

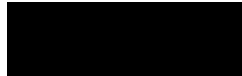


P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 12.1.1
Transportation Standing Committee
November 24, 2022

TO: Chair and Members of Transportation Standing Committee

SUBMITTED BY:



Jacques Dubé, Chief Administrative Officer

DATE: October 25, 2022

SUBJECT: Amendments to By-law T-1000 – Taxi Broker Fee System

ORIGIN

On April 29, 2021, the following motion of the Transportation Standing Committee regarding Item 15.1 was put and passed:

“THAT the Transportation Standing Committee request a staff report to amend HRM By-law T-1000 to ensure fairness in the process to become either a Taxi Driver or a Transportation Network Company (TNC) Driver and to study the taxi broker fee system, as well as to examine the fee structures for taxi brokers and Transportation Network Companies (TNCs).”

LEGISLATIVE AUTHORITY

- *Motor Vehicle Act, R.S.N.S., 1989, c. 293, section 30*
- *Halifax Regional Municipality Charter, 2008, c. 39, clauses 188(2)(e) & (f)*
- *By-law T-1000, Respecting the Regulation of Taxis, Accessible Taxis, Limousines and Transportation Network Companies*
- *Administrative Order 39, Respecting Taxi and Limousine Regulation*

RECOMMENDATION

That the Transportation Standing Committee recommend that Halifax Regional Council direct the Chief Administrative Officer to draft amendments to By-law T-1000 and Administrative Order 39 as set out in Attachment A of this report.

BACKGROUND

On April 29, 2021, the Transportation Standing Committee requested a staff report to amend By-law T-1000, *Respecting the Regulation of Taxis, Accessible Taxis, Limousines and Transportation Network Companies* and Administrative Order 39, *Respecting Taxi and Limousine Regulation*, to ensure fairness in the process of becoming a vehicle for hire driver or a transportation network company (TNC) driver, through our current license with Uber.

This report outlines the process required to become a conditional driver and the training and courses needed to become a permanent driver, compared to the requirements for becoming a TNC driver.

DISCUSSION

Staff met with industry members operating in the Municipality (Bob's/Blue Bell Taxi, Casino Taxi, Satellite Taxi, and Yellow Cab) to discuss current licensing requirements to become a vehicle for hire driver. Feedback from industry is that the process is outdated, timely, costly and is seen as a hinderance to new drivers. It was advised the current requirements do not provide benefits to drivers or the public.

The estimated time to become a licensed conditional driver is roughly two months. Once approved for a conditional license, it is twelve months before they can become a permanent driver. There are many steps in becoming a conditional driver as outlined below. All the documents noted in the steps, except for the testing, must be provided again to apply for the permanent license.

Applying for a Vehicle for Hire Driver License

The steps required for an applicant to become a vehicle for hire driver (Table 1), include:

1. Complete an English language proficiency test
2. Submit an application form and supporting documents to the Licensing Authority which include:
 - a. Criminal Record Check
 - b. Child Abuse Registry Check
 - c. Driver's Abstract
 - d. Two passport photos - dated and stamped within 30 days
 - e. Class 4 Driver's license
 - f. English language test results
3. Complete the driver knowledge exams which include:
 - a. By-law T-1000 and Administrative Order 39
 - b. Streets and Roads
 - c. Buildings and Common Locations

By completing these steps, the applicant is now issued a conditional driver's license. The conditional license is valid 12 months from the date of issue. Once a conditional license is received, a driver may begin driving a taxi or limousine.

During the 12-month conditional license, three additional steps are required to be completed before an applicant can move from a conditional to a permanent driver:

1. National Certification Program (complete 600 driving hours as a vehicle for hire driver and pass the National Certification exam)
2. Winter Driving course
3. Submit an application and supporting documents to HRM to become a permanent driver

Once the above steps are completed and supporting documents are approved by the Licensing Authority, the applicant now becomes a permanent driver, and their license is valid for 2 years.

