

Council Study Session

November 20, 2017

Title:	City Regulation of Vehicle For Hire Services	
Item Type:	Request for Direction	
Requested by Council?	No	
From:	David Lohman	City Attorney
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Discussion Questions:

Should staff be directed to draft an ordinance enabling Transportation Network Companies (“TNC’s”) to operate within the City of Ashland?

While the issues are many, of primary interest/concern to City staff are the following areas that may create challenges in allowing one or more Transportation Network Companies to operate legally within Ashland:

- Quality and depth of required background checks for drivers
- Level of involvement, collaboration, and coordination between TNC’s and the regional transit system
- Amounts of fees and insurance
- Ability of the City to audit and verify compliance with City of Ashland ordinances
- Regulatory equity for taxi companies and drivers

Resource Requirements:

The development of ordinance amendments and additions to the current language set forth in Chapter 6.28 of the Ashland Municipal Code related to taxicabs will require staff time from the City Attorney’s office and other City Departments. No direct expenditure of funds is anticipated in conducting research or in developing ordinance language.

Suggested Next Steps:

If Council is interested in ordinance changes that would allow TNC’s to legally operate in Ashland, staff will prepare a draft ordinance for Council consideration in the near future.

Policies, Plans and Goals Supported:

N/A

Background and Additional Information:

Current Status

The City of Medford recently adopted amendments to its municipal code that allow TNC’s such as Uber and Lyft to legally operate within Medford. Bend, Redmond, Salem and other Oregon cities have recently approved similar code revisions.

City of Ashland Legal and Administration staff recently met with an Uber representative to discuss Medford's recent code amendments and how they differ from those found in other jurisdictions in Oregon. The issue of whether the City of Ashland's regulatory framework should mirror Medford's was also discussed.

As currently written the Ashland Municipal Code does not expressly address TNC's nor allow them to operate under their current model. Staff is interested in obtaining direction from Council about whether to prepare code amendments that would allow TNC's to operate in Ashland.

Attachments:

City of Medford Ordinance and Agenda Item Commentary



CITY OF MEDFORD AGENDA ITEM COMMENTARY

Item No: 80.1

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DEPARTMENT: Legal
PHONE: (541) 774-2020
STAFF CONTACT: Lori Cooper, City Attorney

AGENDA SECTION: Ordinances and Resolutions
MEETING DATE: October 19, 2017

COUNCIL BILL 2017-96

An ordinance repealing sections 8.004 and 8.400 through 8.495, amending section 8.497, and adding sections 8.320 through 8.380 regarding taxicabs and transportation network companies.

SUMMARY AND BACKGROUND

The current Medford code regulating taxicabs does not expressly address Transportation Network Companies (TNC's) such as Uber and Lyft. The Council will be considering whether to repeal Medford's existing code chapter regulating taxicabs, and whether to replace it with somewhat more detailed provisions clarifying operating, insurance, and fee requirements and specifically authorizing TNC's to operate within the City

PREVIOUS COUNCIL ACTIONS

A study session was held on June 29, 2017.

A public hearing was held on August 17, 2017.

A study session was held September 14, 2017, and staff was directed to present an ordinance for Council consideration.

ANALYSIS

TNC's – Uber and Lyft are the most prominent examples – have become a central part of the new sharing economy. Government and the insurance industry have struggled to address the TNC business model, and to identify and minimize the risks presented and deal with insurance coverage issues. There have also been concerns about respecting the traditional taxi industry, and creating an environment that fosters the fairest possible competition between taxis and TNC's.

Staff has attempted to create a code that will create consistency and a level regulatory playing field for the different models of vehicle for hire services. The intention of the proposed code is to create standards sufficient to address the primary concerns about background checks, insurance, accessibility, and operating standards, while not delving more deeply than necessary into subjects such as vehicle requirements, driver education, etc. Another key feature of the proposed new code is a general shift of some responsibilities from the City to the companies themselves, in conjunction with certification and auditing elements that will allow the City to monitor compliance.

The key features of the new code sections include adoption of the "three period model" for determining TNC automobile liability coverage limits. Period 1 is when the TNC driver has logged into the TNC's digital dispatch system or is otherwise connected to the TNC's digital network, but has not yet accepted a request for a ride from a passenger (for example, the software application is open and the driver is waiting for a match); Period 2 is when a passenger match has been accepted, but the passenger is not yet picked up (for example, the driver is on the way to pick up the passenger); and Period 3 is when the passenger is in the vehicle.

Notably, the three TNC service periods do not determine whether TNC's are required to carry primary automobile liability coverage (they are), but instead reflect how much coverage is available, depending on the period during which an accident or loss occurs. This coverage is now readily available for TNC's, which, along with many local and state regulators, have generally adopted it as the standard framework for



CITY OF MEDFORD AGENDA ITEM COMMENTARY

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automobile liability insurance to address the coverage gaps or “livery exclusions” that caused concerns during the advent of TNC operations.

