

Memorandum



DATE August 1, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT Proposed Transportation-For-Hire Regulation

On August 6, 2014, the City Council will be briefed on proposed regulations for transportation-for-hire services. The material is attached for your review.

Please feel free to contact me if you need additional information.

A handwritten signature in blue ink, appearing to read 'Charles M. Cato'.

Charles M. Cato
Interim Assistant City Manager

cc: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



City of Dallas

PROPOSED TRANSPORTATION-FOR-HIRE REGULATION

August 06, 2014

Dallas City Council Briefing



Thought Process

- ▶ Changes in the transportation–for–hire market require regulation with an innovative approach
- ▶ The current ordinance prevents new models of transportation–for–hire from entering the market while over regulating some of the current transportation models
- ▶ The proposed regulation
 - entails input from all segments of the industry and city staff
 - empowers individual consumers with the ability to select the type of transportation–for–hire that best fits their need
 - allows companies to compete against each other to provide better quality of service and affordable fares

Purpose

- ▶ Create a level playing field that is fair to all companies
- ▶ Encourage free market competition
- ▶ Simplify the regulations to promote compliance and improve enforcement
- ▶ Focus regulations on issues that are important to the City:
 - Driver qualifications
 - Vehicle safety and appearance
 - Insurance
 - Consumer choice
 - Quality service

What is Transportation–for–Hire?

- ▶ Transportation–for–hire includes any ride for compensation, whether hailed or prearranged and includes:
 - Taxicabs
 - Limousines
 - Non–motorized transportation–for–hire
 - Shuttles
 - Intracity buses for hire
 - Personal vehicles serving as a vehicle for hire
- ▶ Examples of transportation–for–hire include Buses by Bill, horse carriages, Lyft, pedicabs, Uber Black, Uber X, and Yellow Cab

Transportation-for-Hire Does Not Include

- ▶ Ridesharing or carpooling with no compensation
- ▶ Interstate and intrastate buses, including DART
- ▶ Ambulances (regulated under Chapter 15D)
- ▶ Courtesy vehicles
- ▶ Zip Cars
- ▶ Bikeshare

Existing City Code Provisions

- ▶ The adoption of the proposed Transportation–for–Hire regulation would result in the addition, elimination and revision of numerous provisions currently in the Dallas City Code, including
 - Adding a new Chapter 47A, “Transportation–for–Hire”
 - Deleting Chapter 45, “Taxicabs”
 - Deleting Chapter 10A, “Limousines”
 - Deleting Chapter 10, “Buses and Shuttles”
 - Making Conforming Amendments to Chapter 5, Article II, “Ground Transportation Services at Love Field”
 - Deleting Chapter 10B, “Non–Motorized Passenger Transport Vehicles”

Proposed Amendments Create a Level Playing Field by:

- ▶ Eliminating
 - distinctions between types of transportation-for-hire operators and types of vehicles
 - restrictions on the age and number of taxi-cabs
 - requirements for the dollar value of vehicles
 - regulation of fares

Proposed Amendments Create a Level Playing Field by:

- ▶ Allowing
 - different modes of transportation-for-hire to compete directly against each other
 - each individual consumer to select the type of transportation-for-hire to use
- ▶ Ensuring public safety by regulating transportation-for-hire operating authorities, drivers, vehicles, and insurance

Operating Authority

- ▶ Operating authority permit is the same for all forms of transportation–for–hire
- ▶ The operating authority shall identify every vehicle utilized by the authority:
 - vehicles shall be identified by decal number, VIN, and license plate
- ▶ Amendments to the operating authority permit shall be reported to a City–operated website, including changes of drivers and/or vehicles
- ▶ Operating authority permit expires annually
- ▶ If a company is sold, it may continue to use the existing trade name; however, a new operating authority shall be obtained

Fees*

- ▶ Operating authority permit: \$1,000 per year
- ▶ Driver permit: \$50 per two (2) years
- ▶ Vehicle permit: \$100 per vehicle per year
- ▶ Temporary vehicle: \$50 per event or period of time
- ▶ Non-motorized operating authority: \$360 per year
 - Driver permit: \$50 per two years
 - Vehicle permit: \$50 per vehicle per year

***Fees based on estimated cost but may be adjusted after a future fee study. All fees are non-refundable**

Driver Permit

- ▶ One driver permit may be used under any or several operating authorities, so long as each operating authority registers the driver
- ▶ The driver permit may be used for any type of transportation-for-hire vehicle