Table 1: Becoming a vehicle for hire driver and the estimated cost associated with doing so

Becoming a vehicle for hire driver	Cost
English language test	\$103.50 (East Coast Language College)
Application to become conditional driver	\$50.00
Child Abuse Registry Check	Free
Driver's Abstract	\$18.65
2 Passport Photos	\$20.00
Criminal Record Check & Vulnerable Sector Check	\$50.00
Driver knowledge exams	Free
Register for National Certification Program	\$207.00
Winter Driving Course	\$50.00
Application to become a permanent driver	\$100.00 (license is valid for 2 years)
Total	\$599.15

After an applicant receives their permanent driver license, they are required to renew this license with supporting documents every two years (Table 2).

Table 2: Renewing a vehicle for hire driver license

Renewing a vehicle for driver license (every two years)	Cost
Application	\$100.00
Driver's Abstract	\$18.65
2 Passport Photos	\$20.00
Criminal Record Check & Vulnerable Sector Check	\$50.00
Total	\$188.65

Applying to be a Transportation Network Company Driver

To become a TNC driver, an application with supporting documents must be sent to the TNC for approval. The only cost associated with becoming a TNC driver is the completion of a Criminal Record and Vulnerable Sector Check which costs \$50.00. A TNC driver may begin driving immediately after receiving approval from the TNC and most TNC's require the drivers to complete an online training program within the first six months of driving. The training covers topics such as road safety and sexual harassment and is provided through short videos for the driver to watch. If the training is not completed in the required timeframe the driver will no longer have access to the TNC platform.

Proposed Changes

Below are recommended changes that will bring some balance to becoming a vehicle for hire driver compared to a TNC driver.

1. Conditional Driver License and National Certification Program

A conditional driver license is the first step in getting a permanent driver license. Before a driver can become permanent, they must complete the National Certification Program.

The jurisdictional scan attached to this report (Attachment B) confirms that other regions do not have a requirement for a conditional license prior to a becoming a permanent license holder. The conditional driver license is for one year. If they do not meet the requirements of the National Certification Program in the one-year license timeframe the driver is required to wait six months before starting the process over again

to become a new conditional driver. This burden is not shared by TNC drivers, a TNC driver provides required documents to the TNC and once approved, is able to drive immediately.

The National Certification Program¹ is hosted by the Tourism Industry Association of Nova Scotia (TIANS) and costs \$207.00 to register. To complete the Professional Certification for Taxicab and Limousine Driver program, an applicant must have 600 hours of driving a vehicle for hire and pass a written exam. The national training includes the following modules: Professionalism, Customer Service, Communication, Safety, Industry Knowledge, Shift Procedures, and Monetary Transactions.

Feedback from industry indicates the program is outdated and no longer relevant. The 600 hours of work experience is cumbersome especially if the driver operates on a part time basis or is unable to work for a period of time. If the 600 hours is not achieved within the 12 months, the driver must reapply for a new conditional license, starting the 600 hours again. The testing portion of the certification can also be a barrier as some of the questions are unclear and outdated as a multiple-choice answer system.

If the requirement for a conditional driver license is removed it would improve licensing timelines, reduce regulatory burden, and provide cost savings for new vehicle for hire drivers. Removing the conditional driver license requirement from the By-law would in turn remove the requirement for the National Certification Program, therefore, staff recommend removing the conditional driver license requirement for new drivers.

2. Winter Driving Course

The winter driving course was approved by Regional Council in September 2019. Safety Services of Nova Scotia² is the only business that provides the training locally. The course is \$50.00 and is only available as an online training course and doesn't provide any hands-on experience to drivers. The intent of the course was to give drivers, new to Nova Scotia's climate, experience driving in winter conditions in a controlled manner, however, as there is no in-vehicle training option available, staff do not recommend continuing with this program.

TNC drivers are not required to complete a winter driving course and to make it an equitable process, staff recommend removing this requirement for vehicle for hire drivers.

3. Driver Knowledge Exams

Three driver knowledge exams must be passed by an applicant to become a conditional driver and register for the National Certification Program. The test has been procured to be administered by an external service provider at an approximate annual cost of \$45,000. There is no fee to the applicant to take the test and they can attempt to write the tests two times within 12 months of applying and must receive a score of 70% or above to pass. The test topics include:

- By-law T-1000 and Administrative Order 39
- Streets and Roads
- Buildings and Common Locations

Applicants generally do very well with the By-law and Administrative Order exam questions but struggle with the Streets and Roads and Buildings and Common Locations questions. Applicants have proven their understanding of By-law T-1000 and Administrative Order 39 through the high pass rate of this section of the exam. The material is easily accessible online, and it is recommended the onus should be on the license holder to understand the legislative requirements of the By-law and Administrative Order without the need for testing.

