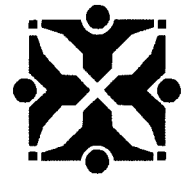


# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** Supplemental Information B 369-14

**Department Source:** City Manager

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** 2/2/2015

**Re:** Amending Chapter 28 of the City Code to add a new article pertaining to transportation network services.

## Documents Included With This Agenda Item

Council Memo, Amendment Sheet

**Supporting documentation includes:** None

## Executive Summary

Council Bill B369-14 pertaining to adding a new section to the City's vehicle for hire ordinance for transportation network companies (TNCs) like Uber, Sidecar and Lyft, was tabled at the Council's December 1, 2014 meeting. Council requested that changes that were being considered for traditional taxicab companies should be discussed at the same time that these new requirements for TNCs was being considered.

## Discussion

Since the December 1, 2014 Council meeting, staff has made significant changes to the ordinance for TNCs that was proposed in the original Council Bill. A summary of these changes is shown below and reflect the comments and direction provided by City Council at this meeting:

- In lieu of the City accepting a TNC's driving and criminal background checking process on drivers, the City will perform these checks in the same manner as traditional taxicab drivers.
- In lieu of the City accepting a TNC's vehicle condition checking process, the City will perform these checks in the same manner as traditional taxicab drivers.
- The City will impose the same fees for TNCs and drivers as we currently do for traditional taxicab companies and drivers.
- The City will require any driver operating for a TNC to have a valid chauffeur's license.

## Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

## Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Transportation

Strategic Plan Impact: Not Applicable

Comprehensive Plan Impact: Not Applicable

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## Suggested Council Action

Staff suggests holding this Bill over until the February 16th, 2015 Council meeting when the proposed changes to the existing taxicab ordinance will be considered.

## Legislative History

12/1/2014: B369-14 - Amending Chapter 28 of the City Code to add a new article pertaining to transportation network services

Department Approved

City Manager Approved

# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** B 369-14

**Department Source:** City Manager

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** November 3, 2014

**Re:** Enacting Chapter 28, Article V, Transportation Network Services to the City's Code of Ordinances.

## Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

**Supporting documentation includes:** None

## Executive Summary

On October 7th, city staff were informed by Uber that they intended to begin their ride-sharing operation in Columbia on October 9th. Since that time, staff has been reviewing legislation from other cities where Uber is currently operating in order to determine how to incorporate this type of service into the City's Code of Ordinances by making equitable changes that do not put traditional taxicab companies at a competitive disadvantage. This amendment to the Code of Ordinances would enact Chapter 28, Article V, defining a new classification to be known as Transportation Network Services, and detailing the requirements for Transportation Network Application Companies and Operators.

## Discussion

On October 20, 2014, staff presented REP 101-14 to Council outlining the problems that have arisen in attempting to regulate companies like Uber, Rideshare and Lyft who use business models based on the latest technology that simply do not match up with our existing vehicle for hire ordinance for traditional taxicab operations.

In drafting the proposed Ordinance which would establish a set of regulations governing Transportation Network Companies (TNCs), staff's main objectives were as follows:

1. Establish a set of regulations that would place TNCs in a similar, but equitable position compared to traditional taxi cabs.
2. Ensure the safety of passengers by requiring TNCs to conduct detailed background checks on all Transportation Network Operators (TNOs), along with vehicle condition/inspections.
3. Require TNCs to furnish sufficient insurance to cover any potential injuries or accidents that might occur during the transportation of passengers, or while TNOs are available for service.
4. Establish permit fees to be paid for each operator that has been approved to do business in Columbia.
5. Require TNOs to apply for a permit by providing the business license administrator with evidence from the TNC verifying a satisfactory criminal background check, a satisfactory driver's history, vehicle inspection approval, and proof of insurance.

# City of Columbia

701 East Broadway, Columbia, Missouri 65201



Staff has met several times with Uber officials regarding the proposed ordinance, attempted to reach consensus on the final language. However, they continue to disagree with the requirement to issue a permit to each driver prior to commencement of driving operations along with the manner in which fees will be assessed and paid for permit issuance. Uber officials have informed staff they intend to oppose the bill.

