




MEMORANDUM

TO: Peter Breen, Chairperson
Economic and Community Development Committee

FROM: William J. Heniff, AICP, Director of Community Development 

DATE: April 3, 2012

SUBJECT: **Taxicabs and Liveries**

Following up from a request at the March Economic and Community Development Committee (ECDC) meeting, staff was asked to compile information relative to the existing regulations pertaining to taxicab and limousine operations within the Village. For reference purposes, Attachment A contains the existing provisions set forth within the Lombard Code of Ordinances pertaining to taxicab operation and defines various taxicab elements. The question was raised as to whether codes could be changed to provide for the operation of limousines in a similar manner to taxicabs.

Staff asked Village Counsel to review the issue and distinction between taxicabs and limousines. He offered the following:

“State law treats limousines differently than taxicabs. Pursuant to 625 ILCS 5/1-142, a “limousine” is defined as follows:

5/1-139.1. Limousine

§ 1-139.1. Limousine. Any privately owned first division vehicle intended to be used for the transportation of persons for-hire when the payment is not based on a meter charge, but is prearranged for a designated destination.” (emphasis added)

Based on this definition, a limousine cannot just drive around like a taxicab, and pick up passengers. If it did so, it would be required to have a meter, just as a taxicab does, as such activity would fall under the definition of a “taxicab,” as contained in the Village Code. Rather, the passenger must make prior arrangements with the limousine owner/company relative to the terms of the transportation (when and where the pick-up

will take place, where the limousine will take the individual, and how much the ride will cost). I believe that this is partly because the amount charged by a limousine driver is not regulated by State law or local Ordinance, while taxicab rates are regulated by local Ordinances. Please note that a commuter can make prior arrangements to be picked up at the commuter station by a limousine. Additionally, unlike taxicabs, which are not inspected at the State level, pursuant to 625 ILCS 5/13-101, the Illinois Department of Transportation is charged with inspecting limousines, and is authorized to establish rules and regulations for the implementation of such inspections.

In regard to taxicabs, non-home rule municipalities, such as the Village, are specifically given the right to license, tax and regulate taxicabs (65 ILCS 5/11-42-6). Additionally, taxicabs are subject to the Taxi Safety Act of 2007, 625 ILCS 55/1 (Attachment B), while limousines are not subject to this Act.”

The key distinction, irrespective of what the first division vehicle looks like, is whether the transport is prearranged versus metered. In review of these provisions, Village Counsel also notes that the Village could license limousines in addition to taxicabs as well. However, staff surmises that the intent of the discussion was not construed to mean that there was a desire to strengthen such regulations. Rather, the intent was to look at ways in which the distinction could be reviewed or modified.

ACTION REQUESTED

Staff offers this information for reference purposes. Should the ECDC seek additional information, staff will follow up accordingly.

ATTACHMENT A: CHAPTER 121: TRANSPORTATION

Section

- 121.01 Definitions
- 121.02 Public Passenger Services
- 121.03 Public Passenger Licenses
- 121.04 Inspection & Condition of Public Passenger Vehicles
- 121.05 Financial Responsibility
- 121.06 Rates of Fares and Charges
- 121.07 Administration
- 121.08 Taxi Subsidy Program
- 121.09 Penalty

§ 121.01 DEFINITIONS.

BUSINESS LICENSE is the license issued to the **TAXICAB** company.

BUSINESS LICENSEE is the **PERSON** applying for the **BUSINESS LICENSE**.

DRIVE means to move, or be in physical control of a **PUBLIC PASSENGER VEHICLE**.

EXCLUSIVE means the transportation of the person who hires the vehicle and only such persons as he shall designate, over a route selected by him.

NON-EXCLUSIVE means the transportation of passengers selected by the **TAXI OPERATOR** of the vehicle or his agent, in any of the following modes:

GROUP RIDE is a transportation service rendered to passengers who embark at the same point of origin and disembark at the same destination.

MULTIPLE RIDE is a transportation service rendered to passengers who embark at the same point of origin and disembark at one or more destinations.

SHARED RIDE is a transportation service rendered to passengers who embark at one or more destinations, generally on a first in-first out basis.

