of new taxicab permits. However, should an individual relinquish their taxicab driver permit and desires to return to service and a freeze on the issuance of taxicab driver permits is in place, they must wait until the issuance of taxicab driver permits is reinstated. All fees, approved by the San Jose City Council, will apply for the transfer of a driver and their permit between licensed companies.

Procedure for Taxicab Companies to Request an Exemption from Freeze of Driver Permits

1. A licensed taxicab company, that has a legitimate and compelling business need to have new taxicab drivers, during a quarter where a freeze on the issuance of new taxicab driver permits is in effect, may file an "Taxicab Company Request for Exemption to Taxicab Driver Permit Limitation" in writing to the San Jose Police Department Permits Unit. The request for exemption shall not be deemed complete until the owner has submitted all information required by the Chief of Police to support the existence of one of the conditions a, b or c. Companies must demonstrate that they have too few taxicab drivers to meet demand for the taxicab company to service. The request shall clearly and effectively describe the reasons for requesting the exemption and include the level of input and agreement that existing company drivers have with the exemption request (see item d below).

Conditions that may demonstrate a company has too few drivers

- a. Trip data showing demand requires additional taxicab driver;
- b. Documentation reflecting a significant increase in customer complaints regarding long response and/or wait times;
- c. Documentation reflecting new business activity that requires adding new taxicab drivers (i.e., the owner has entered into a contract with a new customer);

In addition, taxicab companies must also submit the following:

- d. Documentation showing that the owner's adding additional taxicab drivers will not materially adversely impact the average income of the taxicab drivers currently employed by or under contract with the owner.

Turn around time for the Police Department to render a decision is within 10 working days from the date the application of "Taxicab Company Request for Exemption to Taxicab Driver Permit Limitation" is deemed complete. The Police Department decision shall be final on the exemption request including the granting of all, part or none of the request.

Police Department Monthly Report of Taxicab Driver Permit Data

By the 10th of each month the Police Department shall submit to the Department of Transportation an updated list by Taxicab Company that includes the individual Taxicab Driver Permit numbers for each licensed Taxicab Company. The list will be utilized to track Taxicab Driver Permit turnover by Company.