Qualifications For Driver Permit

- ▶ City shall designate a contractor to conduct a driver training class focusing on:
 - City regulations
 - familiarity with the City's geography
 - customer service
- ▶ The training class is required only once, unless the driver's permit is revoked, suspended, or not renewed
- ▶ Annual criminal background check, drug test, and driving record check by a company of driver's choice
 - Test results shall be reviewed by the City's certification company

Display of Driver Permit

- ▶ Driver's first name, picture and driver permit number shall be displayed in the vehicle
- ▶ Drivers shall carry the driver permit at all times
- ▶ Drivers shall present their permits to Transportation Regulation inspectors and law enforcement officers upon request

Vehicle Permit

- ▶ One vehicle permit may be used under any or several operating authorities as long as the operating authority identifies the vehicle
- ▶ Shall show proof that the vehicle is insured
- ▶ Shall specify any operating authority for which the vehicle drives

Vehicle Inspection Process

- ▶ Inspections shall be conducted annually by a City approved inspection company or companies, selected through Request For Proposal [“RFP”]
- ▶ Inspection includes emissions and safety
- ▶ Vehicles shall be in showroom condition
 - No maximum age
 - No maximum mileage
 - No minimum cost for vehicles

Vehicles for Transportation-for-Hire Markings

- ▶ No regulation of color or design of vehicles
- ▶ Every transportation-for-hire vehicle shall have a permit decal on the windshield
- ▶ Transportation-for-hire vehicles that are able to be hailed:
 - Shall have a light on the roof to indicate that the vehicle is available
 - Vehicle doors shall display the name of the operating authority, vehicle number, rate for riders and which credit cards are accepted
 - This display door shall be approved by the City

Handicapped Service

- ▶ If an operating authority has ten (10) or more vehicles, at least one (1) vehicle or two (2%) percent of the fleet must be handicap-accessible or the operating authority shall contract with a company to provide handicap-accessible vehicles
- ▶ Cannot charge a higher fare for handicap-accessible service

Non-Discriminatory Service Rules

- ▶ Citywide service*
 - No portion of the city shall be excluded from service
 - No refusal of passengers due to point of origin, destination, or length of trip
- ▶ No discrimination against passengers based on race, color, age, religion, sex, marital status, sexual orientation, gender identity, national origin, disability, political opinions or affiliations

* Does not apply to non-motorized transportation vehicles for hire

Other Service Rules

- ▶ A driver may refuse a passenger if:
 - Person is disorderly
 - Driver is engaged in answering a previous request for service
 - Person is engaged in unlawful conduct
 - By observation the driver fears for driver's safety
- ▶ Driver shall take the most direct and expeditious route
- ▶ City contact information for complaints shall be displayed inside of the vehicle

Service Rules Continued

- ▶ Hotels shall not require guests to use a specific transportation-for-hire company or any specific mode of transportation-for-hire
- ▶ Neither operating authority or drivers shall solicit passengers by paying any individual employee of another business to solicit passengers or to give preferential treatment in directing passengers to a specific driver

Rates

- ▶ City shall no longer regulate rates, however:
 - Rates shall be published to the City
 - Operating authority/driver shall tell passenger/payer in advance the rate for the ride
- ▶ Drivers shall accept credit cards
- ▶ The operating authority shall disclose in advance of a ride how fares are calculated, either on a website, computer application [“app”] and/or a sign in the vehicle

Rates Continued

- ▶ Rates can be based on time, mileage, zones, flat rate, or any combination of these factors
- ▶ Receipt shall show the rate, total fare, how the fare was calculated, the mileage, the time, the operating authority, the driver, and the vehicle permit number

Insurance

- ▶ Primary insurance must be provided by the operating authority
- ▶ One million dollar commercial automobile liability policy with combined single limit of liability for injury or property damage for each occurrence
- ▶ Claims must be paid by the insurance company on a first dollar basis

Insurance Continued

- ▶ Operating authority insurance shall be the primary insurance at all times the driver or vehicle is working (passenger) or available (cruising) as transportation-for-hire
- ▶ Any person who has a twenty percent (20%) or greater interest in the operating authority shall have no interest in the insurance company
- ▶ The operating authority shall not be self-insured

Enforcement

- ▶ Vehicles shall be towed and impounded if there is no:
 - Insurance
 - Operating authority permit
 - Driver permit
 - Vehicle permit
- ▶ Appeals shall be to the Permit and License Appeals Board

Effective Date of Ordinance

- ▶ January 1, 2015
- ▶ Permits issued before the effective date remain valid until expiration