The proposed code contains new background check requirements which would be equally applicable to all vehicle for hire operators, whether TNC’s or Taxi Companies - the new code would apply the same standards to all operators of vehicles for hire in the City. Convictions for misdemeanor theft offenses do not disqualify drivers from obtaining a business license under the proposed new code.

The proposed new code eliminates the taxi card appeal process. If a vehicle for hire applicant is denied a business license, he or she can appeal the denial through the business license appeal process set out in code section 8.004.

Staff was unable to determine an accurate and equitable formula for a street utility-type fee for TNC’s, since TNC’s do not have brick and mortar buildings which can be used to calculate trip generation, and it is not known at this time how many trips TNC’s will generate.

Staff has prepared three fee/surcharge options for Council’s consideration:

1. Flat business license/operator fee: This fee would apply to TNC’s and taxi companies. Currently, taxi companies pay a \$50 operator fee, a \$30 taxi ID card fee, and a \$100 business license fee. This could remain the same under the proposed new code (except a taxi driver ID card and associated fee will not be necessary since the Operators will be doing the background checks on Drivers), or like Bend, during the first year of operation, the City could charge the TNC’s a higher application fee.

Currently, Bend charges TNC’s \$680 and taxi companies \$285 annually. Bend’s TNC ordinance, which is very similar to the draft ordinance being presented to the Council, contains a provision that the fee is based on the number of drivers operating for the company at the time of application. Since it was unknown how many TNC drivers would be operating at the time its TNC ordinance went into effect, the City of Bend chose an initial application fee amount of \$680.

Under this fee scenario, each TNC driver would be required to obtain a business license, since they are considered independent contractors. Similarly, taxi drivers who are independent contractors would be required to obtain a business license.

This fee option would capture some of the City’s costs in administering the program.

In staff’s opinion, this fee option would most likely have the highest compliance rate and would be the easiest to administer.

2. Per trip surcharge: This charge would capture some of the City’s costs to administer the TNC program, as well as recover some costs of the impacts that TNC’s will have on the City’s transportation system. This charge would apply only to TNC’s, since taxi companies already pay street utility fees (or home occupancy licenses), which helps pay for the operation and maintenance of city streets. Staff suggests a 25 cent per trip surcharge.

This surcharge program would rely on the “honor system,” much like the transient lodging tax system, in which the City relies on the regulated industry for accurate reporting and payment of the fee.

Taxi companies, TNC’s, and drivers who are independent contractors would be also required to obtain a business license under this option.



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3. Gross receipts charge: Some cities in other states charge TNC's a gross receipts fee, ranging anywhere from 1% to 4% of the total gross trip fare collected from TNC passengers for rides that originate in the city. Like the per trip surcharge discussed above, this program would rely on self-reporting by the regulated entities.

This gross receipts charge would recover some of the staff costs to administer the program, as well as some of the costs of the impacts that TNC's will have on the City's transportation system.

Like the per trip surcharge option, the gross receipts charge would only apply to TNC's, since taxi companies already pay a street utility fee.

Taxi companies, TNC's, and drivers who are independent contractors would be also required to obtain a business license under this option.

FINANCIAL AND/OR RESOURCE CONSIDERATIONS

Unknown at this time, since there is no data available regarding how many drivers and/or trips may be generated in the City.

If Council adopts a fee or surcharge on taxis and TNC's, these funds would at least partially cover the staff costs of processing the business licenses and other compliance oversight, and the impact of TNC's on the City's transportation system.

TIMING ISSUES

None.

COUNCIL OPTIONS

Approve the ordinance as presented.

Modify the ordinance as presented.

Deny the ordinance and give staff further direction.

STAFF RECOMMENDATION

Staff recommends approval of the ordinance with fee option 1, the flat business license/operator fee.

SUGGESTED MOTION

I move to approve the ordinance adopting the proposed code amendment.

EXHIBITS

Ordinance

ORDINANCE NO. 2017-96

AN ORDINANCE repealing sections 8.004 and 8.400 through 8.495, amending section 8.497, and adding sections 8.320 through 8.380 regarding taxicabs and transportation network companies.