Staff has also met with a large group of taxicab companies, as well as one-on-one meetings with owners to gather their feedback relative to the bigger picture of equity between traditional taxi cabs and TNCs. While the majority of them are not concerned about additional competition posed by TNCs, their major issues relate to the regulations that currently govern traditional taxicabs, some of which they feel are archaic and should be changed, such as requirements for a land line phone, maintaining an office, color schemes for cars, lettering for cabs, taxi stand hours, etc. The existing ordinance has not been significantly changed since 1988. Staff has indicated that they are willing to review their list of concerns and propose amendments as may be deemed reasonable.

## Fiscal Impact

Short-Term Impact: Ordinance establishes a \$70 annual permit fee for each operator that has been approved by the transportation network application company to do business in Columbia.

Long-Term Impact: None

## Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Transportation

Strategic Plan Impact: Not Applicable

Comprehensive Plan Impact: Not Applicable

## Suggested Council Action

Approval of the Ordinance enacting Chapter 28, Article V, Transportation Network Services to the City's Code of Ordinances.

## Legislative History

October 20, 2014: REP 101-14 Uber Ride-Sharing Service

Department Approved

City Manager Approved

Introduced by \_\_\_\_\_

First Reading \_\_\_\_\_

Third Reading \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Second Reading \_\_\_\_\_

Fourth Reading \_\_\_\_\_

Council Bill No. B 369-14 A

## **AN ORDINANCE**

amending Chapter 28 of the City Code to add a new article pertaining to transportation network services; and fixing the time when this ordinance shall become effective.

WHEREAS, the progression of technology has allowed for innovations in transportation, and the citizens of Columbia and visitors deserve choices as to their mode of transportation; and

WHEREAS, the City of Columbia desires to regulate the area of transportation network services to protect the public interest, welfare, health and safety of citizens and visitors and promote the availability of transportation network services.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. A new Article V of Chapter 28 of the Code of Ordinances of the City of Columbia, Missouri, is hereby enacted as follows:

### **ARTICLE V. TRANSPORTATION NETWORK SERVICES**

Sec. 28-130. Definitions.

The following definitions apply to this article:

*Transportation network application company* means a company operating in the City of Columbia that uses a digital network or software application to connect a passenger to transportation network services provided by a transportation network operator.

*Transportation network operator* means an individual who operates a motor vehicle that is owned or leased by the individual, and not licensed as a public vehicle for hire taxicab or limousine under Article IV of this Code, and used to provide transportation network services.

*Transportation network services* means transportation of a passenger between points chosen by the passenger and that is prearranged by a transportation network application company for compensation.

Sec. 28-131. Requirements for transportation network application companies.

- (a) A transportation network application company shall:
  - (1) Apply to the City of Columbia to obtain a business license for the company, and shall pay all fees for such license.
  - (2) Provide the following information on its website:
    - a. The telephone number or electronic email address for the transportation network application company;
    - b. The procedure for reporting a complaint about any transportation network operator or the operator's vehicle;
    - c. Expressly state the company's zero tolerance policy for alcohol or drug use by its operators;
    - d. Contact information for a passenger to report and reclaim personal property inadvertently left in the transportation network operator's vehicle.
  - (3) Maintain a commercial liability insurance policy with an insurance company authorized and licensed to do business in the State of Missouri or an eligible surplus lines insurer approved by the Missouri Department of Insurance that:
    - a. Provides coverage of at least \$1,000,000 per incident for accidents involving a transportation network operator from the time the operator accepts a trip request until the completion of a trip, regardless of whether the operator maintains personal insurance adequate to cover any portion of a claim;
    - b. Provides uninsured/underinsured motorist coverage of at least \$1,000,000 per incident;
    - c. During the time that a transportation network operator is available for service but not providing service, provides additional bodily injury coverage of at least \$50,000 per person and at least \$100,000 per accident, and coverage of at least \$25,000 for property damage per accident, in the event that the operator's personal insurance policy does not pay.
    - d. Provides that written notice shall be given the City of Columbia upon any cancellation or termination of the policy.
  - (4) Establish a zero tolerance policy on the use of drugs or alcohol while transportation network operator is providing transportation network services.

