

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: August 21, 2025

To: Board of Taxicab Commissioners

From: Laura Rubio-Cornejo, General Manager



Subject: **RECOMMEND APPROVAL OF TAXICAB METER RATE ADJUSTMENT**

RECOMMENDATION

That the Board:

- A. **FIND** that a Taxicab Meter Rate increase is appropriate.
- B. **APPROVE** a new taxi meter rate of:
 - \$3.65 Flag Drop for first 1/9th of a mile or 37 seconds or fraction thereof,
 - \$0.39 per each additional 1/9 of a mile which is the equivalent of \$3.51/per Mile
 - \$0.39 every 37 seconds of wait time which is equivalent to \$37.95/ per hour
- C. **APPROVE** additional surcharges of:
 - \$0.15 per trip to cover costs related to real-time data sharing.
 - \$25.00 Surcharge for trips originating at Dodger Stadium during and after events.
 - \$25.00 Surcharge for trips originating at the Hollywood Bowl during and after events.
- D. **APPROVE** a new special fund for retention of all technology fee funds collected from all Vehicles for Hire that are permitted by the Commercial Rideshare and Mobility Group.

DISCUSSION

Beginning in 2011, the baseline rate ordinance provided a \$2.65 flag drop, \$2.70 cost per mile and \$29.19 hourly waiting charge. An additional \$0.20 was added to the flag drop (for a total drop charge of \$2.85), as a bandit assessment fee beginning in October 2006. The intent of this additional fee was to cover the cost of additional bandit enforcement using both Los Angeles Police Department and Department Investigators. See Rate Ordinance 177844 authorizing the \$0.20 bandit “flag drop” attached to this report.

In 2022 as the City was beginning to adjust to a Post-COVID environment, taximeter rates were adjusted upwards by 10% due to the increasing cost of metrics such as vehicle costs, maintenance and fuel which had increased to unprecedented levels severely impacting the taxicab business. The Taxicab Commission at this time had authority to adjust rates up to a maximum of 10% without the item proceeding to Council. Because of the times and the events surrounding the City, this measure was taken to increase the rates and help the industry recover.

The rates established after that time, which are still the current rates today are as follows:

- \$3.10 Flag Drop for first 1/9th of a mile or 37 seconds or fraction thereof,
- \$0.33 per each additional 1/9 of a mile which is the equivalent of \$2.97/per Mile
- \$0.33 every 37 seconds of wait time which is equivalent to \$32.11/ per hour

At present, costs for companies and drivers continue to rise. Vehicle and fuel costs remain high, insurance costs continue to climb, and the cost of living in the City of Los Angeles continues to increase. Furthermore, additional requirements such as real-time data sharing by the companies and a push toward upfront pricing requires additional investment by the companies.

As staff reviewed the metrics to adjust taximeter rates, staff weighed the following factors accordingly:

Taxi Cost Index Factors & Weighting May 2025

TAXI INDEX	WGT	CONSUMER PRICE INDEX SERIES	CHANGE
Fuel	25%	CPI - Gasoline (All Types) - Los Angeles – Long Beach – Anaheim - (Series CUURS49ASET01)	-18.15% decrease = -4.54 index
Repairs and Maintenance	25%	CPI - Motor Vehicle Maintenance & Repairs - US City Average – (Series CUUR0000SETD)	28.50% increase = +7.13 index
Driver Returns	25%	Average Hourly Earnings – Total Private Sector Employees – State of California (Series SMU06000000500000003)	8.42% increase = +2.10 index
Insurance	25%	CPI - Motor Vehicle Insurance - US City Average – (Series CUUR0000SETE)	51.15% increase = +12.79 index
Total	100%	Potential Taximeter Rate Revision	17.48% index increase

Furthermore, staff reviewed rates in other Cities which are summarized below:

CITY	FLAG DROP	PRICE PER MILE OR FRACTION THEREOF	PRICE PER MEASUREMENT OF TIME	Notes/Other
San Diego	\$3.80 (Max \$4.00)	\$4.10 per Mile/ Max \$4.30	\$33.00/hour- Max \$35.00	San Diego's rates also contain a maximum allowing companies to increase rates under certain circumstances. Rates increased in 2025
Seattle	\$2.60 first 1/9 th of a mile,	\$0.30 every 1/9 th mile, \$2.70/mile	\$0.50 per minute of wait time/\$0.30/ every 36 seconds. (\$30.00/hour)	Rates Changed in 2023
Washington D.C.	\$4.00 first 1/8 th of a mile	\$2.56 each additional mile	\$25.00/hour wait rate	Includes a passenger surcharge of \$0.50.
San Francisco	\$4.15	\$0.65 every 1/5 th of a mile. (\$3.25/mile)	\$0.65 per minute of wait time (\$39.00/hour)	Adjusted in 2022
Los Angeles Current Rates	\$3.10 First 1/9 th of a mile	\$0.33 each additional 1/9 th of a mile (\$2.97/mile)	\$0.33 per 37 seconds of wait time. (\$32.11/hour of wait time)	Adjusted in 2022
Los Angeles Proposed Rate	\$3.65 First 1/9 th of a mile	\$0.39 each additional 1/9 th of a mile (\$3.51/mile)	\$0.39 per 37 seconds of wait time. (\$37.95/hour)	

CITY AUTHORITY

Government Code Section 53075.5(b)(2)(A) allows taxicab companies to set fares or charge a flat rate. It also allows cities to set a maximum rate. Based on the current meter rate, taxicab companies do not have the ability to set fares beyond that rate, even if there is justification. It is beneficial for the public that the City sets rates to establish some level of certainty and possible uniformity, and it is also beneficial for taxi companies and its drivers if those rates are set at a level that is reasonable and covers the costs of operations while still allowing room for profitability and for drivers to maintain a living wage.

COMMISSION AUTHORITY

Taximeter rates are reviewed by the Taxicab Commission on a regular basis. If the Taxi Commission approves new rates, those new taximeter rates must also be approved by the City Council. As part of the current rate Ordinance, the Los Angeles Department of Transportation (LADOT) reviews a Taxi Cost Index and reports the overall change in the index factors. The Taxicab Commission may then accept or change any recommendations made by the Department regarding its review of the Taxi Cost Index and other rate factors such as service demand changes, or rate surveys in other jurisdictions.

Staff prepared a rate analysis using available index factors noted above; (Fuel, Repairs and Maintenance, Driver Returns, and Insurance. Weighting each of those factors equally, it was determined that an 18% increase in the taximeter rate would be reasonable.

DATA SHARING SURCHARGE

As part of its regulatory authority, the LADOT requires that its permittees share data through the Mobility Data Specification (MDS). This platform is currently used on Dockless Scooters/E-Bikes, Personal Delivery Devices (Delivery Robots), and also Taxicabs.

MDS allows regulators and service providers to share mobility information in near real-time, to communicate policies like street closures, time-of-day and parking restrictions, and other information that helps cities better manage transportation services in the public right of way. It also allows for historical information exchange for compliance evaluation and service planning.

Some of the data that is shared includes:

- Vehicle location, trip origin, trip destination, vehicle telemetry, speed limit compliance, vehicle type, vehicle miles traveled, idle time
- Vehicle ID and vehicle status (i.e., maintenance, out of service, stopped, non-contactable, etc.)

This information will help the City understand service levels and more effectively serve the public interest.

LADOT also recognizes there is a cost to being able to provide this information on a real-time basis. Because LADOT has this data sharing requirement, which aligns taxicabs with other programs, and because LADOT also sets maximum rates related to taxi revenue, it was determined that a fee should be allowed to assist the companies in recouping costs necessary to remain in compliance with data sharing standards.

SPECIAL EVENT SURCHARGES

This report also includes a request to allow surcharges for trips originating at Dodger Stadium and the Hollywood Bowl during its events. This is primarily because both locations are notorious for heavy traffic and limited access making it very difficult for taxi drivers to easily go in and out to pick up customers. This surcharge will incentivize drivers to continue serving these events while also helping to compensate for the amount of time returning to the location for additional pickups. This surcharge is

similar to a surcharge that exists for taxicabs in the Coachella Valley where there is an additional \$35.00 charge for trips originating at Coachella and Stagecoach Festivals during the day of those events.

TECHNOLOGY FEE SPECIAL FUND

Currently, an annual fee of \$100 per motor vehicle is assessed on all permitted companies. This fee was created to ensure that LADOT is able to manage operations and maintenance of its own technology including permitting software as well as software related to data sharing. LADOT is not proposing a change in fee, but is rather requesting authority to create a special fund that allows the LADOT to use those funds directly for technology enhancements and operations related to its permittees.