THE CITY OF MEDFORD ORDAINS AS FOLLOWS:

Section 1. Section 8.004 of the Medford Code is hereby repealed:

8.004 Appeal of Denial, Revocation, Classification or Exemption of License.

~~(6) In addition to the Council's authority under Section 1.025, Council may authorize issuance of a taxi driver's ID card if Council finds reliable indicia of rehabilitation from a disqualifying event listed in Section 8.425. In making its decision, Council may consider information including but not limited to: evidence of (a) successful completion of addiction recovery or substance abuse program; (b) successful completion of anger management or cognitive behavioral training; (c) successful family programming treatment; (d) gainful employment; (e) stable housing; (f) testimony from a mentor; (g) testimony from victims or victims services organizations; (h) testimony from professionals in the field of criminal rehabilitation, probation, transition or parole; (i) reference from employers; (j) lack of additional convictions or traffic citations; or (k) lack of fines owed to Municipal Court.~~

Section 2. Section 8.400 of the Medford Code is hereby repealed:

~~8.400 Fees Required for Taxi Businesses.~~

~~In addition to fees outlined in 8.060, any taxi business shall have the following non refundable annual fees:~~

Taxi Operator's Fee	_____	\$50.00
Taxi Driver ID card (T Card)	_____	\$30.00

Section 3. Section 8.405 of the Medford Code is hereby repealed:

~~8.405 Operator's License Required.~~

~~(1) No person shall engage in a taxicab business in the city without a current, valid business license.~~

~~(2) No person shall operate a taxicab in the city without a current, valid taxi driver ID card as set forth in 8.425.~~

~~(3) A person operating a taxicab shall be considered to be operating a taxicab business "in the city" if he, or his agent or employee, picks up a passenger for hire within the city limits.~~

~~(4) "Taxicab" means a motor vehicle other than a limousine or exempt vehicle which carries passengers for hire.~~

Section 4. Section 8.410 of the Medford Code is hereby repealed:

~~8.410 Application for Operator's License.~~

~~An applicant for a license to operate a taxicab business shall submit to the Finance Director on a form approved by him an application setting forth the name of the applicant and location of business. The application form shall include entries whereon the applicant shall demonstrate his ability to comply with Section 8.430(10), (11) and (13).~~

Section 5. Section 8.425 of the Medford Code is hereby repealed:

~~8.425 Taxi Driver's ID Card.~~

~~(1) No person shall operate a taxicab who does not have a taxi driver's ID card issued by the Police Department.~~

~~(2) A taxi driver's ID card shall be issued by the Police Department upon receipt of written application, certified copy of The Oregon State Police Background Check, and a fee as set forth in 8.400, if and only if the Police Department finds that the applicant:~~

~~(a) Is twenty one years of age or older; and~~

~~(b) Possesses a valid motor vehicle operator's license; and~~

~~(c) Has not been declared a habitual traffic offender within five (5) years of the date of this application; and~~

~~(d) If the applicant has ever been declared a habitual traffic offender, has not been convicted of a traffic crime within five (5) years of the date of this application; and~~

~~(e) Has not been convicted of any of the following crimes or any similar crimes in any degree at any time:~~

~~(i) Any felony crime committed against another person~~

~~(ii) Any person that is a registered sex offender~~

~~(iii) Any felony crime involving use of a weapon~~

~~(iv) Any felony property crime within five (5) years of the date of this application~~

~~(v) Any traffic crime within three (3) years of the date of this application~~

~~(vi) Any drug offense within five (5) years of the date of this application~~

~~(vii) Any misdemeanor person crime within three (3) years of the date of this application~~

~~(viii) Any misdemeanor property crime within three (3) years of the date of this application~~

~~(ix) Any misdemeanor crimes against public order within two (2) years~~

~~(f) Did not knowingly make any false statement in the application for the license.~~

~~(3) The Finance Director shall revoke the taxi driver ID card of a driver who fails to meet the qualifications set out in this section after a permit has been issued to that person. A person whose permit is denied or revoked may reapply after one year if the applicant meets the qualifications set forth in this section for a new applicant.~~

~~(4) A taxi driver's ID card is not transferable.~~

Section 6. Section 8.430 of the Medford Code is hereby repealed:

