

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 15, 2025

To: The Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Heather Hutt, Chair, Transportation Committee

From: Laura Rubio Cornejo, General Manager 
Department of Transportation

Subject: **ON-DEMAND MOBILITY PROGRAM TRIP FEE METHODOLOGY**

SUMMARY

The Los Angeles Department of Transportation (LADOT) proposes an updated trip fee schedule for the On-Demand Mobility Program to ensure full cost recovery. As a supplemental report to the LADOT report dated June 10, 2025, this report outlines fee schedule options that list different permit fees and per-trip fees, including potential reduction in fees after clearly defined and delineated revenue thresholds, as well as analysis conducted to select the recommended fee structure. The report also provides additional information to support LADOT's recommendation to apply a penalty fee for unpermitted operations within the City of Los Angeles and allow LADOT investigators to remove abandoned commercial dockless devices from the public right of way.

RECOMMENDATIONS

That the City Council RECEIVE and FILE this report.

BACKGROUND

The Los Angeles Department of Transportation (LADOT) launched a one-year pilot program for dockless on-demand personal mobility on September 4, 2018, issuing permits to eight operators for 36,170 vehicles. This pilot generated \$1.2 million in revenue during Fiscal Year (FY) 2019-2020 from application fees and per-vehicle fees.

In March 2021, the City Council (Council) approved a permanent permit program (LAMC Section 71.29), shifting from a "per vehicle fee" to a "per trip fee" to encourage equitable deployment. The program established four deployment geographies: Equity-Focus Mobility Development Districts, Mobility Development Districts, Standard Permitted Districts, and Special Operations Zones, each with varying per-trip fees.

Those four geographies are defined as:

- **Equity-Focus Mobility Development Districts (EFMDD)**, neighborhoods where many households experience economic hardship and transportation disadvantages, but generally, people have access to comfortable bicycle infrastructure, high-frequency transit, and see fewer crashes.
- **Mobility Development Districts (MDD)**, neighborhoods where people have access to comfortable bicycle infrastructure, high-frequency transit, and see fewer crashes but households do not experience economic hardship and transportation disadvantage.

- **Standard Permitted Districts (SPD)**, neighborhoods where people have less access to bicycle infrastructure, are not well-served by transit, and higher crash rates have been observed. It also includes other parts of the City that are not otherwise defined.
- **Special Operations Zones (SOZ)** are areas where place-specific rules are necessary due to high on-demand mobility demands within finite boundaries, which supersede base Program Rules and Guidelines and apply to all permitted operations.

Over time, as operators continue to increase deployment in the equity zones, trip fee revenue has become insufficient to cover program costs with many trips that started or ended in the lowest cost/free geographies.

In November 2022 and June 2025, LADOT proposed increased trip fees that would ensure full cost recovery while continuing to meet the City’s equitable deployment goals. On August 13, 2025, the Public Works and Transportation Committees directed LADOT to provide a supplemental report that provides the data analysis to support those trip fee increases, as well as alternate options for the proposed pricing structure

DISCUSSION

Proposed Fee Structure

In addition to a \$20,000 application fee per operator, the current permit program sets the trip fees outlined in the table below. LADOT assesses and charges the permitted company the lowest fee incurred, either from the origin or destination.

Current Trip Fees		
Geography	Applicability	Per Trip Fee*
Equity-Focus Mobility Development District	Trips that begin or end in an Equity-Focus Mobility Development District	\$0.00 / No Cost
Mobility Development District	Trips that begin or end in a Mobility Development District	\$0.06
Standard Permitted District	Trips that begin or end in a Standard Permitted District	\$0.20
Special Operations Zone	Trips that begin or end in a Special Operations Zone	\$0.40

**Trips that end outside the City boundaries shall incur the fee from their point of origin.*

With this fee structure in place, the program generated \$571,018 in revenue in FY 23-24. Current costs to operate the dockless program total just over \$3,000,000 and are summarized in the table below.

Program Costs	
FY 25 Expenses	Cost
Salaries (Direct + Indirect Costs)	\$ 1,680, 978
Contractual Services and Technical Support	\$ 655,000
Field Enforcement	\$ 295,000
Materials, Equipment, Training, Supplies (Admin)	\$ 64,500
As Needed Hiring/Overtime	\$ 65,000
Community Engagement and Outreach	\$ 150,000
Dockless Infrastructure (parking decals, red curbs, signage, facilities)	\$ 151,985
Total Cost	\$ 3,062,463

In order to ensure cost recovery moving forward, LADOT conducted a comprehensive fee analysis to develop and provide a new recommended fee structure to Council. The primary objective of the analysis was to increase scooter trip fees within each Mobility District for scooter operators that would achieve cost recovery for the Dockless Scooter Program, which has a budget of approximately \$3,000,000. This analysis relied on the most recently available trip data from FY 23-24.