OPERATE means (unless a contrary meaning clearly appears from the context in which it is used) any activity in the conduct of business of rendering service under the authority of this Ordinance, including the ownership of the **BUSINESS LICENSE**; but does not mean the driving or moving of the **PUBLIC PASSENGER VEHICLE**.

OWNER means every **PERSON** having the use or control of one or more **TAXICABS**.

PERSON means a natural **PERSON**, a partnership, a corporation, an association or other group of individuals acting together for a common purpose; and together with associated pronouns, shall include the male or female gender, the singular or the plural, all as in the context in which they are used requires.

PUBLIC PASSENGER VEHICLE means a **TAXICAB** used for transportation of passengers for hire, as a result of an individual contract, on a trip or an hourly basis fixed in advance. This specifically excludes limousines.

TAXICAB means any motor-propelled vehicle equipped with a **TAXIMETER** and operated for transportation of passengers for hire, available indiscriminately to all persons as may offer themselves for transportation.

TAXIMETER means any mechanical, electric or electronic device installed in a **TAXICAB**, which calculates and indicates the fares, measures the distance traveled and time elapsed, and indicates other charges which may be due.

TAXI OPERATOR means the driver of the vehicle.

VILLAGE MANAGER means the individual selected by the President and Board of Trustees to serve in the appointed position of Village Manager for the Village, or his/her designee.
(Ord. 6408, passed 11/5/09)

§ 121.02 PUBLIC PASSENGER SERVICES.

(A) Types of Service Rendered.

Business Licensees may provide Exclusive Taxicab service, Non-Exclusive Taxicab service or both.

(B) Advertising of Services Offered. Business Licensees shall include all of the types of services offered and the charges therefor in the advertisements of the Business Licensee.

(C) Taximeter Devices.

All Taxicabs shall be equipped with a Taximeter which has been inspected, tested and certified by a company that calibrates and seals meters.

(D) Amount of Services to be Provided.

Every Business Licensee shall provide Taxicab services even (7) days per week and 24 hours per day in such quantity as may be necessary to meet the public convenience and necessity for such service

(E) Service Refusal.

Every Business Licensee who renders Exclusive Taxicab service, shall accept for transportation any orderly person requesting Exclusive service anywhere in the corporate limits of the Village provided that the Business Licensee or his/hers/its agent has the right to request a passenger to pay an estimated fare prior to transporting the passenger. If pre-payment is refused, the Taxi Operator may refuse service. Application for and receipt of a Business License under this Chapter by a Business Licensee assumes that the Business Licensee's Taxi Operators are familiar with the corporate limits of the Village.

Every Business Licensee who renders Non-Exclusive Taxicab service shall require his/her/its Taxi Operators to accept for transportation any additional orderly person(s) provided:

(1) The initial passenger has

not requested Exclusive Taxicab service;

(2) There is space available in the Taxicab; and

(3) Acceptance of said additional passenger or passengers will not unreasonably delay passengers previously accepted for transportation. This provision shall not be construed to allow a Taxi Operator to refuse Non-Exclusive service and fares solely because other similar requests do not exist when a particular transportation request is made.

(F) Performance Hearings.

The President and Board of Trustees may, as deemed necessary, hold public hearings from time to time to evaluate the performance of any Business Licensee operating within the Village. A senior person from each Business Licensee shall, as a condition of said Business Licensee's Business License, be required to appear at all such hearings.

(Ord. 6675, passed 2/2/12)

§ 121.03 PUBLIC PASSENGER LICENSES.

(A) Business Licenses.

Exclusive permission and authority to provide Taxicab service in the Village of Lombard is granted to Business Licensees authorized under the authority granted by this Ordinance.

(1) *Term.* Each Business License shall be issued as of July 1 and shall expire on June 30 of the following year, unless sooner suspended or revoked in accordance with this Ordinance.

(2) *Number.* There shall be nine (9) Business Licenses issued by the Village. No additional Business Licenses shall be issued unless approved by the Board of Trustees.