~~8.430 Taxicab Regulations.~~

Ordinance No. 2017-96

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- ~~(1) All taxicabs shall be clean, of good appearance, properly equipped, and in a safe condition for the transportation of passengers, and subject to inspection by the Police Department at any time.~~
- ~~(2) A cab driver shall display his taxi driver ID card where it will be plainly visible to passengers in the taxicab he operates in a clear plastic sleeve in the back left corner of the rear window.~~
- ~~(3) A copy of the current schedule of fares shall be posted in each taxicab where plainly visible to passengers.~~
- ~~(4) All taxicab drivers shall give receipts for fares paid, upon request of a passenger.~~
- ~~(5) Taxicab drivers shall carry light hand baggage of passengers without additional charge.~~
- ~~(6) No cab driver shall carry passengers or cargo in his vehicle in excess of the motor vehicle manufacturer's stated load limits for that vehicle.~~
- ~~(7) No person shall operate a taxicab except in conformance with the Oregon Motor Vehicle Code and the Code of Medford relating to traffic.~~
- ~~(8) No cab driver shall solicit passengers by shouting.~~
- ~~(9) A taxicab operator shall maintain a central office or contract for 24-hour dispatch.~~
- ~~(10) A taxicab operator shall equip all with meters showing the amount of fare on a lighted face plainly visible to a passenger. On demand by the Police Department, the licensee shall demonstrate a meter to be accurate by means acceptable to the Police Department. Meters found to be inaccurate shall be removed from service at once.~~
- ~~(11) All taxi cabs are required to have an annual ASE certified mechanic inspection. Proof of the inspection shall be kept in the taxi cab and available for law enforcement upon request at any spot inspection or audit.~~
- ~~(12) All taxi cabs are required to permanently affix the company name and phone number to both sides of the taxi cab. The signage must be clearly visible from 20 feet.~~
- ~~(13) No person shall operate any vehicle as a taxicab unless that vehicle is covered by liability insurance providing \$100,000.00 coverage for property damage or destruction, \$300,000.00 coverage for bodily injury or death of any person, \$500,000.00 for each occurrence; or in lieu of such coverage, a single limit insurance policy of not less than \$500,000.00 covering all claims per occurrence. A certificate of insurance shall be provided to the Finance Director upon approval of the operator's license and at the time of annual renewal. The operator shall require the insurer to provide a written notice of cancellation to the Finance Director if any insurance policy is cancelled. Proof of insurance shall be kept in the taxi cab and available for law enforcement upon request at any spot inspection or audit.~~

Section 7. Section 8.440 of the Medford Code is hereby repealed:

~~8.440 Appeal.~~

~~Any person aggrieved by a ruling of the Police Department relating to Section 8.425 shall have the right to appeal to the Finance Director under the procedures set out in Section 8.004 of this code.~~

Section 8. Section 8.450 of the Medford Code is hereby repealed:

~~8.450 Term of Taxi Driver ID Card and Operator's Licenses; Fees.~~

~~(1) A taxicab operator's license and a taxi driver ID card shall be valid for the same term as the business license.~~

~~(2) Taxicab operator's licenses may be renewed annually upon payment of the annual fees as set forth in 8.400 unless suspended or revoked for cause. Taxicab operators licenses are not transferable, and a contract purchaser or other purchaser, lessee or assignee of a licensed taxicab business shall not do business without first applying for an operator's license and other licenses under the terms of section 8.410, et seq.~~

Section 9. Section 8.451 of the Medford Code is hereby repealed:

~~8.451 Fees Required for Limousine Businesses.~~

~~In addition to fees outlined in 8.060, any limousine business shall have the following annual fees:~~

Limousine Operator's Fee	\$50.00
Taxi Driver ID Card (T-card)	\$30.00

Section 10. Section 8.452 of the Medford Code is hereby repealed:

~~8.452 Exempt Vehicles.~~

~~(1) Vehicles defined as follows are exempt from the regulations imposed by Sections 8.400-8.495.~~

~~(a) Ambulances equipped and staffed so as to be capable of providing emergency medical services in conjunction with passenger transportation;~~

~~(b) Courtesy vehicles used by a hotel, motel, car rental company, residential home, parking facility or other business to transport that business' clients when transportation is secondary to the business' primary purpose and the transportation is free or contained in the general overhead of the business;~~

~~(c) Non-motorized vehicles such as horse-drawn vehicles;~~

~~(d) Property delivery vehicles used for delivering property exclusive of passenger transportation;~~

~~(e) Shuttle vehicles and buses used for providing passenger transportation over a fixed route and time schedule; and~~

~~(f) Volunteer-driven vehicles operated by a driver who is reimbursed for basic mileage expenses and who does not receive wages, salary or other compensation.~~

~~(2) These exempt vehicles are forbidden from operating as taxicabs or limousines.~~

Section 11. Section 8.455 of the Medford Code is hereby repealed:

~~8.455 Operator's License Required.~~

~~(1) No person shall engage in a limousine business in the city without a current, valid business license.~~

~~(2) No person shall operate a limousine in the city without a current, valid taxi driver ID card as set forth in 8.425.~~

~~(3) A person operating a limousine shall be considered to be operating a limousine business "in the city" if he, or his agent or employee, picks up a passenger for hire within the city limits.~~

~~(4) "Limousine" means a chauffeur-driven sedan which carries passengers for hire where the minimum fare charged is at least \$25.00. The minimum fare is solely for the purpose of distinguishing a taxicab from a limousine.~~

Section 12. Section 8.460 of the Medford Code is hereby repealed:

~~8.460 Application for Operator's License.~~

~~An applicant for a license to operate a limousine business shall submit to the finance director on a form approved by him an application setting forth the name of the applicant and location of business, description of equipment to be used; and shall pay the non-refundable fees as outlined in 8.451.~~

