May 8, 2014

Proposal would abolish taxi cab cap, allow mobile “rideshare” services

In an effort to accommodate an evolving marketplace, Alderman Robert Bauman and Common Council President Michael Murphy will introduce new legislation Friday that would remove the existing limit on the number of taxi cab permits issued by the city and allow mobile “rideshare” taxi services, like Uber and Lyft, to operate in the city, as long as drivers possess a valid permit.

“We are dealing with new technology that has caused the marketplace to change dramatically,” Alderman Bauman said. “We need to respond to these changes in a way that allows innovation to thrive while providing for the health, safety and welfare of the public. We want to encourage more taxi usage in the city and ensure that visitors have safe and reliable taxi service, whether consumers chose traditional taxis or the new rideshare taxi services.”

The new legislation will be introduced at the meeting of the Public Transportation Review Board that is scheduled for 9:00 a.m. tomorrow, May 9, in room 301-B of City Hall. The meeting will be broadcast live on the City Channel and at milwaukee.gov/citychannel. Public comment will be taken at the meeting.

Currently, the city caps the number of taxi cab permits at 420 and requires all cab drivers to belong to an affiliation that handles dispatch and training duties. Under the new legislation, the cap and affiliation requirements would be eliminated, allowing “rideshare” taxi drivers to apply for and receive public passenger vehicle permits, as well as greater numbers of “traditional” taxi drivers.

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The measure would also increase the penalties for operating a public passenger vehicle without a permit. For a first offense, the penalty would rise from a minimum of $250 and maximum of $500 to a minimum of $1,500 and a maximum of $2,500. The penalties for a second offense within 24 months would be increased from a minimum of $500 and a maximum of $750 to a minimum of $2,500 and a maximum of $4,000, and for a third offense within 24 months, the penalties would be increased from a minimum of $750 and a maximum of $1,000 to a minimum of $3,000 and a maximum of $5,000.

Alderman Bauman said that with the taxi cab cap eliminated, there would no longer be any need to maintain the affiliation requirement currently in effect.

Potential drivers who paid a $100 fee for filing a notice of intent to apply for a taxi cab permit earlier this year would be allowed to apply that credit toward the application fee for a public passenger vehicle permit in the event that the cap was lifted under this legislation. The City Clerk’s office would be called upon to investigate and review public passenger vehicle operations and driver conduct, under the direction of the Licenses Committee, and issue warnings or citations for violations as needed.