¹ <https://www.halifax.ca/sites/default/files/documents/business/bizpal-permits-licensing/TLD-emerit-prep-pack.pdf>

² <https://www.safetyservicesns.ca/online-driver-training-purchase/defensive-driving-extreme-winter-driving-and-skid-contorlrecovery>

Applicants are encouraged to prepare for the Locations exam by driving around the municipality, learning the main arterial streets, popular buildings, and common locations such as parks and historical sites.

Applicants have historically struggled with the Streets and Roads and Buildings and Common Locations exams due to the lack of study material provided to them. These tests were required in the past prior to GPS systems in their vehicle. In September 2019³, Regional Council passed amendments to By-law T-1000 that required all taxis to have a GPS in the vehicle. With this amendment and application-based mapping systems available, memorization of street names or common buildings is no longer needed, as the location is entered into the system to get the passenger where they need to go via the quickest route.

If an applicant fails their second attempt, they are required to wait 3 months before retaking the exam. This process was created as the volume of drivers taking the test was so high, they would attempt to take the test over and over until they passed. The 3-month waiting period gives drivers the time to study so their next attempt at the exam would be a pass. In the second half of 2018, there were 106 applicants, 2019 - 141 applicants, 2020 - 73 applicants, 2021 – 39 applicants and to date in 2022 there have been 28 applicants.

The removal of this testing requirement does not require an amendment to the By-law as the wording of the By-law is not specific to what types of exams must be taken, and staff recommend keeping this requirement if in the future, examinations are needed.

Not only will this streamline the process for new drivers applying for a taxi license, but it will also reduce the cost of an external service provider hosting the exams.

4. New training options

As this report recommends removing most of the training courses currently in place for a vehicle for hire driver, there is a need for a centralized training program. The intention of the training is to replace the current requirement of the National Certification program. The training will include topics such as understanding the dimensions of diversity, how to interact with individuals with disabilities including those passengers with service dogs, customer service, ethics, and the code of conduct in the by-law.

Staff have started drafting a Diversity and Cultural Awareness Training RFP and drivers would pay for the training directly to the service provider. This has not been released yet as staff are seeking direction from this report to ensure there are no additions that need to be added to the tender proposal.

This training will provide vehicle for hire drivers with the tools needed to provide well-rounded service to residents and will bring the process of becoming a driver in line with a TNC driver.

Review of Broker and TNC Licensing Fee

The licensing fees for a TNC company compared to a broker differs due to a few factors. Firstly, the Municipality charges a fee for each vehicle for hire driver or owner license. A driver license is \$100 and is valid for two years and an owner license is \$50 and is valid for one year. As of third quarter, 2022, there are approximately 972 drivers and 806 owners which provides approximately \$95,200 in annual revenue. Secondly, the annual licensing fee for a broker is \$300. The license fees for a broker are on average less than those jurisdictions listed in Attachment B of this report.

³ See [Halifax Regional Council, September 17, 2019 – Item No. 15.1.6](#)

The annual licensing fee for a TNC is a sliding scale as follows:

1 – 10 Vehicles	\$2,000
11 – 25 Vehicles	\$5,000
26 – 100 Vehicles	\$15,000
100+ Vehicles	\$25,000

The Municipality does not license TNC drivers; the fee is only for the TNC itself to be licensed. The license and fee gives the TNC permission to operate in the right-of-way. The license fees for TNCs are comparable to those in other jurisdictions as shown in Attachment B of this report.

Staff do not recommend changing the licensing fees at this time but advise that they will return to Regional Council in two years to report on data surrounding the use of TNCs and vehicle for hires. This will allow time for analysis of the data and inform any recommendation to change the licensing fees.

Regulatory Impact Assessment

In keeping with Administrative Order 2017-002-ADM, *The Charter of Governing Principles for Regulation Administrative Order*, a Regulatory Impact Assessment has been completed.