(3) *Application/Renewal.* Application for a Business License may be filed by any qualified applicant at any time. The application for each Business License shall be in writing; signed by the applicant, if a natural

person; signed by the president or vice-president, if the applicant is a corporation; signed by the partners if the applicant is a partnership; and the information in the application shall be verified on the oath of the person signing. A valid application shall be filed with the Village's Finance Department, shall be accompanied by the appropriate fee and shall contain all of the following information:

- (a) The name, business address and business telephone number of the applicant;
- (b) The names of all persons involved in the applicant's business;
- (c) The tax identification number of the applicant;
- (d) The trade name and trademark under which the applicant will provide service;
- (e) The types of Taxicab service offered to the public and the rates and charges therefor to the extent not covered by Section 121.06 (B) below;
- (f) Certification of an ability to meet service standards required by this Chapter; and
- (g) A copy of the operating rules under which services are offered. It shall be the duty of the Business Licensee to notify the Village of any changes in regard to the information set forth in the application during the period of time the Business License is valid. Notice of any change shall be provided to the Village's Finance Department in writing within ten (10) days of such change taking place.

Application for renewal of a Business License shall be filed with the Village's Finance Department prior to July 1st of the licensing year for which such renewal is operative. At least thirty (30) days prior to the renewal date of the Business License, the Village shall issue applications for Business License renewals. Failure to receive the application does not eliminate the obligation to obtain a renewed Business License.

(4) Qualifications – Business Licensee

If an applicant for a Business License is a natural Person, he shall be a resident of the State of Illinois and be not less than 21 years of age. If an applicant for a Business License is a corporation, it shall be a domestic corporation or a foreign corporation qualified and licensed to transact business in the State of Illinois. If an applicant for a Business License is a partnership or other voluntary or non-profit organization, it shall be registered as such under applicable statutes; have principals or partners, each of whom shall possess the same qualifications as are required of applicants who are natural Persons.

(5) Issuance. On the original effective date of this Ordinance, or as soon thereafter as maybe practical, the Finance Department shall issue Business Licenses to the Business Licensees in effect prior to that date provided that the Business Licensees are qualified to hold Business License under this Ordinance.

(6) Renewal. On July 1 of each year, the Finance Department shall issue to the holder of Business Licenses for the previous year, a new Business License for the current year provided that said Business Licensee shall have applied for renewal 30 days prior to July 1 and remains qualified to hold Business Licenses under this Ordinance.

(7) Unlawful to Operate Without Business License. It shall be unlawful for any Person to Operate any Taxicab for hire in the Village unless:

- (a) The owner of said Taxicab is a Person holding a current Business License;
- (b) The Taxicab and the Taxi Operator are properly insured pursuant to 625 ILCS 5/7-601.

(8) Abandonment. A Business Licensee shall be deemed to have abandoned his Business License:

(a) If he shall file a petition for relief under any Chapter of the Bankruptcy Act; or, if such a Petition shall have been filed by another and the Business Licensee shall have been adjudicated and such adjudication shall not have been vacated within 30 calendar days;

(b) If he shall discontinue providing Taxicab service for a period in excess of 10 days for reasons other than a labor dispute, a temporary shortage of equipment, parts, fuel or an Act of God; or

(c) Who fails to properly insure the Taxicabs or the Taxi Operators used by said Business Licensee.

If abandonment occurs, the Finance Department shall notify the Business Licensee at the last known address that they shall have 10 working days to apply. If necessary, the Village may call a performance hearing to discuss the abandonment. If the Business Licensee fails to attend the performance hearing, the license is automatically revoked. The Finance Department shall notify the Village Manager of any abandonment of a Business License.

(9) Suspension. The Village Manager shall suspend the Business License of a Business Licensee:

- (a) Who has abandoned his registered office without notice to the Finance Department of a new registered office;
- (b) Upon whom the service of official notices or legal process has become impossible;
- (c) Whose commercial general and automobile liability insurance has lapsed or been canceled and not replaced by other insurance;
- (d) Who fails to file required documents or reports with the Finance Department;

(e) Who fails to keep and maintain books and records as may be required by rule; or
(f) Who fails to provide service in accordance with operating rules and fares on file with the Finance Department.

