

# Schaumburg Police Department

## Memorandum

**TO:** Brian Townsend, Village Manager

**FROM:** Bill Wolf, Police Chief  
Hiroshi Witt, Administration Division Manager

**DATE:** November 22, 2024

**RE:** Village Ordinance Chapter 121 – Public Passenger Vehicles

**FOR:** Public Safety Committee

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### **BACKGROUND AND ORIGINAL INTENT**

Ordinance CHAPTER 121 was enacted in 1987 to ensure the safety and competitiveness of public passenger services within the village. Key requirements included operators obtaining a village license, vehicle inspections, and fair conduct. While these measures were appropriate at the time, the landscape of the industry has evolved significantly, necessitating a reassessment of the ordinance.

### **CHANGES IN INDUSTRY LANDSCAPE**

Since 1987, the emergence and widespread acceptance of ride-sharing services like Uber and Lyft have transformed the public passenger vehicle industry. These services offer several advantages over traditional taxi and livery services:

- **Economical:** Ride-sharing services often provide more cost-effective options for passengers.
- **Convenience:** The ease of booking through mobile apps and the ability to track rides in real-time has increased their appeal.
- **Simplicity:** The straightforward payment process and the elimination of the need for cash transactions have further driven their popularity.

## **DECLINE OF TRADITIONAL TAXI SERVICES**

- **Decrease in Taxi Visibility:** There is a noticeable reduction in the number of taxis on the roadways, and cab stands have become virtually non-existent in the village.
- **Inspection Sites:** The need for designated inspection sites for taxis is diminished as the number of operational taxis continues to decline.
- **Prevalent Use of Ride-Sharing Services:** The majority of residents and visitors now prefer ride-sharing services, rendering the traditional taxi service model less relevant.

## **DIMINISHING PARTICIPATION IN GROUP PURCHASES**

The village of Schaumburg has historically collaborated with other municipalities to purchase taxi stickers at a lower cost. Initially, nine agencies participated, including:

- Arlington Heights
- Buffalo Grove (taxicab ordinance has been repealed)
- Deerfield (no longer enforcing ordinance)
- Elk Grove Village (no longer enforcing ordinance)
- Hoffman Estates (no longer enforcing ordinance)
- Northbrook (no longer enforcing ordinance)
- Palatine (no longer enforcing ordinance)
- Rolling Meadows (no longer enforcing ordinance)

Cooperative purchasing participation has dwindled over the years. As of 2023, only Schaumburg and Arlington Heights remained. Furthermore, Arlington Heights opted to purchase their stickers independently last year.

## **DECLINE IN LICENSES ISSUED**

The number of chauffeur and taxi licenses issued by the village has significantly decreased over the years:

<b>YEAR</b>	<b>CHAUFFEUR LICENSE</b>	<b>TAXI LICENSE</b>
2013	307	341
2014	273	324
2015	238	326
2016	159	242
2017	81	104
2018	70	72
2019	38	52
2020	13	11
2021	1	2
2022 - 2024	0	0

## **VILLAGE RESOURCES UTILIZATION**

Currently, the village budgets nearly \$1,000 annually to produce printed license stickers. In addition, the ordinance requires that police personnel conduct site visits of the vehicle inspection and certification facilities. The police department also manages the processing of driver background applications, while the finance department oversees the issuance of licenses. Although there have yet to be any recent applicants, these systems need to stay in place to satisfy the ordinance should there be applicants.

## **STATE REGULATION**

It is also important to note that the State of Illinois has a statute, the Taxi Safety Act of 2007 (625 ILCS 55/), which regulates the taxi industry. This act provides comprehensive safety and operational standards for taxis across the state, ensuring a baseline of regulation that makes local ordinances redundant.

## **RECOMMENDATION**

The significant reduction in the issuance of both chauffeur and taxi licenses, along with the diminishing participation in group sticker purchases, clearly indicates a decline in the traditional taxi service model. The current ordinance, established in a different era, no longer aligns with the modern transportation landscape. Additionally, the existence of the state-regulated Taxi Safety Act of 2007 provides sufficient oversight and regulation for the industry. Therefore, repealing Ordinance CHAPTER 121 would reflect the evolving preferences and needs of the village residents, allowing for a more flexible and contemporary approach to public passenger transportation. This repeal will also streamline administrative processes and reduce unnecessary regulatory burdens on the community.

## COMPARISON OF RIDE-SHARE SERVICES AND THE TRADITIONAL PUBLIC PASSENGER VEHICLE MODEL

<b>Uber</b> (Google)	<b>VOS</b> (Village Ordinance)
<b>Cost</b>	
<ul style="list-style-type: none"> <li>No Cost to sign up</li> </ul>	<ul style="list-style-type: none"> <li>\$105 application fee</li> </ul>
<b>Age</b>	
<ul style="list-style-type: none"> <li>At least 25 if they have less than one year of licensed driving experience in the US</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>3 years of licensed driving experience in the US if they are under 25.</li> </ul>	<ul style="list-style-type: none"> <li>Every applicant for a public passenger vehicle chauffeur's license shall be no less than eighteen (18) years of age.</li> </ul>
<b>Background Check</b>	
<ul style="list-style-type: none"> <li>Disqualifies drivers for severe offenses such as violent crimes, sexual offenses, and theft.</li> <li>Review of driving history</li> </ul>	<ul style="list-style-type: none"> <li>The applicant must not have been convicted of any felony or class A misdemeanor within the past five (5) years.</li> <li>The applicant must not have had their driver's license suspended or revoked in any state within the past three (3) years as a consequence of violations of law concerning their operation of a motor vehicle.</li> </ul>
<b>Required Documentation</b>	
<ul style="list-style-type: none"> <li>Valid driver's license</li> <li>Proof of residency in your city, state, or province</li> <li>Insurance if you plan to drive your own car</li> <li>driving history</li> </ul>	<ul style="list-style-type: none"> <li>Valid driver's license</li> <li>Proof of residency in your city, state, or province</li> <li>Insurance if you plan to drive your own car</li> <li>A driving record abstract no older than sixty (60) days from the Illinois Secretary of State;</li> </ul>
<b>Pricing</b>	
<ul style="list-style-type: none"> <li>Base rate: The price is based on the distance and time of the trip.</li> </ul>	<ul style="list-style-type: none"> <li>VOS sets maximum rates/charges</li> </ul>

<ul style="list-style-type: none"> <li>• Operating fee: A flat fee may be added to each trip to cover operational, regulatory, and safety costs.</li> <li>• Busy times and areas: When there are more riders than drivers, prices may increase temporarily.</li> <li>• Tolls, taxes, surcharges, and fees: These are included in the upfront price, with the exception of wait time fee</li> </ul>	
<b>Vehicle</b>	
<ul style="list-style-type: none"> <li>• Car must meet certain requirements relating to age, size, and condition.</li> <li>• No inspection fee(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection stations shall charge the inspection fee authorized by the chief of police for all public passenger vehicle inspections.</li> <li>• Driver pays inspection fee(s)</li> </ul>