Section 13. Section 8.470 of the Medford Code is hereby repealed:

~~8.470 Taxi Driver's ID Card.~~

~~No person shall operate a limousine who does not have a taxi driver's ID card issued by the Police Department as outlined in 8.425.~~

Section 14. Section 8.475 of the Medford Code is hereby repealed:

~~8.475 Limousine Regulations.~~

~~(1) All limousines shall be clean, of good appearance, properly equipped, and in a safe condition for the transportation of passengers, and subject to inspection by the Police Department at any time.~~

~~(2) A limousine driver shall provide a schedule of fares to passengers, upon request.~~

~~(3) All limousine drivers shall give receipts for fares paid, upon request of a passenger.~~

~~(4) No limousine driver shall carry passengers or cargo in his vehicle in excess of the motor vehicle manufacturer's stated load limits for that vehicle.~~

~~(5) No person shall operate a limousine except in conformance with the Oregon Motor Vehicle Code and the Code of Medford relating to traffic.~~

~~(6) No limousine driver shall solicit passengers by shouting.~~

~~(7) A limousine driver shall maintain his taxi driver ID card in his possession when operating a limousine and display the permit upon request of a passenger or police officer.~~

~~(8) All limousines are required to have an annual ASE certified mechanic inspection. Proof of the inspection shall be kept in the limousine and available for law enforcement upon request at any spot inspection or audit.~~

~~(9) No person shall operate any vehicle as a limousine unless that vehicle is covered by liability insurance providing \$100,000.00 coverage for property damage or destruction, \$300,000.00 coverage for bodily injury or death of any person, \$500,000.00 for each occurrence; or in lieu of such coverage, a single limit insurance policy of not less than \$500,000.00 covering all claims per occurrence. A certificate of insurance shall be provided to the Finance Director upon approval of the operator's license and at the time of annual renewal. The operator shall require the insurer to provide a written notice of cancellation to the Finance Director if any insurance policy is cancelled. Proof of insurance shall be kept in the limousine and available for law enforcement upon request at any spot inspection or audit.~~

Section 15. Section 8.485 of the Medford Code is hereby repealed:

~~8.485 Appeal.~~

~~Any person aggrieved by a ruling of the Finance Director or Police Department relating to section~~

~~8.470 shall have the right to appeal under the procedures set out in section 8.004 of this code.~~

Section 16. Section 8.495 of the Medford Code is hereby repealed:

~~8.495 Term of Taxi Driver ID Card and Operator's Licenses; Fees.~~

~~(1) A limousine operator's license and taxi driver ID card shall be valid for the same term as the business license.~~

~~(2) Limousine operator's licenses may be renewed annually upon payment of an annual fee set forth in 8.451 unless suspended or revoked for cause. Limousine operator's licenses are not transferable, and a contract purchaser or other purchaser, lessee or assignee of a licensed limousine business shall not do business without first applying for an operator's license and other licenses under the terms of section 8.460, et seq.~~

Section 17. Section 8.497 of the Medford Code is amended to read as follows:

8.497 Horse Drawn Vehicle Regulations.

(2) No person shall operate a horse drawn vehicle unless the person is twenty-one years of age or older and has not been convicted of any crime set forth in Section ~~8.425(1)(d) and (e)~~. **8.335**

Section 18. Section 8.320 of the Medford Code is added to read as follows:

8.320 Title, Intent, and Purpose of Sections 8.325 to 8.380.

This ordinance shall be known and may be cited as the "Vehicle for Hire Ordinance of the City of Medford." The City Council of the City of Medford finds and declares that the purpose of this ordinance is to promote the safety and welfare of the general public by regulating vehicle for hire operators and their drivers within the City of Medford, as authorized by ORS 221.485 and 221.495. Nothing contained in this ordinance is intended or shall be construed to create any liability on the part of the City, its officers or employees for any injury or damage related to any provision of this ordinance, or by reason or in consequence of any act or omission in connection with the implementation or enforcement of this ordinance on the part of the City, its officers, or employees.

Section 19. Section 8.325 of the Medford Code is added to read as follows:

8.325 Definitions.

Words and phrases used in this ordinance shall have the following meanings ascribed to them:

(1) "Digital dispatch system" means an internet-based software application, website, platform, or interface that allows for the solicitation, arrangement, or provision of vehicle for hire services and the display of rates, calculation of fares, or acceptance of payment for vehicle for hire services.