Business Impact Assessment Analysis

Finance staff have completed a Business Impact Analysis of the proposed adjustments. These changes will further ease the process and up-front cost associated with conditional licensing. The taxi industry will observe marginal benefits associated with the waiving of driver knowledge exams. As outlined in the original report regarding TNCs, HRM's contribution to regulatory costs remains marginal and these changes reduce firm costs for those seeking licensing and annual training.

HRM's approach to apply the same licensing procedure to TNCs and the traditional taxi industry is a sound policy approach so that new entrants are treated the same as existing entities.

Conclusion

In conclusion, staff recommend:

- Removing the conditional driver license requirement which will remove the National Certification program
- Removing the requirement for drivers to have a winter driving course
- Removing the current requirement for drivers to complete knowledge exams prior to issuance of drivers' license
- Creating a new training program RFP for vehicle for hire drivers
- No change to licensing fees for brokers and TNCs

The proposed changes create a streamlined process for vehicle for hire drivers. The proposed licensing process would require:

1. Completion of an English language proficiency test
2. Submission of an application form and supporting documents, as noted above to the Licensing Authority
3. Completion of the proposed training programs

These changes will bring the current cost of becoming a driver from \$599.19 to \$292.15 (table 3). This does not include the cost of the proposed new training program.

Table 3: New cost of becoming a vehicle for hire driver

Becoming a vehicle for hire driver	Cost
English language test	\$103.50 (East Coast Language College)
License Application	\$100.00
Child Abuse Registry Check	Free
Driver's Abstract	\$18.65
2 Passport Photos	\$20.00
Criminal Record Check & Vulnerable Sector Check	\$50.00
New training program	Cost unknown
Total	\$292.15

These proposed amendments improve licensing timelines and reduce the cost associated with becoming a vehicle for hire driver. If approved, these changes would make the process of becoming a vehicle for hire driver comparable to becoming a TNC driver.

If Regional Council approves the proposed changes, staff would prepare the necessary amendments to Bylaw T-1000 and Administrative Order 39 to be presented to Regional Council for approval.

FINANCIAL IMPLICATIONS

The removal of the conditional driver license will result in a small revenue loss as drivers will immediately become a vehicle for hire driver for \$100.00 and not pay \$50.00 for their conditional license.

There will be cost savings of approximately \$45,000 annually associated with the removal of the driver knowledge exams. Funds of \$90,000 have also been budgeted for the Diversity and Cultural Awareness training but with new concepts and topics being added, further funding may be required.

RISK CONSIDERATION

The risks considered rate:

1. **Medium:** Removal of the National Certification Program - TIANS advises that it provides the proper requirement and knowledge to drivers, so they are comfortable with driving within the city, understand the areas in which they are driving, and have a strong awareness of the bylaw and administrative order. Industry advised the impact on residents would be minimal.
2. **Low:** Winter driving training - this training is completed online only with no hands-on, in-vehicle training completed. There would be little to no risks in removing this requirement.
3. **Low:** Removal of Diversity and Cultural Awareness training where new training will be implemented - this would be available for new drivers with enhancements to the new training to include Diversity, Ethics, and cultural awareness.

COMMUNITY ENGAGEMENT

Industry engagement was completed and feedback from the following industry members was received: Bob's Taxi/ Blue Bell Taxi, Casino Taxi, Satellite Taxi, Yellow Cab, Uber, and the Tourism Industry Association of Nova Scotia. They advised the process is outdated, timely, costly, and is seen as a hinderance to new drivers wanting to enter the industry. The current requirements do not provide benefits to the driver or the public.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications related to the recommendations contained within this report.

ALTERNATIVES

The Transportation Standing Committee may choose to recommend that Regional Council:

1. Not direct the Chief Administrative Officer to draft amendments to By-law T-1000 and Administrative Order 39 as listed in this report.
2. Direct the Chief Administrative Officer to draft different amendments to By-law T-1000 and Administrative Order 39 than those contained within this report. This may require a supplementary staff report.

