

## Summary of Draft Taxicab and For-hire Legislation

### ***Transportation Network Companies (TNC)***

- Purpose - To address public safety and consumer protection issues associated with mobile “app” dispatch companies using unlicensed for-hire drivers to provide transportation services.
- Entire “program” is a pilot. Licenses will expire on Dec 31, 2015 unless Council acts to extend.
- Maximum of 100 vehicles per TNC (minimum of 15).
- Can only dispatch through an individual, exclusive mobile “app”, with all payments via credit/debit card (no cash).
- May not dispatch Taxis, but can dispatch licensed For-hire Vehicles.
- All drivers must have a TNC Driver’s Permit (see below) or a For-hire Driver’s License.
- Must enforce a “zero-tolerance” drug/alcohol policy for drivers.
- Insurance:
  - Must have an “umbrella” \$1 million policy - per incident, with City as a named insured.
  - Copy of policy must be submitted to the FAS Director.
  - Must include underinsured motorist coverage.
  - Must be in effect while vehicle is “active” on system. This includes times when the driver is waiting for a call, but has not yet been dispatched.
  - Policy must meet State requirements and FAS Director will determine whether policy provides adequate coverage to protect public.
- Vehicles:
  - Must arrange for third party to conduct a 19-point safety inspection of all vehicles.
  - Vehicles not subject to more complete inspection by City (e.g. For-hire Vehicles), are restricted to 16 hours per week. (Limits use of vehicles that are not subject to City’s full inspection regime. Commercial Taxis and For-hire Vehicles accumulate *many* more miles than a typical private vehicle.)
- Rates – different possible structures:
  - Distance charge based on zones, which can vary by time of day.
  - Any distance/time rates measured by smart phone GPS must be cleared through the State.
  - Rate structures must be clear to customers (transparency) and description of rate structure must be filed with the City.
- Fees - \$50,000 per year for TNC license (or 0.35% of revenue, whichever is higher) to offset the anticipated 2-3 FTEs required to administer and oversee program.

- Records – TNCs shall maintain driver and vehicle records and collect data such as dispatch and revenue records, vehicle collision reports, and passenger complaints. The City has the right to inspect TNC records at any time.

### ***Transportation Network Drivers***

- Must be 21 and must obtain a TNC Driver’s Permit or a For-hire Driver’s License. Providing services without a permit or license results in a \$1,000 civil penalty for first violation, criminal misdemeanor for second.
- TNC Driver’s Permit will require taking a course, including instruction in defensive driving and driver safety, and passing an associated test. Process will be less extensive than that for a For-hire Driver’s License, but with emphasis on safety issues.
- Permittee applicants will be subject to a criminal background check and a driving record review – same as current requirements for a For-hire Driver’s License.
- Renewal-City /County will determine initial eligibility and issue permit. TNCs have an ongoing obligation to review driver’s DOL and criminal records and arrange vehicle inspections. Prior to annual renewal, TNCs shall certify the eligibility of drivers and vehicles.
- Will be limited to 16 hours per week active on the system, unless they have a For-hire Driver’s License. (With “lighter” training not appropriate to be a full-time driver; and restricted hours will help address peak time demand without flooding market with vehicles during off-peak hours.) \$1,000 civil penalty for exceeding 16 hour requirement.
- Can only affiliate with one TNC.
- May not pick up hails – \$1,000 civil penalty and revocation of permit or license for violation.
- May only provide services when active on the system.
- Must maintain personal auto insurance.

### ***Taxis***

- Authorize up to 50 new licenses to be issued by lottery, under rules set by FAS.

### ***For-Hire Vehicles***

- Clarify that any trip booked through an “app” is prearranged, regardless of timing.
- Per above, For-hire Vehicles and For-hire Drivers may operate on a TNC without the hours limit imposed on other drivers and vehicles.