

Commission on Local Government

Estimate of Local Fiscal Impact

2016 General Assembly Session

Bill: SB 591

Patron: Obenshain

Date: 1/26/2016

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Regulation of taxicab services by localities; background checks. Requires localities to adopt ordinances requiring that a criminal history background check be performed before an individual is authorized as a driver and at least once every two years thereafter. The background check shall require individuals to submit fingerprints and personal identifying information to be provided directly to the Central Criminal Records Exchange, which shall forward the results of the state and national records search to the local government or chief law-enforcement officer of the locality.

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### Executive Summary:

As described under the provisions of SB 591, localities would be required to adopt ordinances for criminal background checks before authorizing an individual as a driver for taxicab.

Localities have evaluated a negative fiscal impact of \$0.01 - \$150,000.00. A majority of the cost would be for the setup of the program, adoption of code amendments, additional staff to permit and track taxicab service providers, additional effort by law enforcement, etc. Localities noted that this bill does not provide any guidance as to penalty for violations of the regulations, and no guidance for taxis from adjoining communities traveling to other localities without obtaining permits from those localities or approval of their rates.

Additional localities noted that such regulations would be better monitored through state oversight such as DMV or the Virginia State Police.

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### Local Analysis:

**Locality:** City of Danville

**Estimated Fiscal Impact:** \$700.00

The bill allows the locality to charge the driver the fees associated with the record checks. The local financial impact is the administrative time it takes to fingerprint the driver, handle all the paperwork, write the letters, and maintain the files. Danville currently has two cab companies with about 10 drivers, so the impact is limited. However, there is a push for options such as Uber and Lyft in the area and this could increase the cost significantly.

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Locality: City of Falls Church

Estimated Fiscal Impact: \$1.00

The City of Falls Church has no comment at this time.

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**Locality:** City of Harrisonburg

**Estimated Fiscal Impact:** \$5,000.00

Response provided by the City's Department of Public Transportation

Estimated Fiscal Impact is a best guess estimate on the additional time required to comply.

The City of Harrisonburg Taxi Ordinance is in process of being updated. We are ordering the same background checks for taxi drivers as the city uses for their employees. This check does not include fingerprints AND does not include all states and localities. Using the Central Criminal Records Exchange with fingerprints would provide a complete record of the driver.

Monetary impact for the city:

- Drivers are required to pay for the background checks
- The process would change – PD would be adding time to fingerprint each taxi driver
- The City of Harrisonburg would need to request the results be sent to Transportation instead of law enforcement

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Locality: City of Lynchburg

Estimated Fiscal Impact: \$1.00

City Police Department staff currently do the background checks on taxi drivers now while on duty so there would be no additional expense.

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**Locality:** City of Martinsville

**Estimated Fiscal Impact:** \$1.00

You should allow a -0- impact. I had to put \$1 just to continue!

No impact on the City of Martinsville, as we have no taxi services based in the City. If we must adopt an ordinance, fine, that will set us back a few hundred dollars for advertising, codification, etc. And cost for applications, background checks, etc., would be born by the applicant. Of course, the time and effort of the police department would be an expense, but minimal at best, especially if covered by application fees.

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Locality: City of Norfolk

Estimated Fiscal Impact: \$1.00

The bill as proposed is estimated to have minimal impact to the City of Norfolk. Taxi cab companies will use third party background-check service companies to conduct fingerprinting and background checks on potential taxi cab drivers. However, if taxi drivers used the city's Police department to submit fingerprints and conduct background checks, the charge to users is anticipated to cover the cost of the service.

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**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$1.00

The City of Roanoke currently requires annual reviews for taxi drivers that include a criminal history background check. As with most legislation of this type the requirement, while in the best interest of public safety, it will develop into yet another unfunded mandate by the State of Virginia. Over the last year the taxi business has expanded to include "Uber" drivers which should be included in this provision. However even with the proposed changes the human capital hours necessary to appropriately track such services begins to diminish as the legislation expand and develops. Local law enforcement agencies, city or town, should not be in the "taxi driver" vetting business and such regulations would be better monitored through state oversight such as DMV or Virginia State Police personnel.

**Locality:** City of Virginia Beach

**Estimated Fiscal Impact:** \$1.00

Virginia Beach does not anticipate any major fiscal impact as a result of this bill.

**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$10.00

The City Currently follows this process, no real effect

**Locality:** Henrico County

**Estimated Fiscal Impact:** \$42,000.00

This impact was determined by the number of taxi permits issued in Henrico County at a cost of \$75 per background check for each. It is also net of the \$5 fee collected for fingerprinting.

**Locality:** Rappahannock County

**Estimated Fiscal Impact:** \$2,000.00

We have never had a request for taxi licensure so have never created this process. Cost would be to set up the process, adopted code amendments, etc. Unlikely to have much demand.

**Locality:** Rockingham County

**Estimated Fiscal Impact:** \$0.01

No fiscal impact is expected for Rockingham County VA.

**Locality:** Town of Boones Mill

**Estimated Fiscal Impact:** \$0.01

The bill allows, "The locality may require such individual to pay the cost of the fingerprinting or a criminal history records check or both."

The Town of Boones Mill currently has no ordinance related to taxicab regulations. No such businesses are licensed and located in this small town. In the foreseeable future, nearby urban development and changing demographics and technology might lead the Town to enact taxicab regulations. Starting from scratch, the Town would strive to regulate on a pay-as-you-go basis, with taxi applicants bearing all related administrative costs. The goal would be to expedite business start-up without impact to the Town's small general fund.

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Locality: Town of Front Royal

Estimated Fiscal Impact: \$150,000.00

Town anticipates adding additional staff to permit and track taxi cabs per proposed regulation.

It does not appear that any guidance as to penalty for violations of the regulation is provided.

Enforcement will require additional effort by law enforcement.

The proposed regulation does not provide any guidance for taxis from adjoining communities traveling to our Town without first obtaining permits from the Town or approval of their rates.

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**Locality:** Wise County

**Estimated Fiscal Impact:** \$0.01

Wise County does not currently have taxi service companies in the county.

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