- (2) “Driver” means any individual person who operates a vehicle for hire within the City.
- (3) “Limousine” means a luxury motor vehicle for hire whose chassis and wheelbase have been lengthened beyond the original manufacturer’s specifications, whether at the time of production or after.
- (4) “Limousine Company” means any person operating one or more limousines for hire, other than as a driver, regardless of the legal form of the entity and regardless of whether the limousines so operated are owned by the company, leased, or owned by individual members of an entity.
- (5) “Operator” means a person engaged in the business of furnishing or operating a business defined by this ordinance, whether upon contract or by offering such service to the public generally.
- (6) “Taxi” means a motor vehicle for hire, other than a limousine or transportation network vehicle.
- (7) “Taxi Company” means any person operating one or more vehicles for hire, other than as a driver, regardless of the legal form of the entity and regardless of whether the taxis so operated are owned by the company, leased, or owned by individual members of an entity. Taxi Companies do not include Transportation Network Companies.
- (8) “Transportation Network” means one or more drivers working as independent contractors and utilizing a digital dispatch system, and using personal motor vehicles in the provision of transportation services.
- (9) “Transportation Network Company or TNC” means a person that operates or facilitates a transportation network.
- (10) “Transportation Network Vehicle or TNV” means a personal motor vehicle which is used as a vehicle for hire and is part of a transportation network.
- (11) “Vehicle for Hire” means a motor vehicle used for the ground transportation of passengers for compensation within the City, including taxis, limousines and transportation network vehicles. The following vehicles shall not be considered vehicles for hire for the purposes of this ordinance, and are forbidden from operating as a taxi, limousine, or transportation network vehicle: (a) Ambulances equipped and staffed so as to be capable of providing emergency medical services in conjunction with passenger transportation; (b) Courtesy vehicles used by a hotel, motel, car rental company, residential home, parking facility, or other business to transport that business' clients when transportation is secondary to the business' primary purpose and the transportation is free or contained in the general overhead of the business; (c) Non-motorized vehicles such as horse-drawn vehicles; (d) Property delivery vehicles used for delivering property exclusive of passenger transportation; (e) Shuttle vehicles and buses used for providing passenger transportation over a fixed route and time schedule; and (f) Volunteer-driven vehicles operated by a driver who is reimbursed for basic mileage expenses and who does not receive wages, salary, or other compensation.
- (12) “Vehicle for hire agency” means a business engaged in furnishing or providing one or more vehicles for hire through a digital dispatch system or by any other means, regardless of whether such business has employees or delivers its services through independent contractors, including a transportation network company.
- (13) “Vehicle for hire driver” means a person who carries on the vocation of driving a

vehicle for hire.

Section 20. Section 8.330 of the Medford Code is added to read as follows:

8.330 Business License Required for Operators and Drivers; Regulatory License Fees.

- (1) No Operator shall conduct business in the City without obtaining the applicable regulatory license set out in subsection (2).**
- (2) The City may issue a License to an Operator if the company certifies on a form acceptable to the City that it is in compliance with all requirements of this chapter, including but not limited to driver and insurance requirements, operating standards, and any other code requirements, and actually meets all applicable standards and requirements.**
- (3) The City may include conditions, restrictions, or special provisions in the License, including but not limited to conditions related to routes, times of operation, lighting, alternative requirements or means of meeting requirements, or other conditions, if, in the sole discretion of the City, the applicant's vehicles or operations warrant conditions, restrictions, or special provisions.**
- (4) The License issued under this chapter is valid for one year. Any renewal must be approved by the City prior to the expiration date in order for the Operator to continue providing vehicle for hire services within the City.**
- (5) The application fee shall be based on the number of drivers operating for the Operator at the time of the application, and shall be intended to account for the City's costs in administering this code and for the City's costs in operating and maintaining streets within the City. The fee amounts shall be set by City Council resolution as part of the City's fee schedule.**
- (6) The application fee shall be paid to the City at the time of submitting both initial and renewal License applications.**
- (7) No Operator or Driver shall conduct business in the City without a valid business license.**

Section 21. Section 8.335 of the Medford Code is added to read as follows:

8.335 Driver requirements.

- (1) Drivers shall be at least 21 years of age and shall possess a valid driver license, proof of motor vehicle registration, and proof of current automobile liability insurance that meets the requirements of this chapter and state law.**
- (2) Every Operator shall maintain accurate, current records for all drivers employed by, contracting with, or otherwise affiliated with the company, including all drivers accessing the company's digital network to operate in the City. The records shall include the driver's name, date of birth, address, social security number, criminal background check results, driver's license information, motor vehicle registration, and automobile insurance. Operators shall provide a person in compliance with this section written notice of compliance, who shall then submit the notice to the City as part of the business license**

application required by section 8.330(3).

