

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Afternoon Session

Regular Meeting

January 16, 1947

4:00 P.M.

Council Chamber, City Hall

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The meeting was called to order, with Mayor Pro tem Wolf presiding.

Roll call

Present : Councilmen Bartholomew, Glass, Thornberry, Mayor Pro tem
Wolf

Absent : Mayor Miller

Present also: Guiton Morgan, City Manager; Trueman E. O'Quinn, City Attorney; J. E. Motheral, Director of Public Works; and R. D. Thorp, Chief of Police.

Mayor Pro tem Wolf stated that the meeting was called by the City Council to discuss the taxicab matter in general, and particularly further regulations in the way of a franchise tax to defray the expense of inspection, etc.

City Attorney O'Quinn gave a report on the way other cities were handling the matter, and stated that his recommendations to the City Manager were based on the Dallas plan, which does away with the licensing of cabs and puts them on a percentage basis. Under the franchise plan, the City could make a gross receipts charge as it does for telephone, gas, and transit companies for use of the streets as a public utility, and could grant as many franchises as there is need for; such gross receipts tax, not to exceed 2%, to be collected for a special division of the Police Department to enforce regulations, cooperation with the holders of the franchises, and the improvement generally in the services of the cab business.

The meeting was then thrown open to discussion, and the following taxicab operators appeared and were heard, substantially as follows:

JESSE BARTLETT, Attorney for the American and the Owl Taxicab Companies, declared that his companies were not objecting to any regulations that the Council thinks proper for regulating taxicabs, but that they do object to

a 2% gross receipts tax.

CHARLES SUMMERS, owner of three cabs of the American Taxicab Company, declared that he thought 2% on gross receipts was rather high - that it would take away their profits.

RAY STEVENS, cab owner, declared that after paying for bond, terminal fees, gas, wear and tear of cars, the operators could not pay 2% and keep their cabs operating without a loss, but with new cars they might possibly be able to pay 2%; that Dallas has only one company and it controls all cabs; that several veterans have only one car and are depending on that for a living. If they have to pay a franchise tax, it would put a lot of them out of business; and that he does not see how the situation can be controlled by franchise.

RALPH MOORE, cab owner, stated that other towns have stands for cabs, which eliminates traffic hazards and goes a long way in what cabs can pay because their profits are greater and their overhead, smaller. If they had such an arrangement here a 2% tax would not be so bad.

ARTHUR JOHNSON, owner of the Yellow Cab Company, stated that the City needs some finances to get cab companies in order, that they do not have uniform fares, including his company. As for a franchise tax, that he does not see anything wrong with that for some responsibility should be put on them; that there should be a director of transportation; and that the public is entitled to protection, especially as to fares, and one way to accomplish that would be to zone by meters.

A. W. PITTMAN, cab owner, stated that he thought a better plan would be to have some expense deduction from income; that the upkeep of cars is double now to what it used to be; that if there is to be a tax, that expense should be deducted from gross income; that the cab operators have about as much expense now as they can pay for, in the way of upkeep of cab, gas, oil, etc.; that fifteen months is about the life of a cab before it really gets to costing - if kept longer than that it will put them in a hole.

JACK GRAHAM of the American Cab Company stated that his company has uniform charge for all of its cabs.

RAY STEVENS declared that meters do not make uniform fares, that each cab company makes its own price for zones and that the companies might not have the same zone and same price.

C. L. DANIEL of the Owl Cab Company stated that he does not believe an independent cab owner can say he hardly makes grocery money above expense of car; that there is no money to be made above expenses.

MR. COOL, cab owner, stated that he was opposed to meters. ✓

RALPH MOORE, cab owner, stated that he is for car inspection, but if the City really wants inspection that would do some good, inspection should be made at least once a month; that with hydraulic brakes an inspector would have to be on the job all the time; that any cab driver who has been driving a car more than thirty days would not fool around with bad

brakes; that if the City is going to spend money on inspection of cabs, such inspection should be made at least once a week.

JOHN FARMER of the Owl Cab Company stated that the City could give parking privileges where could save the wear and tear on tires. If they had such parking privileges, they could save money and pay the tax.

JOHN MOORE of the Owl Cab Company stated that his experience had been that very little money is made on the cabs - that most of the money goes to the driver and the car itself makes very little money; that he could not see where 2% is necessary - 1% might be fair, or if had some way of taking percentage of net income. So far as a franchise is concerned, most of the operators are afraid that it will knock them out of business; that he thinks some way can be devised to charge for inspection without a franchise - an inspection fee would be good. Either that, or have this 1% tax on gross income and let the driver pay for his own inspection to some station and turn in his report to the City. As for taxi meters, the people of Austin would lose out as a whole. Metering would be expensive, besides the initial expense, and would cost the citizens of Austin more. He does not feel that he could stand that expense. As to stands on the streets, he thinks that a good idea for people will ride in taxis if one is on the street and handy more than they would to call up for one. Suggested that City designate garages for inspection stations and cab owners go there and pay garage for inspection and bring their receipt to the City showing that car has been inspected.

JESSE BARTLETT speaking for his companies stated that they are willing to pay for the necessary expense for proper supervision but want to know what that will cost. Does not say that they would agree to 1% or 2% on gross income when that might amount to more than is necessary. Thinks that every operator will cooperate and pay his pro rata, but they want to pay for just what they get and want to get value received. Whatever expense the City is put to under supervision of taxicabs, whatever is reasonable to take care of that expense, all would be willing to pay, but want it understood about what it will cost per car.

Another operator suggested that whoever has charge of supervising know something about the cab business, that there are lots of things to be worked out for the benefit of the City, the public, and the cab owners.

JOHN FARMER, cab owner, stated that the reason most of them are opposed to paying a percentage is because it is difficult to arrive at what it would amount to as there is no way of checking and finding out what each individual makes, except by meters, and they do not want meters. That is the reason they want a flat rate because they would know definitely what they would pay per car.

Following the discussion, in which all taxicab operators and other interest persons were given an opportunity to be heard, the Council took the matter under consideration for further study.

The meeting was then recessed at 5:30 P. M., subject to call of the Mayor.

Attest:

Helen M. Keen
City Clerk

Approved:

Samuel A. Ray
Mayor Pro tem.