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LA City Council Adopts LADOT's Reforms for the Taxi Industry in Los Angeles

Rule update is the first in over 20 years, improves competitiveness of legacy industry

Los Angeles, CA (February 15, 2022)

Today, the Los Angeles City Council approved the Los Angeles Department of Transportation's (LADOT) proposed changes to the city's taxi permitting system. As adopted, the updated rules will represent the first major changes to LA's taxi regulations since the 1990's.

"Taxis are essential in Los Angeles. They ensure that people have a safe and reliable option to get around and can be a pathway for drivers to earn a decent, living wage," said LADOT General Manager Seleta Reynolds. "The critical reforms approved today bring us into the 21st century, remove outdated regulations, and modernize elements to make taxis competitive in a constantly evolving transportation market."

The reforms approved today include significant changes to the current taxi system in Los Angeles and were designed to improve competitiveness of taxis as a mode of transportation while maintaining safety and environmental standards as well as a fee structure to support a living wage for drivers.

A summary of the changes follows:

- 1. Open Market System**

The shift from a franchise system to an open market will allow more independent taxi businesses to enter the market. This shift will include the elimination of fleet minimums and fleet caps, leaving it to the market to determine how many taxicabs are required to meet service needs. Any operator who meets the requirements for a license – insurance, training, security checks, and vehicle inspection – may offer taxi services.

- 2. Relaxed Trade Dress for Vehicles**

Relaxed trade dress requirements will lower costs for taxi businesses. This includes allowing a vehicle to be any factory color while maintaining other required features of a taxicab, including safety standards; permitting leased or rented vehicles for for-hire use; and making it easier to sell used taxi vehicles.



3. Expedited Driver Onboarding

LADOT has created an on-boarding process, making it easier and faster for new drivers to start earning a living. Changes will focus on moving most permitting processes online to increase onboarding efficiency, shifting training requirements to the taxi service companies, and making it easier to permit drivers and vehicles from other jurisdictions.

4. Upfront Pricing Calculation

The move to upfront fare calculation will increase fare transparency, improve the passenger experience and help drive demand for taxis. These changes also will lower the chance of improper pricing and charging by drivers, decrease accusations of improper charging against drivers. In addition, the move to allow software based meters will lower the cost of outfitting cars by not requiring the hard-wired installation of taxi meters.

5. Data Sharing with Mobile Data Specifications (MDS)

Taxis will be required to digitally report trip data to LADOT through the city's Mobility Data Specification (MDS). This information will help LADOT better understand travel patterns, where to locate taxi zones and other curb management functions, a benefit for both taxi drivers and passengers, and provide data that will allow for the the development of better equity programs. Furthermore, the requirement for Apps to integrate with MDS reflects the first steps to having all licensed LA taxis available on integrated e-hail platforms.

The rule change was previously approved by the Los Angeles Taxi commission and the Transportation Committee.

About LADOT Transit

LADOT leads transportation planning, project delivery, and operations in the City of Los Angeles. We work together and collaborate to deliver a safe, livable, and well-run transportation system in the city and region. Our vision is for all people in Los Angeles to have access to safe and affordable transportation choices that treat everyone with dignity and support vibrant, inclusive communities.

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