ATTACHMENTS

Attachment A – Proposed Changes

Attachment B – Jurisdictional Scan

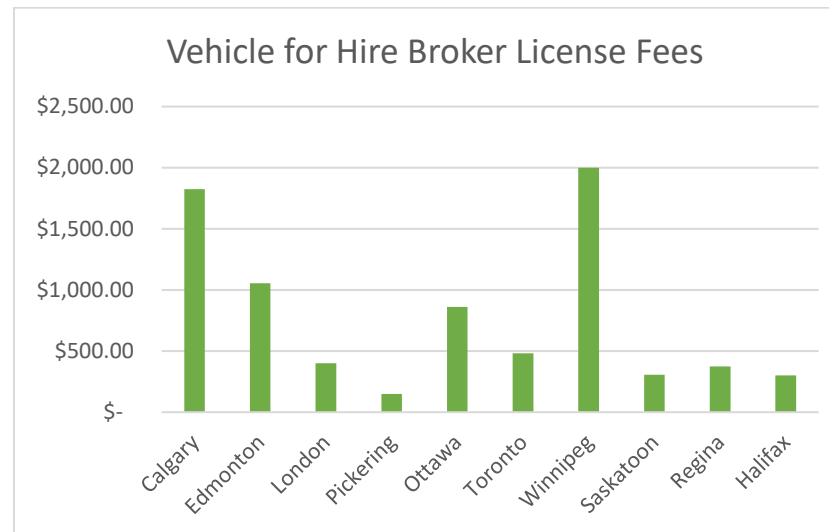
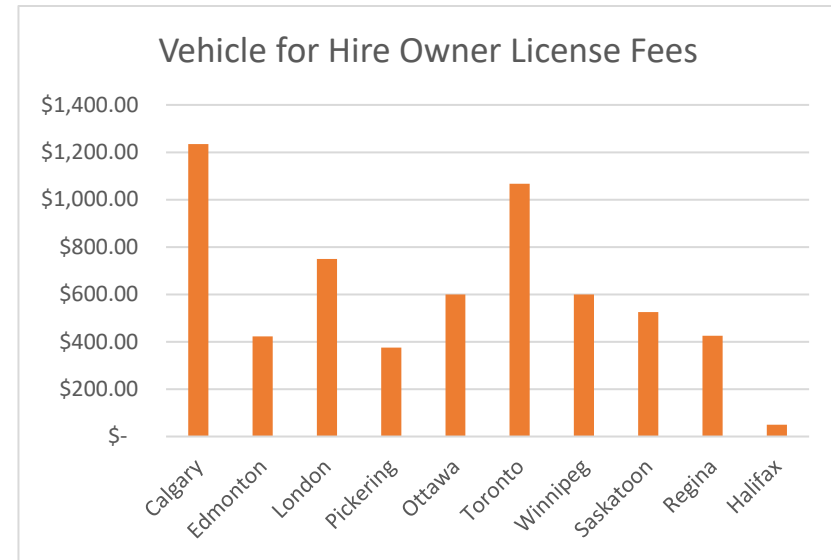
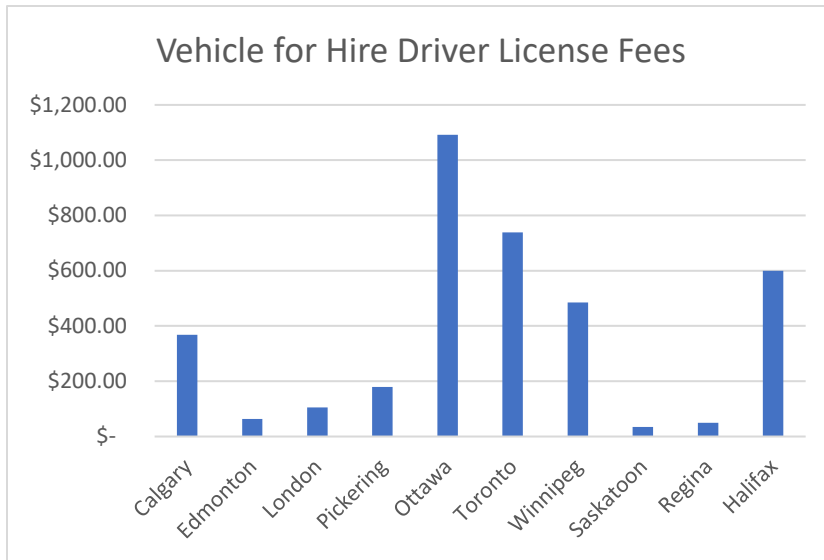
A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Tanya Snair, Supervisor Licensing, 902.490.2550

