

DATE: April 26, 2012
TO: Mayor and City Council Members
FROM: Folsom Police Department
SUBJECT: **ORDINANCE NO. 1163 - AN ORDINANCE OF THE CITY OF FOLSOM AMENDING CHAPTER 5.12, ARTICLE II, SECTION 5.12.200.A.3. OF THE FOLSOM MUNICIPAL CODE REGARDING EVIDENCE OF INSURANCE FOR TAXICAB COMPANY PERMITS (INTRODUCTION AND FIRST READING)**

BACKGROUND/ISSUE

In January of 2011, the City of Folsom enacted Ordinance 1139, repealing and re-enacting Chapter 5.12 of the *Folsom Municipal Code* regarding taxicabs. The ordinance included a comprehensive list of requirements that must be met by any taxicab company wishing to do business in the City of Folsom, including insurance minimums which must be carried by the taxicab companies, currently established at one million dollars (\$1,000,000.00).

Subsequent to the ordinance taking effect, the City was contacted by some of the taxicab business owners saying that the premiums for such insurance were extremely high, making it unlikely that their company would be applying to do business in the City of Folsom.

POLICY/RULE

Article I, Section 1.01 of the Charter of the City of Folsom provides that the City may make and enforce all ordinances in respect to municipal affairs.

ANALYSIS

The proposed amendment to the existing taxicab ordinance is intended to bring the City of Folsom taxicab insurance requirement into line with the minimums established by many of the surrounding cities and counties, as well as to promote increased taxicab business within the City.

Following discussions with one cab company operator, staff from the City Attorney's Office made some inquiries and spoke to one of the primary insurers of taxicab

companies. The results from that inquiry were that Sacramento County, and the Cities of Roseville, Elk Grove, and Rancho Cordova each require taxicabs to carry liability coverage in the amount of \$350,000; the City of Sacramento requires \$500,000. Insurance agencies which specialize in commercial transportation insurance have explained that \$350,000 in liability coverage is an accepted industry standard for cities the size of Folsom. Cities such as San Francisco and Oakland require \$1,000,000 of coverage, but, for example, when the City of Rocklin elevated its required insurance minimums, the result was few or no registered cab companies licensed to do business within the city. It was also verified that the premiums for a \$1,000,000 policy are quite high and for some operators, unaffordable.

The proposed amendment to the taxicab ordinance makes a change *only* to the minimum combined single limit amount of required insurance from \$1,000,000 to \$350,000. This will allow the City to do business with companies with existing policies in the industry established range, without requiring those companies to go to the additional difficulty and significant cost of obtaining increased insurance coverage.

FINANCIAL IMPACT

The adoption of this ordinance will have no negative financial impact on the City, and may assist in generating revenue.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review pursuant to CEQA Guidelines §15061(b)(3).


ATTACHMENT

Ordinance No. 1163 - An Ordinance of the City of Folsom Amending Chapter 5.12, Article II, Section 5.12.200.A.3. of the Folsom Municipal Code Regarding Evidence of Insurance for Taxicab Company Permits.

RECOMMENDATION/CITY COUNCIL ACTION

Staff recommends that the City Council introduce Ordinance No. 1163 – An Ordinance of the City of Folsom Amending Chapter 5.12, Article II, Section 5.12.200.A.3. of the Folsom Municipal Code Regarding Evidence of Insurance for Taxicab Company Permits.

Submitted,

 FOR CHIEF RENAUD
Cynthia Renaud
CHIEF OF POLICE

ORDINANCE NO. 1163

**AN ORDINANCE OF THE CITY OF FOLSOM AMENDING CHAPTER 5.12,
ARTICLE II, SECTION 5.12.200.A.3. OF THE
FOLSOM MUNICIPAL CODE REGARDING EVIDENCE OF
INSURANCE FOR TAXICAB COMPANY PERMITS**

THE CITY COUNCIL OF THE CITY OF FOLSOM DOES ORDAIN AS FOLLOWS:

SECTION 1 PURPOSE AND INTENT

The purpose of this ordinance is to amend Chapter 5.12, Article II, Section 5.12.200.A.3. of the Folsom Municipal Code (the "Code") regarding the insurance required to be submitted for the issuance of a taxicab company permit.

SECTION 2 AMENDMENT

Chapter 5.12, Article II, Section 5.12.200.A.3. of the Folsom Municipal Code is hereby amended to read as follows:

The applicant has submitted evidence of insurance, in full force and effect, in such form as approved by the city attorney, issued by a solvent and responsible company authorized and licensed to do business in the state of California, insuring the applicant against loss by reason of injury or damage that may result to persons, including taxicab passengers, or property, from the negligent operation or maintenance of such taxicab. The applicant shall provide evidence of insurance to the satisfaction of the city showing that the applicant is insured for a minimum combined single limit of Three Hundred Fifty Thousand dollars (\$350,000.00) for the injury or death of one or more persons in the same accident, and One Hundred Thousand dollars (\$100,000.00) for injury or destruction of property.

SECTION 3 SEVERABILITY

If any section, subsection, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid and unconstitutional.

SECTION 4 NO MANDATORY DUTY OF CARE

This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards

persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 5 SAVINGS CLAUSE

The provisions of this ordinance shall not affect or impair any act done or right vested or approved or any proceeding, suit, or prosecution had or commenced in any cause before such amendment shall take effect; but every such act done, or right vested or accrued or proceeding, suit or prosecution shall remain in full force and effect for all intents and purposes as if such ordinance or part thereof so amended had remained in force. No offense committed and no liability, penalty or forfeiture, either civilly or criminally incurred, prior to the time when any such ordinance or part thereof shall be repealed or altered by this ordinance shall be discharged or affected by such repeal or alteration; but prosecutions and suits for such offenses, liability, penalties or forfeitures shall be instituted and proceeded with in all respects as if such prior ordinance or part thereof had not been repealed or altered.

SECTION 6 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, providing it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation within the City of Folsom.

This ordinance was introduced at the regular meeting of the City Council for the first reading on May 8, 2012, and the second reading has held on May 22, 2012.

On a motion by Council Member _____, seconded by Council Member _____ the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this 22nd day of May, 2012, by the following vote, to wit:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

Kerri M. Howell, MAYOR

ATTEST:

Christa Saunders, CITY CLERK