

PUBLIC WORKS and TRANSPORTATION COMMITTEES' REPORT relative to a proposed updated trip fee schedule for the On-Demand Mobility Program.

Recommendations for Council action:

1. NOTE and FILE the Department of Transportation (DOT) report dated September 15, 2025, and the City Administrative Officer (CAO) report dated December 3, 2025, relative to the On-Demand Mobility Program trip fee methodology; and the City Attorney report and draft Ordinance dated January 18, 2024, relative to amending the Los Angeles Municipal Code to updated the Shared Mobility Device trip fees paid to the DOT, attached to the Council file.
2. ADOPT the following recommendations in lieu of the recommendations listed in the DOT report dated June 10, 2025, attached to the Council file.
3. FIND that there is a clear public benefit to waive the additional fee for the Equity-Focused Mobility Development Districts.
4. APPROVE the proposed trip fee update, detailed below, to the Rules and Guidelines of the Program related to the four On-Demand Mobility Program geographies based on the CAO's methodology including a \$150,000 permit fee and INSTRUCT the CAO to report to the Budget and Finance Committee prior to adoption of these recommendations with an analysis of the recommended trip fee update, including authorizing the CAO to make technical adjustments to their analysis to meet the intent of the committee's recommendations:
 - a. Permit Fee - \$150,000; Revenue Generated - \$600,000.
 - b. Base Trip Fee - \$0.20; Revenue Generated - \$938,962.
 - c. Equity Focused Development District - \$0.15; Per Trip Fee - \$0.20; Revenue Generated - \$ - .
 - d. Mobility Development District - \$0.28; Per Trip Fee - \$0.48; Revenue Generated - \$439,575.
 - e. Standard Permitted District - \$0.12; Per Trip Fee - \$0.32; Revenue Generated - \$133,26.
 - f. Special Operation Zone - \$1.34; Per Trip Fee - \$1.54; Revenue Generated - \$598,025.
 - g. Program Cost - \$2,947,405.
 - h. Estimated Collection - \$2,709,788.

- i. Estimated General Fund Subsidy – (\$237,617).
5. REQUEST the City Attorney PREPARE and PRESENT a draft ordinance to update the trip fees and any related items in this report. Further REQUEST the City Attorney include language to prevent overcollection by requiring quarterly reviews and reports to Council and instituting corrective measures when needed. Corrective measures shall include, but are not limited to: refunds issued to operators on a regular basis; a credit issued toward fees imposed in future budget cycles; or a midyear one-time adjustment to per trip fees.
6. INSTRUCT the DOT, with the assistance of:
 - a. The City Attorney and the CAO, to report with an analysis and recommendations for appropriate penalties to issue an administrative citation to any company operating dockless scooters and bicycles on the public right-of-way without a permit, and the financial impact to the On-Demand Mobility Program.
 - b. The City Attorney and the Department of Public Works, to report on a plan to impound, remove, and store micromobility devices from the public right-of-way, including possible procedures that would allow for immediate or streamlined removal and disposal of said devices by DOT Transportation Investigators.
7. INSTRUCT the DOT, in consultation with the CAO and City Attorney, to report on the feasibility of implementing a tiered permit structure that scales permit fees based on operator size, including an option for smaller operators to pay a lower permit fee, as part of the next iteration of the On-Demand Mobility Program update.
8. INSTRUCT the DOT and CAO to:
 - a. Provide a verbal report in six months and present to the Public Works Committee and Transportation Committee with a status update on the On-Demand Mobility Program, including but not limited to:
 - i. Total revenue collected per geographic categories.
 - ii. Average number of 311 requests per geographic categories.
 - iii. Average number of trips per geographic category.
 - iv. Number of scooters deployed.
 - b. Report in one year to re-evaluate the On-Demand Mobility Program per trip fee structure and permit fees, consistent with Proposition 26.

Fiscal Impact Statement: None provided by the City Attorney. The LADOT reports that 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. Additionally, as dockless mobility ridership increases, the revenue collected will continue to support the self-funded On-Demand Mobility Program and the digital tools needed to manage the program. The revised trip fee schedule will help staff maintain cost recovery requirements of the program and reduce the potential impact of budgetary expenses on the general fund.

The City Administrative Officer (CAO) reports that there is a fiscal impact of an estimated \$254,340 annually for the recommendation to partially subsidize the fee for the Equity-Focused Mobility Development District. If no fee structure is used for cost recovery, the annual cost to operate the Program is an estimated \$2.94 million.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies. Fees for service may be levied based on the reasonable cost of providing the service for which they are charged, including the operating (direct and indirect), capital, and appropriate projected future costs. If a fee for service is set below the level required to recover the reasonable cost, the Mayor and City Council must appropriate funds to fully pay for that service through the budget process. When permitted by law and based on a finding of clear public benefit, the City Council may decide to waive fees. A General Fund appropriation may be required to prevent other service users from improperly subsidizing such fee.

Community Impact Statement: Yes.

For: Downtown Los Angeles Neighborhood Council

Summary:

On January 28, 2026, your Public Works and Transportation Committees considered CAO report dated December 3, 2025, DOT reports dated June 10, 2025 and September 15, 2025, and a City Attorney report and draft ordinance dated January 18, 2024, relative to a proposed updated trip fee schedule for the On-Demand Mobility Program. According to the DOT, 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 which did not generate any trip fee revenue for the City. After consideration and having provided an opportunity for public comment, the Committee moved to recommend to note and file the DOT report dated September 15, 2025, the CAO report dated December 3, 2025, and the City Attorney report and draft Ordinance dated January 18, 2024; and adopt the recommendations provided in the amendments from Council District Ten and Council District One in lieu of the recommendations listed in the DOT report dated June 10, 2025. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Transportation Committee

COUNCILMEMBER	VOTE
HUTT:	YES
PARK:	YES
HERNANDEZ:	YES
PADILLA:	YES
NAZARIAN:	YES

RM
01/28/26

Public Works Committee

COUNCILMEMBER	VOTE
HERNANDEZ:	YES
PADILLA:	YES
HUTT:	YES

ME
01/28/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-