Attachment A – Proposed Changes

Current Requirement	Proposed Change	Reason for Change
Conditional Driver's Licenses	Remove the Conditional Driver's License which removes the requirement of the National Certification Program	The process of becoming a conditional driver is outdated and not required by any other jurisdiction in Canada. This adds a burden on vehicle for hire drivers that is not shared by TNC drivers
Winter Driving Course	Remove the winter driving course	The current process only provides an online course and does not provide any training in the vehicle in winter conditions
Driver Knowledge Exams	No longer requiring drivers to complete knowledge exams prior to issuance of drivers' license	<p>The onus should be on the license holder to understand the requirement of the By-law and Administrative Order without testing. The testing relative to the Streets and Roads and Common Locations exams is redundant with the introduction of GPS technology.</p> <p>Some of this material may be covered in the proposed new training</p>
New Training	Change the previous Diversity and Cultural Awareness Training RFP to include other topics such as customer service and industry knowledge	The new training will cover many topics that will greatly benefit drivers providing a service to the diverse residents of the municipality
Broker and TNC Licensing Fee	Keep the licensing fee for brokers and TNC's as is for the time being with a review of the licensing program coming to Regional Council in two years	<p>The fee structure balances itself out with the municipality gaining revenue from the licensing fee for vehicle for hire drivers and owners along with the licensing fee for brokers.</p> <p>The licensing fee structure for TNC's is comparable to those of other jurisdictions.</p>

