



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CITY COUNCIL PASSES UPDATED TAXI DRIVER REFORM ORDINANCE

City Council today passed a substitute ordinance to the Taxi Driver Fairness Reforms introduced by Mayor Emanuel, Cab Drivers United – part of the American Federation of State, County, and Municipal Employees (AFSCME) – along with Aldermen Emma Mitts, Joann Thompson and Anthony Beale in October 2014 to ensure that taxi drivers receive a fair deal from the industry.

These reforms will put more money into the pockets of drivers while improving their experience with the City. Since introduction, the Emanuel Administration has made revisions to the ordinance to ensure more drivers receive a boost to their incomes and ensure we incentivize the purchase of fuel-efficient fleets.

“The taxi driver community is an important part of Chicago’s transportation infrastructure, critical to the City’s tourism strategy, and an essential workforce to Chicago’s taxi industry,” said Mayor Rahm Emanuel. “These reforms represent what is necessary to further modernize this growing industry.” Today, taxi drivers are required to lease their vehicles and pay a daily or weekly lease rate, ensuring that they begin every day in the red. By cutting lease rate caps for alternative fuel and fuel efficient vehicles over three years, the City can boost income while ensuring that medallion owners and taxi associations recoup their upfront investment in acquiring efficient vehicles. This will result in more income for all drivers of leased vehicles, resulting in \$1,000 to \$5,800 in additional yearly income for drivers depending on model year or type of vehicle. Specifically, it will drop lease rates by roughly 15-25 percent over three years for hybrid, electric, and CNG vehicles, and immediately drop lease rates for low gas mileage vehicles by roughly 8-12 percent.

The City will also help to level the playing field between taxis and rideshares by establishing one or more universal apps and requiring all taxis to participate. The taxi industry has struggled to compete with rideshare services that connect riders to drivers through smartphone applications. While many taxi drivers use apps like Uber, no app contains more than a few hundred taxis out of a fleet of nearly 7,000. The City will run a competitive procurement process based on consumer protection and service criteria and allow app developers to compete for designation as a universal app.

The ordinance will also reduce the maximum fine for driver violations like traffic tickets and rider complaints by 60 percent, from \$1,000 to \$400. The City will still retain the authority to revoke or suspend the licenses for drivers cited for serious violations.

Below are the additional regulatory and operational improvements provided through the ordinance:

- **Establish a Taxi Driver Fairness Task Force.** To improve the experience of drivers with the [121 NORTH LASALLE STREET, ROOM 507, CHICAGO, ILLINOIS 60602](#)

City, the ordinance will establish a driver task force that will identify additional reforms to improve the driver experience in Chicago.

- **Reduce Burdensome Financial Reporting Requirements.** Currently cab companies have to report annually every May. The City can obtain the information it needs by removing the annual requirement and authorizing BACP to request it as needed.
- **Extend Vehicle Age Requirements.** With more than 80 percent of Chicago's taxi fleet now fuel efficient, the substitute creates additional incentives for fuel efficient vehicles by extending their allowed life cycle to seven years, a one year increase from current law.
- **Provide for Advertising Revenue Sharing with Drivers.** In recent years, the City allowed taxis to display advertisements, creating another revenue stream for vehicle owners. The City will boost income for drivers of these vehicles by amending the municipal code to allow for drivers to receive a credit on their lease, resulting in hundreds of additional income annually.
- **Remove Barriers to Greater Efficiencies in the Transportation Market.** With the rise of smartphone apps like Uber increasing competition and transparency on prices, there is no longer a need for a firewall between the taxi and livery industries. The substitute will allow taxi licensees to enter the livery industry and vice versa.

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