(10) *Revocation.* The Village Manager shall revoke all of the Business Licenses of a Business Licensee:

- (a) If he finds that the Business Licensee has abandoned his Business License;
- (b) If he finds that the Business License was obtained by fraud or the willful omission to disclose any material fact in the application for such Business License;
- (c) If he has suspended the Business License of such Business Licensee more than two (2) times during the preceding 12 months; or
- (d) If the Business Licensee shall have finally been discharged in bankruptcy.

(11) *Display of Trade Name.*

(a) Every Taxicab operated under the auspices of a Business License shall carry the trade name and trademark listed in the Business License application on the outside of the vehicle in a legible manner. However, no name shall be similar to that of any other Taxicab Business License previously issued within the Village of Lombard.

(B) *Fees.* The fee for a Business License issued pursuant to this Chapter shall be two hundred fifty and no/100 dollars (\$250.00) per year. A late fee of two hundred fifty and no/100 dollars (\$250.00) shall be assessed in relation to any Business License renewed after the renewal due date or obtained after Taxicab service has commenced.

(Ord. 5628, passed 4/21/05; Ord. 6393, passed 10/1/09; Ord. 6429, passed 1/21/10)

§ 121.04 LICENSEE OBLIGATIONS.

It shall be the obligation and duty of each Person who is issued a license under this Chapter to make sure that:

(A) All Taxicabs used by said Business Licensee are in a clean, safe and sanitary condition, and are maintained in compliance with all applicable Federal, State and Local Laws, rules and regulations; and

(B) That all Taxi Operators employed by said Business Licensee are at least eighteen (18) years of age, possess a valid State of Illinois drivers license which allows said Taxi Operator to legally operate a Taxicab and be able to speak and understand the English language sufficiently to be able to communicate with a passenger and perform the duties of a Taxi Operator.

§ 121.05 FINANCIAL RESPONSIBILITY.

(A) Commercial General and Automobile Liability Insurance.

(1) Insurance Required. Every Business Licensee shall obtain and keep in force commercial general and automobile liability insurance with solvent and responsible insurers, to secure the payment of any loss or damage which may result from any occurrence arising out of the operation, use or possession of any of the Business Licensee's Taxicabs licensed under this Ordinance.

(2) Insurance Policies. Every insurance policy shall provide for coverage limits in compliance with those required for motor vehicles under Illinois law.

§ 121.06 RATES OF FARE AND CHARGES.

(A) Publication of Schedules. On or after the effective date of this Ordinance and prior to the issuance of him of Business Licenses, each Business Licensee shall publish a schedule of the rates and charges he will make for each type of Taxicab service to be offered by him and a list of the operating rules and policies under which such services may be offered. Publication shall be accomplished by delivery of such schedule to the Village Manager and in any other manner that the Business Licensee shall desire. Thereafter, during the week prior to July 1, any Business Licensee may amend such schedules and operating rules by publishing an amended schedule by delivery to the Village Manager. If a Business Licensee does not amend his rates or rules during these specified times, it shall be assumed that rates, rules and services on file remain in force.

(B) Rate of Fare and Charges. Rates of fare shall be expressed and calculated by Taximeter and shall not exceed the following:

(1) An initial flag pull. \$4.00

(2) For each additional one-tenth (1/10) mile or fraction thereof \$0.20

(3) For each additional passenger over twelve (12) years of age, per flag pull. \$1.00

(4) For each minute of waiting time. \$0.40

(5) If a minivan is requested, \$8.00 shall be added to the above charges.

(6) Any and all toll road fees shall be added to the above charges. Fares for trips beyond a town adjacent to Lombard, excluding trips to O'Hare Airport and Midway Airport, shall be charged at the rate of a fare and one half.

(C) Charges for Carrying Additional Passengers. Additional passengers picked up subsequent to an original flag pull will be charged for the prorated meter reading as determined by the Business Licensee.

(D) Prepayment of Fare on Demand. Every driver of a Taxicab shall have the right to demand payment of the legal fare in advance and may refuse employment unless so prepaid. No Taxicab Operator shall otherwise refuse or neglect to convey any orderly Person upon request anywhere in the Village of Lombard unless previously engaged or unable to do so.