Vehicle for Hire Licensing Fees

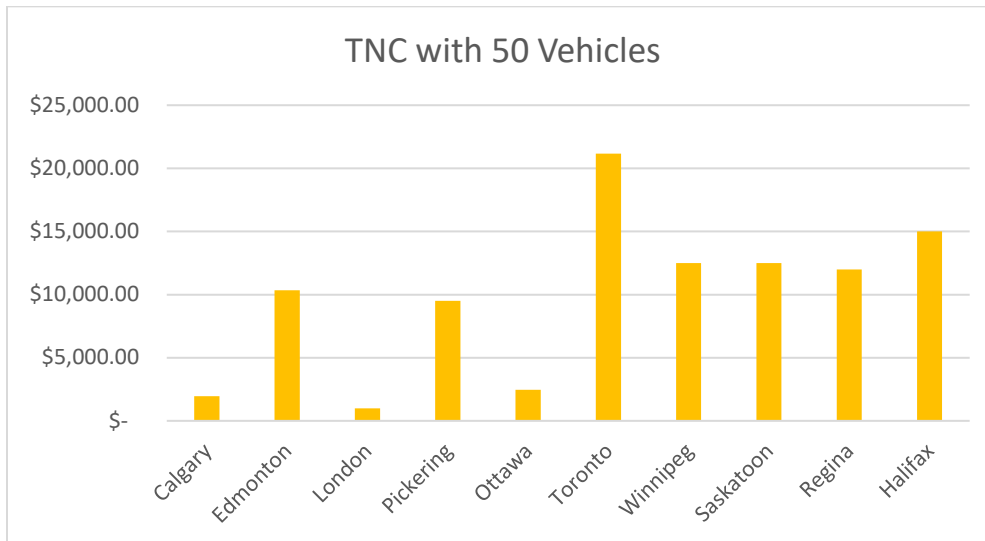


Vehicle for Hire Licensing Fees

Calgary	<u>Driver</u> Taxi Driver Training: \$312 Limousine Driver License Application Fee: \$56 Annual Taxi/Limousine Driver's License Renewal Fee: \$25	<u>Owner</u> Annual License Fee for Taxi Plate Licence: \$912 Annual License Fee for Accessible Licence: \$0 Application Fee for new plates: \$181 Annual License Fee for Limousine Plate Licence: \$731 Livery Vehicle Registration Certificate: \$141	<u>Broker</u> License Application Fee: \$1,824
Edmonton	<u>Driver</u> One Year License: \$64 Two Year License: \$106	<u>Owner</u> Accessible Taxi, Limousine, Private Transportation Provider, Shuttle, or Taxi: \$423	<u>Broker</u> 1 – 50 vehicles: \$1,056 51+ vehicles: \$1,056
London	<u>Driver</u> Annual license fee: \$60	<u>Owner</u> Annual license fee: \$750	<u>Broker</u> Annual license fee: \$400
Pickering	<u>Driver</u> Testing and training program: \$129 Driver license: \$100 (two-year license)	<u>Owner</u> Owner license: \$250 Clean air cab: \$125	<u>Broker</u> Annual License: \$150
Ottawa	<u>Driver</u> Application or renewal fee: \$55 Taxi driver license fee: \$96 Limousine driver license fee: \$941	<u>Owner</u> Application or renewal fee: \$55 Taxi plate holder fee: \$545	<u>Broker</u> Application fee: \$55 1 – 24 vehicles: \$807 25 – 99 vehicles: \$2,469 100 or more vehicles: \$7,253 Limousine service provider: \$941
Toronto	<u>Driver</u> Application fee: \$132.60 Accessibility fund program fee: \$15.67 Training course: \$575	<u>Owner</u> Licensing fee: \$1,003.84 Accessibility fund program fee: \$31.33	<u>Broker</u> Application fee: \$419.28 Accessibility fund program fee: \$62.66

Winnipeg	<u>Driver</u> Driver training: \$300 English language assessment: \$15 Accessibility training: \$100 Application fee: \$70	<u>Owner</u> Application fee: \$600	<u>Broker</u> 1 – 10 vehicles: \$2,000 11 – 25 vehicles: \$5,000 26 – 50 vehicles: \$12,500 51 – 100 vehicles: \$20,000 100+ vehicles: \$40,000
Saskatoon	<u>Driver</u> Driver License Fee: \$35	<u>Owner</u> Taxi License Fee: \$525	<u>Broker</u> Taxi Broker Fee: \$305 Enterprise Taxi License Fee: \$350/year
Regina	<u>Driver</u> New License: \$50 Renewal License: \$25	<u>Owner</u> License Fee: \$375 Inspection Fee: \$50	<u>Broker</u> License Fee: \$375
Halifax	<u>Driver</u> English language test: \$103.50 Application fee: \$50 Driver's abstract: \$18.65 2 Passport photos: \$20 Criminal Record Check & Vulnerable Sector Check: \$50 Register for National Certification Program: \$207 Winter Driving Course: \$50 Application to become permanent driver: \$100	<u>Owner:</u> Application fee: \$50	<u>Broker:</u> License fee: \$300

Transportation Network Company Licensing Fees



Calgary	<p><u>Transportation Network Company Driver</u> License Fee: \$229 Criminal Record Check & Vulnerable Sector Check: \$43</p> <p><u>Transportation Network Company</u> License Application Fee: \$141 Annual Fee: \$1,824</p>
Edmonton	1 – 15 Vehicles: \$3,106 16 – 50 Vehicles: \$10,353 51+ Vehicles: \$20,706
London	1 – 50 vehicles: \$1,000 51 – 100 vehicles: \$5,000 101 – 500 vehicles: \$10,000 501 – 1000 vehicles: \$15,000 1000 or more vehicles: \$50,000

Pickering	1 – 25 drivers: \$3,000 25 – 99 drivers: \$9,500 Greater than 100 drivers: \$20,000
Ottawa	1 – 24 vehicles: \$807 25 – 99 vehicles: \$2,469 100 or more vehicles: \$7,253
Toronto	Application fee: \$20,400 Per driver fee: \$15.30 Drivers must complete driver training
Winnipeg	1 – 10 vehicles: \$2,000 11 – 25 vehicles: \$5,000 26 – 50 vehicles: \$12,500 51 – 100 vehicles: \$20,000 101 – 500 vehicles: \$40,000 500+ vehicles: \$65,000
Saskatoon	1 – 10 vehicles: \$2,500 11 – 50 vehicles: \$12,500 51 or more vehicles: \$25,000
Regina	1 – 10 vehicles: \$2,500 11 – 50 vehicles: \$12,000 51 or more vehicles: \$25,000
Halifax	1 – 10 vehicles: \$2,000 11 – 25 vehicles: \$5,000 26 – 100 vehicles: \$15,000 100+ vehicles: \$25,000