



Report
Staff Report
The Corporation of the City of Brampton
11/27/2024

Date: 2024-11-27

Subject: **Taxicab Tariff Increase and Renewal Fee Reduction**

Contact: **Kevin Lindegaard, Manager, Licensing Enforcement, Enforcement and By-law Services, Legislative Services, 905.458.3424 Ext. 63247**

Report number: Legislative Services-2024-920

RECOMMENDATIONS:

1. That the report from Kevin Lindegaard, Manager, Licensing Enforcement, Enforcement and By-law Services, Legislative Services, dated November 27, 2024, re: taxicab tariff increase and fee renewal reduction, be received and,
2. That Council approves an increase to the taxicab tariff to \$4.75 drop rate, be implemented for the taxicab industry in the City of Brampton; and
3. That Council approves the meter rate distance as outlined in Appendix H – Mobile Licensing Bylaw 67-2014, be reduced from 141 meters to 125 meters; and
4. That Council approves the amendment to Mobile Licensing Bylaw Schedule 4, Part IV section 9(l) to allow a security deposit not exceeding \$20 at any time if required by the driver, prior to the start of a trip; and,
5. That Council approves the City of Brampton licensing fee for taxi plate renewals be reduced by \$100 in 2025 as set out in this report.

OVERVIEW:

- **The Taxicab Tariff Appendix H of By-law 67-2014, the Mobile Licensing By-law, has not been adjusted since September 2022.**
- **The costs of fuel and insurance for a taxicab in the City of Brampton has continued to increase significantly over the past two years.**
- **The consumer price index (CPI) in Ontario with respect to transportation (9.5%) and gasoline (16.8%) has increased from September 2022 to August 2024.**

- **In consultation with the local taxicab industry, staff request approval that the new adjusted initial drop rate be increased from \$4.25 to \$4.75**
- **Staff further request approval, as requested by the local taxicab industry, that drivers may now request a \$20 deposit from passengers at any time prior to the start of the trip**
- **Staff request approval that the meter rate distance be reduced from 141 meters to 125 meters**
- **Staff request approval that there be a \$100 reduction in the annual user fee for taxi plate renewals (from \$518 to \$418) to offset the industry challenges. This reduction will result in a revenue reduction of \$28,200 for the city.**

BACKGROUND:

The current taxicab tariff rate was implemented by Council in September 2022. The taxicab industry is facing challenges remaining viable, with factors such as the rideshare industry, increased insurance and operations costs, and passengers fleeing without paying. With the economic changes since 2022, and the requests from the Brampton taxicab industry leaders, in October 2023 the City's Licensing and By-law Services formed a Taxi Brokerage Working Group consisting of By-law Licensing and the five Brampton taxi brokerages. The goal of the working group was to assess options to assist the industry.

Challenges identified include the increased competition from the rideshare industry, the significant rise of insurance costs and fuel costs, the rise of fare fleeing passengers, and the requirement for new operators to pay facility insurance rates. Currently there are only two companies that provide insurance to this industry and as such have continued to increase their rates.

The CPI in Ontario percentage change from September 2022 to August 2024 totaled 9.5 per cent:

| TIME PERIOD | PERCENTAGE CHANGE |
|---|--------------------------|
| September 2022 to September 2023 | 5.6 % |
| September 2023 to August 2024 | 3.6% |
| TOTAL | 9.5% (Compounded) |

Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted
DOI: <https://doi.org/10.25318/1810000401-eng>

Based on these increases, industry stakeholders are requesting an increase to the tariff rate.