(E) Overcharging. No Taxicab Operator shall charge or attempt to charge any passenger a greater fare than that to which the Taxicab Operator is entitled. If it is determined that an overcharge has been made, the Business Licensee shall be liable for reimbursement of the overcharge to the passenger.

(F) Dissemination of Rate Information.

It shall be the responsibility of each Business Licensee:

(1) To post in the passenger area of the Taxicab, in a manner set forth by rule, a detailed list of all rates, an estimated cost of a three (3) mile trip under each rate and the telephone number of the Village Manager;

(2) To inform a Person requesting

Taxicab service of the various rates and services available if such information is requested;

(3) To include rate information in all public advertisements of the Taxicab service; and

(4) To provide, upon request, the operating rules under which each service for which a Business Licensee has filed is provided.

(G) Fare Receipt. If demanded by the passenger, the Taxicab Operator shall deliver to the passenger, at the time of payment, a receipt in legible type or writing containing the names of the Business Licensee and the Taxicab Operator, the total amount paid and the date of payment.

§ 121.07 ADMINISTRATION.

(A) Service Complaints and Communications. The Village Manager shall receive all complaints concerning Taxicabs, Business Licensees and the service rendered by them; and any other matters arising under this Ordinance.

(B) Books and Records. In order to keep the Village properly informed concerning the administration of this Ordinance and the quality and quantity of Taxicab service being provided by the Business Licensees, each Business Licensee shall keep such books, records and financial statements in such detail and containing such information as may be required by the Village. Each Business Licensee shall maintain such records concerning his Taxicabs and their operation, maintenance and repair as may be required by Rule.

(C) Notices.

(1) Notices. Every Business Licensee shall promptly notify the Village Manager of the occurrence of every accident involving one of his Taxicabs, which has resulted in injury to or death of any person, or serious damage to the Taxicab. Every Business Licensee shall notify the Village Manager of the filing by or against him of a Petition under any Chapter of the Bankruptcy Act; or the filing against him of an action at law seeking to recover damages arising out of the operation of one of his Taxicabs, which damages are

alleged to be in excess of the limits of coverage provided by the Business Licensee's commercial general and automobile liability insurance.

(2) Service of Notices. Any notice or other document required to be filed with or served upon the Village Manager as provided for in this section and shall be in writing and delivered to his office during regular business hours. Any notice or other document required to be served on or given to any Business Licensee shall be in writing and delivered to him in person or by first class United States mail at his address on file. All required notices shall be filed with the: Village Manager, Village of Lombard, 255 E. Wilson, Lombard, IL 60148.

(D) Suspension/Revocation of Business License. The Village Manager shall provide at least ten (10) calendar days notice to the Business Licensee prior to conducting a hearing to consider the suspension or revocation of a Business License, based upon any violation of this chapter. In case of an emergency, where there is imminent danger to the safety of the public or passengers, the Village Manager may temporarily suspend any Business License issued pursuant to this Chapter without prior notice, but shall grant a hearing on such suspension within seven (7) calendar days of taking such action.
(Ord. 6408, passed 11/5/09; Ord. 6675, passed 2/2/12)

ATTACHMENT B: (625 ILCS 55/) TAXI SAFETY ACT OF 2007.

(625 ILCS 55/1)

Sec. 1. Short title. This Act may be cited as the Taxi Safety Act of 2007. (Source: P.A. 95-598, eff. 6-1-08.)

(625 ILCS 55/5)

Sec. 5. Requirements for the operation of taxicabs.

(a) The taxi driver's picture, the taxi driver's license or registration number, and the taxicab medallion number or an exterior identification number must be posted in a visible location in each cab.

(b) There must be posted in a visible location in each taxicab a telephone number for a passenger to call if the taxi driver is operating the taxicab in a reckless manner.

(c) If a taxi driver collides with a pedestrian while operating a taxicab, resulting in bodily injury, then any responding law enforcement officers must test the taxi driver for drug and alcohol use. (Source: P.A. 95-598, eff. 6-1-08.)

(625 ILCS 55/20)

Sec. 20. Home rule. A home rule unit may not regulate the operation of taxicabs in a manner that is less restrictive than the regulation by the State of the operation of taxicabs under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State. (Source: P.A. 95-598, eff. 6-1-08.)