



Request for City Council Committee Action from the Department of Regulatory Services

Date: November 28, 2011

To: Council Member Elizabeth Glidden, Chair – Regulatory, Energy & Environment Committee

Subject: Taxicab Ordinance Amendment, Chapter 341.185, related to credit/debit cards

Recommendation: That the Regulatory, Energy and Environment Committee approve adding section 341.185 to the Minneapolis Code of Ordinances requiring electronic credit/debit card processing equipment in taxicab vehicles and acceptance of credit/debit cards by drivers.

Previous Directives: None

Department Information

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Approved by:

Henry Reimer, Interim Director of Regulatory Services

Dana Banwer, Director of Licensing & Environmental Services

Grant Wilson, Manager of Business Licenses

Presenters in Committee: Patrick Hilden

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification: Public Hearing notices were sent to all Taxi Service Companies with instructions to post for drivers; all neighborhood organizations and business associations, Meet Minneapolis and the DID; and posted on the Business Licenses' public website and the city's cable channel.
- City Goals: A City that Works - Optimal use of technology and wireless capacity

Supporting Information

Two of the Licenses and Consumer Services' regulatory priorities include safety and customer service. In a society where credit/debit card usage represents a norm for many individuals, the proposed ordinance amendment seeks to improve security and convenience for both the drivers and customers.

The acceptance of credit/debit cards to pay taxicab fares addresses passengers' preferences and expectations about payment options. Individuals, whether residents or visitors traveling for business or pleasure use credit/debit cards to account for expenses and avoid carrying excessive amounts of cash.

Other cities have documented increases in ridership, tip amounts paid to drivers, and faster transactions at the completion of the ride. Less cash in the possession of the drivers reduces their likelihood to become targets for robberies.

Many taxicabs licensed in the City of Minneapolis offer credit/debit card services to customers. However, common practices include using carbon copy imprint technology which has a higher incidence of fraud and failure rate of successful transactions. Staff is proposing mandating electronic credit/debit card equipment in taxicab vehicles to improve both customer and driver protection. The proposed compliance deadline of June 2012 allows individuals with taxicab vehicle licenses to research and install a system that best serves these collective goals.

A survey of 23 comparable cities' regulations does not demonstrate any conclusive trends. However, the cities which mandate accepting credit/debit cards as a form of payment also tend to require electronic processing equipment and prohibit refusal of passengers who desire to pay by credit/debit card. The results are listed at the end of this report. It is our goal to create the industry standard for consumer and driver protection, safety, and opportunity.

Taxicab Credit Card Requirements Survey- 2011

City	Accept Credit Card Payment	Electronic Equipment	Minimum Charge	Surcharge	Refuse Service c/o Credit Card	Comments
Atlanta	Not Required					
Austin, TX	Not Required					
Baltimore						Unable to find data.
Boston	Required	Required		Prohibited	Prohibited	Credit card machines are located in rear of the taxicab. Drivers do not swipe cards. Equipment lists fare, tolls, fees, and tip separately. Service Companies may charge drivers up to 6% processing fee.
Chicago	Required	Required	Prohibited	Prohibited	Prohibited	
Dallas	Required					If electronic equipment is not used, sign must be posted about unsecured processing.
Denver	Not Required					
Detroit	Not Required					
Houston	Required				Prohibited	For trips within the central business district, vehicles may post a "cash only" sign and refuse credit card payments.
Los Angeles	Required	Required	\$10.			Passengers required to inform driver if they intend to use a credit card. Driver may not reject credit card if passenger did not inform them.
Miami	Not Required					
New York	Required	Required	Prohibited	Prohibited	Prohibited	Credit card machines are located in rear of the taxicab. Drivers do not swipe cards.
Philadelphia	Not Required					
Phoenix	Not Required					
Riverside	Not Required					
San Diego						Unable to find data.

City	Accept Credit Card Payment	Electronic Equipment	Minimum Charge	Surcharge	Refuse Service c/o Credit Card	Comments
San Francisco	Required	Only manual device is required				Service companies may not charge drivers fees for credit card charges.
Seattle	Not Required					
St. Louis	Required	Required				
St. Paul	Not Required					
Tampa	Not Required					
Toronto	Not Required					
Wash, DC	Not Required	Not Required	Prohibited	Prohibited	Prohibited	