



Date: November 6, 2012

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director
Gracie W. Chamblee, Taxicab Program Administrator

Subject: Amendments to the Passenger Vehicle for Hire Ordinance

Executive Summary

The existing Passenger Vehicle for Hire Ordinance was adopted on May 17, 1999. While intended to address all passenger vehicles for hire as defined in the ordinance, due to resource limitations, regulation and oversight of the ordinance was limited primarily to taxicabs. These regulations included driver and vehicle requirements and twice annual taxicab inspections.

Members of the taxicab industry have voiced concerns for some time that shuttles are unfairly competing with taxicabs. The concerns are that shuttles have no age or condition requirements and are not inspected by the City. Also, there are no driver requirements and some shuttles have tended to solicit passengers like taxicabs do.

The Passenger Vehicle for Hire Commission has shared these same concerns with the operation of shuttles. In response to these concerns, the Durham City Council in June 2012 directed the City administration to amend the Passenger Vehicle for Hire Ordinance and associated administrative and oversight structure to treat shuttles similar to taxicabs and thereby “level the playing field.”

The attached Amendments to the Passenger Vehicle for Hire ordinance impose vehicle and driver requirements for shuttles similar to those that exist for taxicabs.

Recommendation

It is the recommendation of the Passenger Vehicle for Hire Subcommittee, Passenger Vehicle for Hire Commission, and Staff that the City Council adopt the attached Ordinance amendments in Chapter 50, Article III of the Durham City Code.

Background

The Passenger Vehicle for Hire Ordinance was adopted on May 17, 1999. Taxicab owners have frequently complained that shuttles are operating as taxicabs without all of the regulation and oversight associated with taxicabs (driver permits, operating permits, training, vehicle inspection, etc.) and as such are competing unfairly with taxicabs. Due to staff

resource limitations the City has not issued operating permits for shuttles, conducted background checks and licensed shuttle drivers or inspected shuttles. Shuttles must have a special tag issued by DMV ("Z" tag) and carry \$1.5M of insurance coverage. A shuttle cannot lawfully solicit passengers but pursuant to the applicable ordinance must operate under contract or agreement or serve only pre-arranged trips.

Issues and Analysis

The proposed changes to the Passenger Vehicle for Hire ordinance are summarized below:

- Operators of all passenger vehicles for hire (including shuttles) are required to present minimal levels of insurance as required by state law or state regulation.
- A definition of "limousine, limousine sedan, paratransit vehicle, shuttle and unique vehicle is added." Section 50-81.
- A definition of cruising and operated on call or demand is added. Sec. 50-81.
- Only a taxicab can engage in cruising and be operated on call or demand. Sec. 50-167.
- Shuttles can only pick up passengers by a pre-arrangement. Section 50-167(d).
- Taxicabs can solicit and pickup fares in any lawful manner and taxicab stands are only for taxicabs. Section 50-85; Section 50-167.
- The requirement that vehicles cannot exceed 15 years in age or more than 10 years in age when first placed in service applies to taxicabs and shuttles. Limousines, limousine sedans, paratransit vehicles and unique vehicles are exempt from the vehicle age requirement. Shuttles are given 1 year to comply. Section 50-292(e).
- Civil penalties are increased up to \$500. Section 50-86(c).
- Top lights are mandatory on taxicabs and are only allowed on taxicabs. Section 50-293(10).
- Color schemes for shuttles must be approved by the Passenger Vehicle for Hire Administrator and no shuttle will be allowed to display the same color scheme of an existing taxicab company. Section 50-295; 50-119,120, 121. Limousines, limousine sedans, paratransit vehicles and unique vehicles are exempt from color scheme requirements.
- Driver training and dress code applies to all passenger vehicle for hire operators. Section 50-231.
- All passenger vehicles for hire are inspected every year (was every 6 months). Section 50-328(c).
- Rooftop advertising is permitted on all passenger vehicles for hire. Section 50-297.
- There is no cap on the number of operating permits that can be issued for passenger vehicles for hire except for taxicabs which shall have a cap of 180 operating permits. Section 50-119.

Alternatives

The City Council may:

- Adopt changes to the Passenger Vehicle for Hire Ordinance recommended by the Passenger Vehicle for Hire Subcommittee, Passenger Vehicle for Hire Commission and staff to allow regulation of non-metered passenger vehicles for hire as well as taxicabs.
- Make no change to the existing Passenger Vehicle for Hire Ordinance.
- Modify the Ordinance as deemed appropriate to regulate taxicabs only.

Financial Impacts

Due to the nature of this item, there are no financial impacts to the City.

SDBE

There are no SDBE requirements for this project.

Attachment

Amendments to the Passenger Vehicle for Hire Ordinance