(3) Prior to permitting a person to operate as a Driver, and annually thereafter, the Operator shall conduct, or have a qualified third party conduct, a criminal background check. The criminal background check shall include a search of no less than seven years of history, unless prohibited by law, in which case the duration of the search shall be the maximum number of years permitted by law. The criminal background check shall include local, state, and national criminal history databases and all accessible sex offender registries. Any person who is on a sex offender registry, or any person that has a record of a felony conviction within the previous seven years may not act as a driver. A record of a conviction of any of the following within the previous seven years will also disqualify a person from acting as a driver: crimes involving driving under the influence of alcohol or controlled substances, sexual offenses, or crimes involving physical harm or attempted physical harm to a person. The company or its agent shall maintain records of a criminal background checks for a period of at least two years. For purposes of this section, the term "conviction" includes convictions, bail forfeitures, and other final adverse findings.

(4) An Operator must revoke a driver's authority to operate as a driver for their company and inform the City if it finds at any time that the standards set forth in this section are no longer being met by the driver. The Operator shall only reinstate a driver upon a finding by the company that all standards are again being met by the driver.

Section 22. Section 8.340 of the Medford Code is added to read as follows:

8.340 Insurance Requirements.

(1) For all required insurance, Operators shall provide certificates of insurance naming the City, its officers, agents, and employees as additional insured parties and give at least 30 calendar days' notice to the City before a policy is canceled, expires, or has any reduction in coverage.

(2) Insurance requirements of this section shall be satisfied by insurance issued by a licensed insurer or an eligible surplus lines insurer in the State of Oregon.

(3) The insurance limits for Operators are subject to statutory changes as to maximum limits of liability imposed on municipalities of the State of Oregon during the permit's term, or other statutory changes.

(4) The adequacy of insurance coverage is subject to the review and approval of the City.

(5) Every Operator shall maintain continuous, uninterrupted coverage for the duration of the License and any operations in the City. Any lapse in insurance coverage, even if it is later backdated by the insurance company, is a violation of this chapter.

(6) Operators shall secure and maintain commercial general liability insurance with limits of not less than \$1 million per occurrence and \$2 million aggregate for claims arising out of, but not limited to, bodily injury and property damage incurred in the course of operating in the City.

(7) Taxi Companies operating any motor vehicles shall secure and maintain commercial automobile liability insurance covering those vehicles, with a combined single limit of not less than \$1 million per occurrence for claims arising out of, but not limited to, bodily injury and property damage incurred in the course of operating in the City.

(8) TNC Service Periods Defined:

(a) Period 1: The TNC Driver has logged into the App or is otherwise connected to the TNC's digital network, but has not yet accepted a request for a ride from a passenger. For example, the App is open and the driver is waiting for a match.

(b) Period 2: A passenger match has been accepted, but the passenger is not yet picked up (for example, the driver is on the way to pick up the passenger).

(c) Period 3: The passenger is in the vehicle.

(9) Upon City request or as part of an application, TNCs shall provide proof of current valid insurance for City approval covering all affiliated TNC Drivers and vehicles for hire operating for such company and satisfying the minimum requirements of Periods 1, 2, and 3.

(10) All TNCs shall maintain and provide the City with proof of the following automobile liability coverages:

(a) Primary insurance coverage during Period 1 with minimum liability limits of \$50,000 per person for death and injury, \$100,000 per incident for death and injury, and \$25,000 for property damage, plus any other state compulsory coverage.

(b) Primary insurance coverage during Periods 2 and 3 with minimum liability limits of \$1 million in combined single limit coverage for death, personal injury and property damage per incident; and \$1 million in combined single limit under/uninsured motorist coverage for death, personal injury and property damage per incident.

(c) The required automobile liability insurance shall specifically recognize the driver's provision of TNC and vehicle for hire services and shall comply with the laws of the State of Oregon and/or other applicable governing bodies.

(11) TNC drivers shall be responsible for maintaining all personal automobile liability insurance required by State law.

Section 23. Section 8.345 of the Medford Code is added to read as follows:

8.345 Operational Requirements

(1) TNCs shall maintain records of all trips made by all drivers for at least one year from the date of the trip. The data may be aggregated and/or anonymized, and shall include, at minimum, the locations by ZIP code of trip origination and destination, vehicle miles traveled, trip origination and completion times, trip duration, and passenger wait times from a driver's acceptance of a request to passenger pick-up. The City may require a TNC to enter a data sharing agreement in order to receive a License.

(2) All vehicles operating for a TNC or Taxi Company shall be clearly marked with the company name or logo. Vehicles operating for a Taxi Company shall include the company name or logo, phone number, and a vehicle identification number in plain sight. Vehicles operated solely for TNC services shall be clearly marked as operating for the TNC, although any vehicle marking requirements imposed by a TNC may apply. The TNC's software application or website shall display for the passenger the make, model, and license plate number of the TNC vehicle.

(3) TNC drivers may not accept street hails, and may only accept rides arranged through a TNC's digital network.