CURRENT SITUATION:

Staff were approached by all five Brampton taxi brokers requesting assistance from the City of Brampton to help offset the costs of operating a taxicab. Meetings were held in late 2023 and in 2024 to discuss the potential options for a tariff increase, a reduction to the annual licensing plate fee, meter rate, fare fleeing customer deposit review, and/or an increase in the rate fee for waiting times. Staff considered the requests from the taxi industry as well as any potential concerns from residents regarding rising user costs, and the current economic climate. The working group outlined numerous industry challenges, along with discussion on options for the industry to raise their tariff rate and /or “wait and drop” rates to assist their industry and their drivers, as well as a reduction in renewal licensing fees. The increase of the drop rate fee to \$4.75 was suggested by the taxi brokerage working group and agreed to by the majority of brokerage stakeholders.

Staff is requesting that Council consider these options, and the licensing issuer recommends this to be used to amend Appendix H Taxicab Tariff of the Mobile Licensing By-law as well as Schedule 4 Part IV of the Mobile Licensing By-law.

Further, staff recommend the taxi plate renewal fee will be reviewed on an annual basis starting 2025 by the licence issuer. Staff proposes that there be a \$100 reduction in the annual user fee for taxi plate renewal (from \$518 to \$418) to offset industry challenges. In 2024, 282 City of Brampton Licensed Taxi Plates were issued.

Moving forward, to keep the taxicab tariff updated, staff recommend that the meter rate be increased as indicated, and thereafter annually on November 30 by the CPI percentage change for the period ending September 30 of that year. The License Issuer along with consultation with the Taxicab brokers are to review the rate fees on an annual basis. The City of Brampton does not benefit or collect from the tariff increase.

CORPORATE IMPLICATIONS:

Financial Implications:

Based on the recommendations in this report, staff estimate a reduction in the annual licencing fee for taxi plates renewals will result in reduced revenues of \$28,200.

| Number of Licensed Taxi Plates | Fee Reduction | Total Revenue Reduction |
|---------------------------------------|----------------------|--------------------------------|
| 282 | \$100 | \$28,200 |

Communications Implications:

Since a rate increase in the taxi industry is related to the current economic situation and will affect those citizens utilizing licensed taxis, a public notice will be published to notify of the potential tariff increase.

STRATEGIC FOCUS AREA:

This report aligns with the strategic focus areas of Transit & Connectivity focusing on transportation and a connected infrastructure that is safe, convenient and sustainable, and Government & Leadership focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability and transparency.

CONCLUSION:

Staff supports the request of the taxicab industry to increase the taxicab tariff rate and initial drop rate. The CPI has increased by 9.5 per cent since the tariff rate was last set in 2022 by Council.

Staff propose that the new drop rate be increased from \$4.25 to \$4.75 as per industry requests as outlined in attachment 1. It is recommended that Appendix H - Taxicab Tariff of the Mobile Licensing By-law should then be amended to reflect the new agreed drop rate and meter rates.

Staff further proposes that there be a \$100 reduction in the annual user fee for taxi plate renewal (from \$518 to \$418) to offset industry challenges (see attachment 2).

Staff further propose that the section wording in Mobile Licensing Bylaw 67-2014 Schedule 4, Part IV, section 9(l) be amended to reflect that the deposit fee for rides may be requested by the driver at any time in the day rather than just in the evenings between 8pm-6am (See wordings in attachment 3).

It is recommended that moving forward, the tariff rate be reviewed and amended yearly. The new rate would be based on the CPI percentage change for the period ending on September 30 of that year. The effective date of the tariff rate would be November 30 of each year. This will allow the taxicab industry the opportunity to recover cost increases.

It is also recommended that the annual fee for taxi plate renewals be reviewed on an annual basis by the licence issuer.

Authored by:

Reviewed by:

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Rob Higgs, Director, Enforcement & Bylaw
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Approved by:

Approved by:

Laura Johnston
Commissioner, Legislative Services

Marlon Kallideen
Chief Administrative Officer

Attachments:

- Attachment 1 (Current Schedule Rates)
- Attachment 2 (Current Comparison with Surrounding Municipalities)
- Attachment 3 (Mobile Licensing Bylaw 67-2014 Schedule 4, Part IV, section 9(l))