



**CITY OF TYLER  
CITY COUNCIL COMMUNICATION**

**Agenda Number: O-1**

**Date: March 8, 2006**

**Subject: Request that the City Council consider adopting an Ordinance amending Tyler City Code Chapter 17, "Traffic", Article VIII., "Taxis", to increase maximum allowable taxi fares.**

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**Item Reference: Texas Local Government Code Section 215.004; Tyler City Code Chapter 17, Article VIII.**

State law, at Texas Local Government Code Section 215.004(a), mandates that municipalities license, control and otherwise regulate taxicab transportation services by Ordinance. Accordingly, State law requires the City of Tyler to regulate taxicab services. The Tyler taxi regulations are located in Tyler City Code Chapter 17, Article VIII.

Texas Local Government Code Section 215.004(b)(2) provides that Ordinances regulating taxis may include the regulation of rates charged for the provision of taxicab services. To ensure reasonable rates for the public, the City Council regulates maximum allowable taxi rates in City Code Section 17-140.

In 2004, the Traffic Engineering Department conducted a rate study of similarly sized cities in the State of Texas. Upon recommendation of the Traffic Safety Board, the City Council raised taxi rates in 2004 as follows:

First Flag (initial fare) was increased from \$2.00 to \$2.50.

Each [additional] mile was increased from \$1.65 to \$1.75.

The rates for extra passengers and for waiting time were not changed in 2004.

The City of Tyler has received a letter from NDMJ, Ltd., copy attached, seeking certain taxi rate increases. NDMJ, Ltd is proposing adding a \$0.50 surcharge per trip when gasoline prices rise above \$2.25 and another \$0.50 surcharge per trip when above \$2.50 per gallon.

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Tyler City Code Section 17-30.c. states that one of the duties of the Traffic Safety Board is to make recommendations through the Traffic Engineer regarding traffic safety. The Traffic Safety Board considered the proposed taxi rate increases on February 9, 2006, and voted to recommend approval. However, while the State law mandates that municipalities license, control and otherwise regulate taxicab regulations by ordinance, Texas Transportation Code Section 215.004(b)(2) provides that such ordinance may include the regulation of rates charged for the provision of taxicab services. Therefore, regulation of taxicab rates by a city is not mandatory. It is the consensus of the Traffic Safety Board that the City of Tyler should not regulate taxicab rates at all. However, City Staff recommends that the ordinance be adopted as presented.

**RECOMMENDATION:**

It is recommended that the City Council consider adopting an Ordinance amending Tyler City Code Chapter 17, "Traffic", Article VIII., "Taxis", to increase maximum allowable taxi fares, as requested by NDMJ, and as recommended by the Traffic Safety Board.

**Drafted/Recommended By:**  
**Department Leader**

  
**Kirk Houser, P.E.**

**Edited/Submitted By:**  
**City Manager**

**ORDINANCE NO. 0-2006-29**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, AMENDING CHAPTER 17, "TRAFFIC", ARTICLE VIII, "TAXIS", OF THE CODE OF ORDINANCES OF THE CITY OF TYLER, TEXAS, RELATING TO MAXIMUM ALLOWABLE TAXI FARES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, it is the intent of the City Council to protect the public health, safety and welfare; and

**WHEREAS**, State law, at Texas Local Government Code Section 215.004(a), mandates that municipalities license, control and otherwise regulate taxicab transportation services by ordinance; and

**WHEREAS**, the City of Tyler taxi regulations are located in City Code Chapter 17, Article VIII.; and

**WHEREAS**, State law, at Texas Local Government Code Section 215.004(b)(2), states that the ordinance may include the regulation of the rates charged for the provision of the taxicab services; and

**WHEREAS**, to ensure reasonable rates for the public, maximum allowable taxi rates are currently set forth in City Code Section 17-140; and

**WHEREAS**, it is now necessary to increase certain taxi rates in order to compensate for rising operating costs, especially fuel costs, to the taxi operators; and