- (5) Immediately suspend a transportation network operator upon receiving a passenger complaint alleging that the operator violated the zero tolerance policy. Such a suspension shall last the duration of the investigation.
- (6) Conduct an investigation when a passenger alleges that an operator violated the zero tolerance policy required by section 28-132(5).
- (7) Conduct an investigation when a passenger alleges that an operator exhibited inappropriate or offensive language or conduct during the service.
- (8) Maintain records relevant to the requirements of this section for the purposes of enforcement.
- (9) Submit to the business license administrator of Columbia, Missouri:
  - a. Proof that the company is licensed to do business in Missouri.
  - b. Proof that the company maintains a registered agent with Missouri Secretary of State Office.
  - c. Proof that the company maintains a website that includes the information required by section 28-132(a)(2)a.
  - d. Proof of the required insurance under section 28-131(3)a.—d.
- (10) Notify the business license administrator of Columbia, Missouri of the suspension or termination of any transportation network operator.
- (11) Not hire, contract with, authorize or allow any transportation network operator to operate a motor vehicle under the company's network application or digital network until the operator is licensed and has a valid permit issued by the City of Columbia.

(b) A transportation network application company shall not disclose a passenger's personally identifiable information to a third party unless passenger consents, disclosure is required by law, or to protect or defend the terms of use of the service or to investigate violations of those terms. A transportation network application company shall be permitted to share a passenger's first name and/or telephone number with the operator providing the service to such passenger to facilitate correct identification of passenger by operator or to facilitate communication between passenger and operator.

(c) If a person files a complaint with the city against a transportation network application company or an operator, or if the city is investigating a non-compliance or code enforcement violation involving a transportation network application company or an

operator, the city may inspect the transportation network application company records as reasonably necessary to investigate and resolve any complaint or violation.

(d) A transportation network application company shall transmit a twenty-five dollar (\$25.00) annual permit fee to the business license administrator for City of Columbia for each operator that has been approved by the transportation network application company to do business in Columbia. A transportation network application company may prepay for anticipated individual operator applications on the following fee schedule annually:

1 to 25 operators: .....	\$625.00
26 to 50 operators: .....	\$1,250.00
51 to 75 operators: .....	\$1,875.00
Over 75 operators:.....	\$1,875.00 plus \$25.00 per additional operator

(e) It shall be unlawful for any person, corporation, partnership or other business entity to operate a transportation network application company, or similar business within the city limits, without first obtaining a business license.

Sec. 28-132. Requirements for transportation network operators.

(a) A transportation network operator shall:

(1) Before accepting any passengers through a transportation network application company, the operator shall apply to the business license administrator for a permit. Operator shall present the following documents:

- a. Valid photo identification;
- b. Certificate and satisfactory proof of:
  1. Registration of the vehicle operator will be driving;
  2. Liability insurance on the vehicle operator will be driving in compliance with the minimum requirements of the State of Missouri;

(b) Upon compliance with all requirements and upon the receipt of all fees required under this article, the business license administrator shall issue a permit to operator which operator shall display in operator's vehicle while operating under the transportation network's software application and operator shall:

(1) Exclusively accept rides connected through a transportation network application digital platform and shall not solicit or accept street hails.



- (2) Possess a valid driver's license at all times and immediately report to business license administrator and transportation network application company any actions taken by driver's license department affecting the status of the license including expiration, suspension, revocation or other administrative actions against operator's license.
- (3) Not park operator's motor vehicle used for transportation network services in the areas designated for taxicabs.
- (4) In the event operator is involved in a motor vehicle accident while the operator's vehicle is being used for transportation network services, including when the transportation network operator is logged into the network regardless of whether a passenger is in the vehicle, the transportation network operator shall provide proof of:
  - a. The operator's personal auto liability insurance; and
  - b. The transportation network application company's excess liability coverage.