CONCLUSION

Based on the current economic circumstances, staff believe that the Commission should approve the proposed Taximeter rate increase and the attendant surcharges.

B25-018 jmm

Attachments

Ordinance 181745

Ordinance 177844

ORDINANCE NO. **177844**

An ordinance enacting a resolution of the Board of Taxicab Commissioners of the City of Los Angeles, adopted on July 21, 2005, designated as Board Order No. 038, adjusting the rates and charges for taxicab service in the City of Los Angeles.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

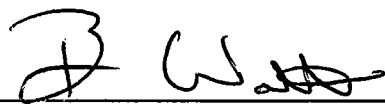
Section 1. The resolution of the Board of Taxicab Commissioners, adopted on July 21, 2005, designated as Board Order No. 038, prescribing an increase in the legal rates to be charged by all taxicab operators, as adjusted to account for bandit enforcement funding, is approved, providing as follows:

- a. The taximeter activation "flag drop" rate charged for the first portion of taxicab service pertaining to the most current taximeter rate ordinance shall be increased by \$0.20.


Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of AUG 01 2006.

FRANK T. MARTINEZ, City Clerk

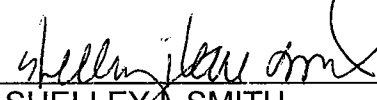
By 
Deputy

Approved AUG 11 2006


Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By 
SHELLEY I. SMITH
Assistant City Attorney

Date 7/10/06

File No. 06-0142

SIS:mde
M:GC:SIS:Bandit Enforcement #1

ORDINANCE NO. 181745

An ordinance enacting a resolution of the Board of Taxicab Commissioners of the City of Los Angeles, adopted March 17, 2011, designated as Board Order No. 063, fixing the rates and charges for taxicab service in the City of Los Angeles.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The resolution of the Board of Taxicab Commissioners designated as Board Order 055 and Ordinance No. 178,050 approving the resolution are each repealed. The resolution of the Board of Taxicab Commissioners, adopted on March 17, 2011, designated as Board Order No. 063, establishing and prescribing the baseline legal rates to be charged by all taxicab operators is approved, as follows:

- (a) **DROP CHARGE** - \$2.65 first 1/9th mile, or 37 seconds, or fraction.
- (b) **DISTANCE CHARGE** - \$0.30 for each additional 1/9th mile or part (\$2.70 per mile.)
- (c) **WAITING/TIME DELAY CHARGE** - \$0.30 for each 37 seconds waiting time and/or traffic delay (\$29.19 per hour.)
- (d) **AIRPORT SURCHARGE** - \$4.00 surcharge for trips originating at Los Angeles International Airport.
- (e) **AIRPORT MINIMUM CHARGE** - \$15.00 minimum airport fare per trip (group), plus any applicable airport surcharge, for taxicab trips originating at Los Angeles International Airport.
- (f) **AIRPORT FLAT RATE** - \$46.50 flat fare per trip (group) for taxicab trips between Los Angeles International Airport and Downtown Los Angeles, plus any applicable airport surcharge.

Sec. 2. The resolution of the Board of Taxicab Commissioners designated as Board Order No. 063, adopted on March 17, 2011, is also hereby approved, establishing and prescribing the authority for the Board of Taxicab Commissioners to institute interim taximeter rate adjustments, based upon a public hearing and approval of a Board Order, should any semi-annual review of the City's Taxi Cost Index indicate a minimum five percent (5%) change from the most current baseline rate or other interim taximeter rate adjustment, with conditions for rate adjustment, as follows:

- (a) Any interim rate adjustment shall be within one percent (1%) variation of the total Taxi Cost Index change when comparing the cost of providing a five-mile trip, up to a maximum of fifteen percent (15%) increase or decrease allowed.

(b) An interim rate adjustment may be allowed up to a ten percent (10%) maximum change from the base rate described in Section 1, herein, without requiring further Council action. Such change shall be defined as the cost of providing a five-mile trip.

(c) A temporary interim rate adjustment may be allowed greater than ten percent (10%) of the cost to provide a five-mile trip, up to a maximum fifteen percent (15%) change from the base rate described in Section 1, herein, but only with the completion and review of a rate study, and with new baseline taximeter rate recommendations and draft rate ordinance forwarded to the Mayor and City Council for approval.

(d) For a minimum of 15 days prior to the effective date of any interim taximeter rate adjustment, all taxicab drivers shall post signage in each taxicab, as approved by the Department of Transportation, notifying the public of upcoming changes in the taximeter rate schedule. Such signage shall include the taximeter rate changes and the pending effective date of the increase or decrease in the taximeter rate.

(e) The Department of Transportation shall monitor the Consumer Price Index components comprising the Taxi Cost Index every six months and report such index changes to the Board of Taxicab Commissioners. Should the Taxi Cost Index vary by five percent (5%) or more as compared to the index level used for the most current taximeter rate, the Department shall also include recommendations to the Board for an interim taximeter rate adjustment. Should any interim rate adjustment recommendation provide for more than ten percent (10%) variation in the passenger cost of a five-mile trip as compared to the baseline rate approved in Section 1, herein, the Department shall also include a rate study in its report to the Board, or shortly thereafter, along with baseline rate adjustment recommendations and draft rate ordinance for Mayor and Council approval.

Sec. 3. Any franchised taxicab operator may offer a special senior citizen taxicab rate by providing up to 10% discount on scrip sold to senior citizens. Senior citizens are those males and females 62 years of age or more. The taxicab operator shall file with the Board the conditions under which the senior citizen rate will apply. The conditions shall become effective after being filed with the Department subject to any modifications or restrictions the Department may impose.

Sec. 4. The provisions of Board Order No. 329 and Ordinance No. 151,270, as they apply to discounts for disabled or blind persons, shall continue to be in effect.

Sec. 5. "Los Angeles International Airport" as used in this ordinance means passenger terminals number 1 through 7 and Imperial Passenger Terminal. "Downtown Los Angeles" as used in this ordinance means the area bounded by Cesar

Chavez Avenue to the North, Alameda Street to the East, Santa Monica (10) Freeway to the South, Harbor Freeway (110) to the West plus Union Station and Chinatown.

Sec. 6. The driver shall choose the route and the passenger may not designate any intermediate stops for the flat fare to be effective.

Sec. 7. All franchised taxicab operators shall file with the Department not later than 45 days after the end of each period, monthly statistical data to include the following: meter receipts, number of trips, number of paid and total miles, number of shifts operated, and number of telephone orders received. The taxicab operator shall also file with the Department annual audited financial statements (*i.e.*, balance sheet and income statements) from a certified public accountant at the end of its fiscal year, together with any reports as the Board may require from time to time.

Sec. 8. Any franchised taxicab operator failing to provide the above financial and statistical reports within the 45-day period shall, after a public hearing before this Board, be subject to having its franchise suspended on a day-to-day basis until the reports have been filed with the Board.

Sec. 9. Each taxicab operated in the City of Los Angeles by any franchised taxicab operator shall not be equipped with any taximeter containing any unauthorized rate or extra charges which can facilitate the perpetration of a fraud. No schedule of rates contained in the taximeter may be higher than those authorized for the City of Los Angeles unless authorized by the Board of Taxicab Commissioners.

Sec. 10. The Board of Taxicab Commissioners shall have the authority, hereinafter, upon a hearing to establish and prescribe by Board Order special discounts in the taxicab fare for specified types of taxicab trips along with the conditions under which any franchised taxicab operator may voluntarily offer the discounts. The Board shall not approve a discount for a period that exceeds 180 days. The Board Order approved by the Board establishing a discount shall be effective on final publication of the Board Order and without subsequent ratification by the City Council. Any discount that is to be in effect for more than 180 days shall be approved by the City Council.

Sec. 11. Any person, firm, or corporation violating any of the provisions of the resolution shall be guilty of a misdemeanor and upon conviction shall be punishable by a fine of not more than \$1,000.00, by imprisonment in the County Jail for a period not to exceed 180 days, or by both a fine and imprisonment.

Sec. 12. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the ground level at the Los Angeles Street entrance to the Los Angeles Police Department; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles MAY 24 2011, and was passed at its meeting of MAY 31 2011.

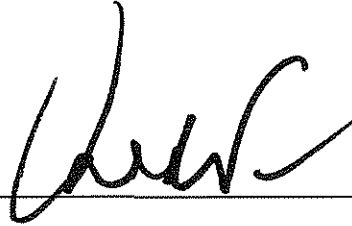
JUNE LAGMAY, City Clerk

By



Deputy

Approved JUN 09 2011



Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By


MICHAEL D. NAGLE
Deputy City Attorney

Date:

5/3/2011
2011

File No. CF 09-0525 11-0732