(4) Operators shall implement and maintain at all times a zero tolerance policy on the use of drugs or alcohol applicable to all drivers employed by or affiliated with the company while providing vehicle for hire services. Companies shall provide notice of the zero tolerance policy on their website and/or have it clearly displayed in each vehicle. The notice must include contact information to report a complaint about a driver for possible violation of policy. A company shall immediately suspend a driver upon receipt of a passenger complaint alleging a violation of the zero tolerance policy, for at least the duration of the investigation of the complaint.

(5) Operators must provide reasonable accommodations to passengers with disabilities, including passengers accompanied by a service animal, passengers with hearing and visual impairments, and passengers with mobility devices, and must comply with all applicable requirements of the Americans with Disabilities Act.

Section 24. Section 8.350 of the Medford Code is added to read as follows:

8.350 Audit.

The City may audit Operators up to twice per calendar year to review compliance with this ordinance. Upon request, an Operator shall provide the City a sample of records for up to thirty (30) drivers affiliated with the Operator that have operated in the thirty (30) days preceding the audit. An audit shall occur at a time and location designated by the City. In addition to an audit, the City may require an Operator to produce records related to an investigation of a specific allegation of a violation of this ordinance or other applicable law, or to evaluate a complaint. Production of records for an investigation or to evaluate a complaint does not count toward the twice-per-year auditing limit.

Section 25. Section 8.355 of the Medford Code is added to read as follows:

8.355 Revocation, Suspension.

In addition to the remedies provided for in section 8.900 and ORS 30.315, the City may suspend, revoke, or refuse to issue a license if an Operator or Driver has violated or not met any of the provisions of sections 8.330 through 8.380. A violation includes any failure to meet or maintain any of the requirements or qualifications set forth in sections 8.330 through 8.380, including the procedures and requirements for obtaining and maintaining a business license, the making of any material misrepresentation, or if an Operator or Driver is otherwise engaged in unlawful activity.

Section 26. Section 8.360 of the Medford Code is added to read as follows:

8.360 Effective Date.

Any Vehicle for Hire Agency License that is current as of the effective date of this ordinance, shall remain valid, until June 30, 2018, unless the License holder wishes to apply for a new license under this chapter.

Section 27. Section 8.365 of the Medford Code is added to read as follows:

8.365 Charges for Vehicle for Hire Services.

(1) **Calculation and Display of Charges.** All charges for vehicle for hire services shall be calculated and displayed by a taximeter or digital dispatch system. When charges are to be displayed by a taximeter, the taximeter shall be placed in the vehicle for hire so that the reading dial showing the amount to be charged is illuminated and readily discernible to passengers.

(2) **Charges to be Registered Only When Vehicle for Hire is Engaged.** No taximeter or digital dispatch system shall be operated in any manner so as to cause any charge to be registered thereon except during the time while the vehicle for hire is engaged by a passenger.

(3) **Taximeter or Digital Dispatch System to be in Continuous Operation.** No passenger shall be carried in any vehicle for hire unless the taximeter or digital dispatch system is in operation, whether or not the trip is entirely within or partially within and partially without the boundaries of the City. The taximeter or digital dispatch system shall be in continuous operation during the entire time that a passenger is being transported for compensation.

(4) **Specialized charges.** A vehicle for hire agency may impose a specialized charge to carry extra passengers or to deliver goods or other items so long as such specialized charge is clearly calculated and displayed before any service is provided.

Section 28. Section 8.370 of the Medford Code is added to read as follows:

8.370. Use of Direct Route Required.

A vehicle for hire driver employed to carry a passenger to a definite point shall take the most direct route possible that will carry the passenger safely and expeditiously to his destination.

Section 29. Section 8.375 of the Medford Code is added to read as follows:

8.375 Smoking Prohibited.

(1) It shall be unlawful for any vehicle for hire driver to smoke in the presence of any passenger without the consent of such passenger.

(2) Notwithstanding subsection (1) of this section, it shall be unlawful for any person to smoke in a vehicle for hire if oxygen tanks or other devices containing inflammable materials are present in the vehicle.

(3) A violation of this section constitutes a violation.

Section 30. Section 8.380 of the Medford Code is added to read as follows:

8.380. Taximeter Inspection.

Every taximeter shall be inspected and tested for accuracy by the vehicle for hire agency at

least once every six months.

PASSED by the Council and signed by me in authentication of its passage this ____ day
of _____, 2017.

ATTEST: _____
City Recorder

Mayor

APPROVED _____, 2017.

Mayor

NOTE: Matter in **bold** is new. Matter ~~struck out~~ is existing law to be omitted. Three asterisks (***) indicate existing law which remains unchanged by this ordinance but was omitted for the sake of brevity.