**WHEREAS**, Tyler City Code Section 17-30.c. states that one of the duties of the Traffic Safety Board is to make recommendations through the Traffic Engineer regarding traffic safety as it deems necessary; and

**WHEREAS**, the Traffic Safety Board reviewed this proposed ordinance on February 9, 2006 and recommended approval;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:**

**PART 1:** That Tyler City Code Chapter 17, "Traffic", Article VIII., "Taxis", is hereby amended by amending the taxi rates in Section 17-140 to read as follows:

**Sec. 17-140. Rates; financial records.**

a. The maximum metered fares to be charged by any taxi service operator or driver shall be as follows:

- 1. First Flag (initial fare) . . . . . \$2.50
- 2. Each mile . . . . . \$1.75
- 3. Per extra passenger . . . . . \$1.00
- 4. Waiting time (per hour) . . . . . \$25.00

5. Fuel surcharge (per trip):

Average Gasoline Price Per Gallon	Surcharge
Less than \$2.25 <sup>9</sup>	\$0.00
\$2.25 <sup>9</sup> – \$2.46 <sup>9</sup>	\$0.50
\$2.50 <sup>9</sup> – 2.99 <sup>9</sup>	\$0.50

Surcharge is additional \$0.50 for every \$0.50 per gallon increase over \$2.99<sup>9</sup>.

Average Gasoline Price is determined by Energy Information Administration, U.S. Department of Energy Retail Gasoline Prices Texas, Regular, Conventional.

b. Every operator of a taxi service shall file with the City a copy of the rate structure including meter fares and flat rate fares. Such rates and charges shall not exceed the maximum rates established in this section. No change in rate structure may be implemented until approved by the City.

c. When two (2) or more passengers occupy a taxi at the same time, but leave it at different destinations, the first passenger to leave shall pay the regular fare and the taximeter flag shall be thrown in the stop position indicating another trip. The next passenger to leave shall pay the regular fare from the point at which the flag was thrown to the destination. The fare shall be similarly determined for any additional destinations. However, nothing herein shall prevent passengers from dividing the cost of the trip in any manner which they may voluntarily agree upon. When a taxi is not originally engaged for a joint trip, no additional passengers may be carried without the consent of the passenger who first engaged the taxi.

d. The number of passengers carried in a taxi may not exceed the manufacturer's rated seating capacity. Not more than two (2) passengers, excluding the driver, shall be carried in the front seat of the vehicle.

e. An operator shall keep such financial records as would a reasonable and prudent business person or as may be requested by the City Council. All records and entries shall be maintained in accordance with generally accepted accounting procedures, and shall be kept for at least one year and open for inspection to the City Manager or designee. Such records shall include a manifest for each vehicle showing daily revenues and ridership. Any notes or reports made from the inspection of the above records shall be deemed confidential as allowed by Texas law. (Ord. No. 0-96-28, 4-24-96, eff. 7-1-96)(Ord. 0-98-43, 5/27/98) (Ord. 0-2001-24; 6/20/01) (Ord. No. 0-2004-66, 8-25-04) (Ord. No. 0-2006-29; 3/8/06)

**PART 2:** That if any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

**PART 3.** That any person, firm, or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine as provided in Section 1-4 of the Tyler Code. Each day such violation shall continue, or be permitted to continue, shall be deemed a separate offense. Since this ordinance has a penalty for violation, it shall become effective upon its publication in the newspaper as provided by Section 85 of the Charter of the City of Tyler, Texas, which date is expected to be March 10, 2006.

**PASSED AND APPROVED** this 8th day of March, A. D., 2006.

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JOSEPH O. SEEBER, MAYOR OF  
THE CITY OF TYLER, TEXAS

ATTEST:

APPROVED:

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CASSANDRA BRAGER, CITY CLERK

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CITY ATTORNEY