Sec. 28-133. Qualifications for transportation network operators.

- (a) Every applicant for a transportation network operator shall:
  - (1) Be at least eighteen (18) years of age at the time of application.
  - (2) Be able to read and write the English language.
  - (3) Be clean and neat in dress and person, and not addicted to the use of intoxicating liquor or drugs.
  - (4) Have a general reputation for integrity, responsibility, good moral character as a law abiding citizen, and shall have a good driving record.
  - (5) Possess a valid Missouri chauffeur's license. The number on the chauffeur's license shall be placed on the Columbia operator's permit.
  - (6) Have at least one (1) year's experience as a driver of motor vehicles, and at least sixty (60) days' experience operating motor vehicles over the streets of the city.
- (b) The operator's permit provided for herein shall not be issued or renewed until the fee for such permit shall have been paid. The operator's permit fee shall be twenty dollars (\$20.00) per year. The applicant shall also pay a fee to cover costs incurred by the department of finance in obtaining the criminal record check required in section 28-134,

and the fee to cover costs incurred by the department of finance for the vehicle inspection required in section 28-140.

(d) No driver while on duty shall conduct himself in a boisterous, vociferous, belligerent or otherwise offensive manner.

#### Sec. 28-134. Investigation of applicant.

The department of finance shall investigate the qualifications and fitness of each applicant for a transportation network operator's permit, including obtaining a driving record and criminal record check of each applicant.

#### Sec. 28-135. Grounds for refusal.

(a) The business license administrator shall determine whether to issue a transportation network operator's permit based upon the criminal record check and all other relevant facts and may deny the applicant a permit when:

- (1) The applicant filed an incomplete application.
- (2) The applicant made a false statement on the application.
- (3) The applicant's state chauffeur's, operator's or driver's license was revoked or suspended within the past two (2) years.
- (4) A permit or certificate issued to the applicant under this article was revoked within the past two (2) years.
- (5) The applicant is an habitual drunkard or is addicted to the use of narcotic drugs.

(b) Applicants have the burden of demonstrating good moral character. If an applicant has been convicted of a felony within the past ten (10) years, any misdemeanor involving theft or violence or the sale of or possession of illegal drugs or sexual abuse within the past five (5) years or any offense which involves driving a motor vehicle while intoxicated or driving a motor vehicle while under the influence of alcohol or narcotic drugs or driving a motor vehicle with excessive blood alcohol content within the past three (3) years, or leaving the scene of an accident, failure to report an accident or any violation of this article within the past two (2) years, the business license administrator may deny the permit after considering the nature of the crime or offense committed in relation to the license sought, the conduct of the applicant since the violation and other evidence as to the applicant's character.

Sec. 28-136. Appeal.

If the business license administrator refuses to issue a permit, the applicant may appeal the decision pursuant to the procedure set out in chapter 13 of this Code.

Sec. 28-137. Duration and renewal.

(a) Each transportation network operator's permit shall expire on the thirtieth day of June.

(b) Unless sooner revoked, renewals for transportation network operator's permits for further years may be made on the basis of the original application. The director may from time to time require updated information in the event that the information shall appear to be out of date.

Sec. 28-138. Automatic revocation.

(a) The transportation network operator's permit shall be automatically revoked, and the operator shall immediately surrender operator's permit to the business license administrator:

- (1) Upon conviction of driving a motor vehicle in a careless and imprudent manner;
- (2) Upon conviction of any state, county or municipal offense which involves driving a motor vehicle while intoxicated or driving a motor vehicle while under the influence of alcohol or narcotic drugs or driving a motor vehicle with excessive blood alcohol content within the past three (3) years;
- (3) Upon the second conviction of driving a motor vehicle at an excessive rate of speed in any twelve-month period; or
- (4) Upon the third conviction involving a traffic violation for which points are assessed against the offender's driver's license in any twelve-month period.

