

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Community Affairs Committee

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BILL: SB 884

INTRODUCER: Senator Latvala

SUBJECT: Taxi Operators

DATE: March 22, 2011

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	<b>Favorable</b>
2.	_____	_____	JU	_____
3.	_____	_____	GO	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill allows governmental units authorized to regulate the operation of taxis to create a property right or interest in a license.

This bill creates an undesignated section of law.

**II. Present Situation:**

The Florida Constitution grants local governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.<sup>1</sup> Those counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.<sup>2</sup> Likewise, municipalities have those governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform their functions and provide services, and exercise any power for municipal purposes, except as otherwise provided by law.<sup>3</sup>

The Florida Statutes enumerate the powers and duties of all county governments, unless preempted on a particular subject by general or special law.<sup>4</sup> Those powers include the provision of fire protection, ambulance services, parks and recreation, libraries, museums and other cultural facilities, waste and sewage collection and disposal, and water and alternative water supplies. Municipalities are afforded broad home rule powers except: annexation, merger,

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<sup>1</sup> FLA. CONST. art VIII, s. 1(f).

<sup>2</sup> FLA. CONST. art VIII, s. 1(g).

<sup>3</sup> FLA. CONST. art VIII, s. 2(b). *See also* s. 166.021(1), F.S.

<sup>4</sup> Section 125.01, F.S.

exercise of extraterritorial power, and subjects prohibited by the federal, state, or county constitutions or law.<sup>5</sup>

Under s. 125.01(1)(n), F.S., a county commission has the power to license and regulate taxis, jitneys, limousines for hire, rental cars, and other passenger vehicles for hire that operate in the unincorporated areas of the county; except that Miami-Dade was authorized to issue a number of permits to operate taxis which is no less than the ratio of one permit for each 1,000 residents of said county, and any such new permits issued after June 4, 1988, are issued by lottery among individuals with such experience as a taxi driver as the county may determine. According to a November 2010 study, there is approximately 1 cab for every 1,200 people in the county. Because of the scarcity of medallions most drivers lease their medallions for as much as \$350 a week.<sup>6</sup> In New York, where medallions are also limited, licenses sell for hundreds of thousands of dollars.

Cities can regulate taxis within their jurisdiction.<sup>7</sup> “The right to use the streets and highways of a municipality for the conduct of a strictly private business is not inherent; it can be acquired by permission or license from the city, whose power to withhold or grant it in the manner and to the extent it may see fit is an essential prerogative of municipal government.”<sup>8</sup>

The Hillsborough County Public Transportation Commission, created by special act of the Florida Legislature, regulates the operation of certain "for-hire" vehicles in Hillsborough County and its municipalities. Vehicles regulated are taxicabs, limousines, vans, handicabs, basic life support ambulances, and wreckers used for government purposes.<sup>9</sup> In 1994, the Department of Community Affairs designated the commission as an independent special district. “[T]he commission may determine whether the operation of a certain public vehicle serves a public convenience or necessity when a permit is being granted and may, by rule, establish a cap on the number of taxicab permits that may be issued.”<sup>10</sup>

### III. Effect of Proposed Changes:

The bill allows any governmental unit authorized to regulate the operation of taxis to create a property right or interest in a license to operate a taxi within the geographic boundaries of the governmental unit.

Upon the creation of such private property right, the owner of a taxi operation may pledge, sell, assign, sublease, or otherwise transfer the license to another person. However, the owner must apply to the governmental unit before making such transfer and obtain its approval for the proposed action, except that a license may be transferred by operation of intestate succession or devise.

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<sup>5</sup> Section 166.021, F.S.

<sup>6</sup> Paul Sherman, *Miami's Vice: Overregulating Entrepreneurs*, Institute for Justice (Nov. 2010).

<sup>7</sup> *Pratt v. City of Hollywood*, 78 So. 2d 697 (Fla. 1955) but see *Duck Tours Seafari, Inc. v. City of Key West*, 875 So. 2d 650, 655+ (Fla. 3d DCA 2004).

<sup>8</sup> *Jarrell v. Orlando Transit Co.*, 167 So. 664 (1936).

<sup>9</sup> See sh. 47-24921, L.O.F., as modified by ch. 83-423, L.O.F.

<sup>10</sup> Op. Att’y Gen. Fla. 2007-01 (2007).

As used in this section, the term:

- “License” includes any certificate, permit, medallion, or other evidence that authorizes a person to operate a taxi within the geographic boundaries of a governmental unit.
- “Governmental unit” includes a county, municipality, special district, commission, or other unit of state or local government.

The bill provides an effective date of July 1, 2011.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

Limiting the number of taxi licenses within a given jurisdiction decreases competition because there can only be a limited amount of taxis in the market. Decreased competition drives up the cost of taxi fare. A new market for taxi licenses will be created, which, depending on the number of licenses issued, could have significant value.

##### **C. Government Sector Impact:**

The bill does not specify whether government entities are authorized to sell these licenses originally or charge for transfer of the license. To the extent that the government entity can sell the license or charge for transfer of the license, the government entity could generate revenue by creating a property right in a license.

#### **VI. Technical Deficiencies:**

None.

#### **VII. Related Issues:**

None.

**VIII. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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