In order to fully recover costs while continuing to incentivize equitable deployment, LADOT recommended the trip fee structure outlined in the table below. Under this proposal, trips that end outside of the City default to the fee schedule of their origin district. This structure was projected to generate approximately \$3,200,000 dollars, ensuring cost recovery. Any surplus can be applied to additional, unforeseen infrastructure costs including new parking zones, red curbs, or other facilities that ensure safe operation and orderly parking that arise throughout the operation of the program.

Proposed Trip Fees		
Geography	Applicability	Per Trip Fee*
EFMDD	Trip ends in EFMDD	\$0.00
MDD	Trip ends in MDD	\$0.85
SPD	Trip ends in SPD	\$0.95
SOZ	Trip ends in SOZ	\$1.15

**Trips that end outside the City boundaries shall incur the fee from their point of origin.*

In addition to incentivizing equitable deployment and driving service into areas of the City that need new

mobility options the most, these scaled fees reflect the variation in demand to manage deployment in each respective zone. SOZs represent high saturation areas of the City that require dedicated parking, geofencing, and investigation to reduce clutter and maintain a safe and orderly right of way. This translates to a higher percentage of materials and staff costs in these higher demand zones. Maintaining the general structure of graduated trip fees both continues to serve the City’s policy goals while also reflecting staff and administrative demands.

Once a new fee structure is established, LADOT will conduct a review after one year of implementation to evaluate its effectiveness in meeting cost recovery and program goals, and to determine whether additional trip fee adjustments are necessary.

Fee alternatives

In order to increase the fees to be fully cost recoverable, while both continuing to serve the City’s policy goals while also reflecting staff and administrative demands, LADOT considered the following fee structures. All calculations were made based on the most recently available trip data from FY 23-24.

1. Maintain Trip Fees + Increase Application Fee

Increase the application fee from \$20,000 to \$250,000 in order to recover costs without increasing the per trip fee. Given the current number of operators, this alternative would only generate approximately \$1,500,000 resulting in a budget shortfall of approximately \$500,000 and impact to the City’s General Fund.

Geography	Applicability	Per Trip Fee*
EFMDD	Trips begin or end in EFMDD	\$0.00 / No Cost
MDD	Trips begin or end in MDD	\$0.06
SPD	Trips begin or end in SPD	\$0.20
SOZ	Trips begin or end in SOZ	\$0.40
Application Fee	\$250,000	

**Trips that end outside the City boundaries shall incur the fee from their point of origin.*

2. Maintain Trip Fees + Implement Daily \$0.50 Per-Vehicle Fee

Implement a \$0.50 daily per-vehicle fee in addition to existing trip fee rates, maintaining the EFMDD discounted rates. The lowest rate shall be applied to all trips with differing origin and destination districts. This alternative was projected to generate approximately \$471k from trip fees and \$2.5M from \$0.50 daily per vehicle fees for a total of approximately \$3M resulting in minimal anticipated budget shortfall and impact to the City’s General Fund.

Geography	Applicability	Per Trip Fee
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EFMDD	Trip starts or ends in EFMDD District	\$0.00
MDD	Trip starts or ends in MDD District	\$0.06
SPD	Trip starts or ends in SPD District	\$0.20
SOZ	Trip starts or ends in SOZ District	\$0.40
All	Daily per-vehicle fee in all districts	\$0.50

3. Maintain Trip Fees + Implement Daily \$0.65 Per-Vehicle Fee

Implement a \$0.65 daily per-vehicle fee in addition to existing trip fee rates. EFMDD district rates would not change. The lowest rate shall be applied to all trips with differing origin and destination districts. This alternative was projected to generate approximately \$471k from trip fees and \$3,200,000 from daily per vehicle fees for a total of approximately \$3,700,000 with a revenue surplus of approximately \$500,000.

Geography	Applicability	Per Trip Fee
EFMDD	Trip starts or ends in EFMDD District	\$0.00
MDD	Trip starts or ends in MDD District	\$0.06
SPD	Trip starts or ends in SPD District	\$0.20
SOZ	Trip starts or ends in SOZ District	\$0.40
All	Daily per-vehicle fee in all districts	\$0.65

4. Increase Trip Fees + Set Based on Destination

Increase MDD to \$0.70, SPD to \$0.95, and SOZ to \$1.20 trip fee rates maintaining the discounted EFMDD rate. Trip fees shall be assessed based on the destination district and trips that end outside of the City shall default to the fee schedule of their origin district. This alternative was projected to generate approximately \$3,000,000 from trip fees resulting in minimal anticipated budget shortfall and impact to the City’s General Fund.

LADOT calculated this scenario at several different trip fee amounts, aiming for full cost recovery. In order to ensure full cost recovery while continuing to provide a \$0.00 fee in EFMDD zones to incentivize deployment, LADOT ultimately recommended this structure with the slightly higher trip fees outlined above.

Geography	Applicability	Per Trip Fee
EFMDD	Trip ends in EFMDD District	\$0.00

MDD	Trip ends in MDD District	\$0.70
SPD	Trip ends in SPD District	\$0.95
SOZ	Trip ends in SOZ District	\$1.20

5. Increase Trip Fees + Set Based on Destination + Establish Base Trip Fee

Implement a \$0.10 base trip fee for all zones. Increase trip fees in MDD to \$0.65, SPD to \$0.75, and SOZ to \$0.90 (above the \$0.10 base fee). All trip fees are based on the destination district and trips that end outside of the City default to the fee schedule of their origin district. This alternative was projected to generate approximately \$3,000,000 resulting in minimal anticipated budget shortfall and impact to the City’s General Fund.

LADOT calculated this scenario at several different trip fee amounts, aiming for full cost recovery. In order to ensure full cost recovery, and to avoid increasing the trip fees in the EFMDD zones, LADOT ultimately did not recommend this structure.

Geography	Applicability	Per Trip Fee
EFMDD	Trip ends in EFMDD District	\$0.10
MDD	Trip ends in MDD District	\$0.75
SPD	Trip ends in SPD District	\$0.85
SOZ	Trip ends in SOZ District	\$1.00

Revenue Cap Option

Council directed LADOT to assess the feasibility of reducing trip fees to \$0.10 across all program geographies once the cost recovery amount of \$3 million was met. While this option is technically feasible, it eliminates any opportunity to cover unanticipated costs, including costs beyond operational costs such as dockless parking, signage, creating new infrastructure that removes dockless modes' reliance on sidewalks (i.e. creating street parking on red curbs and adding place markers or bollards for protection), the cost of removal of non-operational vehicles, and other improvements directly related to e-scooters and bikes. In typical cost recovery programs a collection cap is never set during the year, but rather, the cost recovering agency would review its recovery and make a determination as to whether its fees should be adjusted. LADOT is committed to regularly reviewing fees to ensure full cost recovery without an over or under collection of those fees to ensure that the program is funded and that there is no financial impact to the City.

Enforcement

In addition to updating fees, LADOT proposed two new program changes to better support regulatory compliance. These include setting a penalty fee for deploying commercial devices without a permit, and allowing LADOT Investigators to remove abandoned and/or illegally deployed devices from the right of way.

Unpermitted penalty fee

LADOT previously proposed a fine equivalent to the cost of a permit application (\$20,000) fee for any commercial operation that deploys unpermitted vehicles for rent in the right of way. This is a common practice for other regulated modes, including taxis and ambulances. All fines issued for violations of the dockless program rules and guidelines would be deposited in Fund 596 with other enforcement fines. This amount is representative of the costs of obtaining a dockless permit as well as the costs that each company pays annually regardless of how many devices are deployed on the right-of-way. This proposed penalty is meant to ensure that unpermitted operators are not able to simply dump numerous devices on the right of way without consequence. The citations would target individuals or companies deploying scooters on the right of way for use or rental by the public, with a potential for the application fee to be waived if the offender takes steps to obtain a proper permit. Citation criteria may include but is not limited to if the vehicles are available on an App, if there is commercial branding or advertising on the vehicle, or if multiple devices are available or deployed on the right of way. Currently, no penalty exists for this behavior, and staff is limited to issuing cease and desist letters which are often ignored.

Device removal

Dockless device removal is necessary to regulate unpermitted or abandoned devices or conduct emergency removals for safety concerns. For similar regulatory programs like taxis and ambulances, LADOT Transportation Investigators are authorized to remove and impound commercial motor vehicles operating in the road without a permit, or failing to meet the guidelines established by the permitting body. LADOT Transportation Investigators conduct routine enforcement by monitoring MyLA311 service requests, and conducting field operations on the right of way throughout the city to ensure companies follow policy guidelines, and ensure safe deployment and parking of the vehicles and this authority is a logical extension of that work. However, this authority does not currently extend to dockless device removal from the sidewalk or public right of way. The removal of items from the sidewalk is governed by Los Angeles Municipal Code (LAMC) 56.11, with the operation typically performed by the Bureaus of Sanitation or Street Services. LADOT requests that its Transportation Investigators be given the same authority as it relates to devices it permits.

Funds from penalty assessments as well as from the increased trip fees can support costs associated with device removal such as storage space, acquisition of vehicles to remove bulky devices, and other issues or equipment related to disposal or return of the devices.

FISCAL IMPACT

The current dockless program fees have not been full-cost recovery and for the last few years the program has had to rely on the General Fund to offset the shortfall. With the updated fee ordinance, the program will operate at full-cost recovery without needing any General Fund assistance.