(b) If an operator fails to surrender operator's permit as required by subsection (a) of this section, the business license administrator shall notify the operator that operator's permit has been automatically revoked. The operator may appeal this determination in the manner provided for appeals of license denials in chapter 13 of this Code.

Sec. 28-139. Administrative revocation.

The business license administrator may, following the provisions of section 13-31 of the City Code, issue a provisional order or revoke a transportation network operator's

permit for any violation of this article or for other cause when he has reason to believe that the operator's actions are a threat to the safety or welfare of the citizens of the city.

Sec. 28-140. Inspection.

Transportation network operator permits shall only be granted after an inspection as set out in this section. In addition to all other vehicle inspections required by law, each vehicle governed by this article shall be subject to an annual inspection. All inspections shall be conducted by persons designated by the city manager and shall consist of the following:

- (1) A transportation network operator's vehicle shall be inspected for proper markings, display of information, and the following:
  - a. Exterior. Headlights, taillights, brake lights, directional signal lights, license plate lights, windshield, vent glasses, windshield wipers, all other vehicle glass, glass window raisers, doors and door locks, trunk lid, trunk hood, and interior door handles, exhaust system, splash shields, hubcaps, bumpers, fenders, body and tires shall be inspected to ascertain that each is functioning properly. Each transportation network operator's vehicle shall be maintained in a reasonably clean condition. There shall be no tears or rust holes in the vehicle body and no loose pieces such as fenders, bumpers or trim hanging from the vehicle body. There shall be no unrepaired body damage which would create a safety problem or interfere with the operation of the vehicle.
  - b. Interior. The rear view mirror, steering wheel, foot brakes, parking brakes, seat belts and air conditioning and heating systems shall be inspected to ascertain that each is functioning properly. The upholstery, floor mats, head lining, door panels and the trunk compartment shall be inspected to determine whether they are clean, free of tears, and that the trunk has sufficient space for passengers' luggage.
- (2) Failure to have a vehicle inspected as required herein shall be a ground for suspension of the permit. If a transportation network operator's vehicle fails to pass the requirements of inspection, a correction slip shall be issued to the operator, listing the items that need correction and showing the status of the inspection. The vehicle shall not be operated as a transportation network vehicle until it successfully passes inspection; provided, that the business license administrator, in the administrator's discretion, for a period not to exceed fifteen (15) days, may allow the continued use of a transportation network vehicle which substantially complies with the inspection requirements. The business license administrator shall forward to the permit holder a copy of the correction slip.

- (3) Nothing herein shall prohibit the random inspection of vehicles for hire by the business license administrator or police department where possible violations of this article or other violations of law regarding the condition of transportation network vehicles are evidenced by visual inspection.
- (4) Denial or suspension of a vehicle permit may be appealed pursuant to the provisions of section 13-31 of the City Code.

Sec. 28.141. Charges for services.

(a) A transportation network application company may offer service at no-charge, suggest a donation, or charge a fare; provided, that if a fare is charged, a transportation network application company shall disclose the fare calculation method, the applicable rates being charged, and the option for an estimated fare to a passenger before the passenger arranges a trip with the transportation network application company.

(b) Upon completion of a trip, a transportation network company shall transmit an electronic receipt to the passenger's electronic mail address or mobile application that lists:

- (1) The origin and destination of the trip;
- (2) The total time and distance of the trip; and
- (3) A breakdown of the total fare paid, if any.

Sec. 28-142. Enforcement.

(a) Failure to adhere to the requirements of this article by any person, a transportation network application company or operator may result in sanctions, suspension, or revocation of its permits by the business license administrator pursuant to the business license administrator's authority.

(b) Any person who violates any provisions of this article shall be guilty of a misdemeanor. Each day that a violation continues or occurrence of transportation network services that is a violation is a separate offense.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor