



## Proposed Amendments to Chapter 46 Related to Vehicles-for-Hire

### FREQUENTLY ASKED QUESTIONS

**Q: Will new entrants have to conform to the same public safety requirements and operating requirements as existing drivers and permittees?**

A: Yes. Following are the minimum operating requirements for all vehicle-for-hire operators and/or drivers, including new entrants (*see attached matrix for a side-by-side comparison of each within the proposed ordinance*):

- Fingerprint criminal background checks
- Vehicle inspections for roadworthiness
- Vehicle age limits
- Commercial automobile liability insurance
- Pre-licensing physicals for drivers
- Pre-licensing warrant checks for drivers
- Pre-licensing drug testing for drivers
- Driver training
- Limitation on driver hours
- Proof of rendition for ad valorem taxes for vehicle-for-hire business assets (vehicles)
- Payment of permit and licensing fees to the City
- Place of business within the greater metropolitan area
- Fare certainty

**Q: Will new entrants be required to pay fees?**

A: Yes, we are proposing a fee of 2% of gross receipts to be paid by Transportation Network Companies.

**Q: When will the ordinance be effective? Will all parts of the ordinance be effective immediately?**

A: Most of the ordinance amendments will be effective immediately with the exception of:

- GPS/Credit Card system implementation requirements become effective 6 months after the effective date of the ordinance;
- Mobile Dispatch Service requirements and Transportation Network Company requirements become effective 90 days after the effective date of the ordinance.

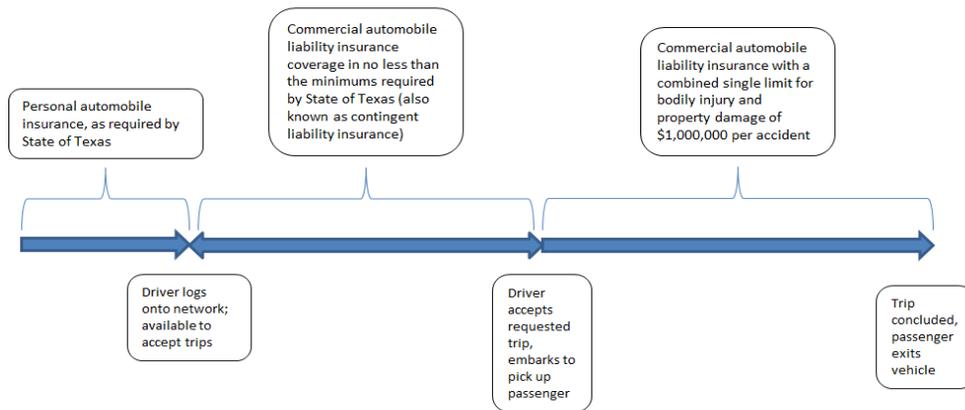
**Q: Will new entrants be required to carry commercial insurance?**

A: Yes. Contrary to information that has been provided to City Council by various Public Session speakers, the proposed ordinance requires the new entrants to provide commercial automobile liability insurance. The insurance provisions specified in the proposed ordinance have been created and reviewed by the City's insurance Broker of Record, the City's Insurance Management Division, and the City of Houston Legal Department and are more stringent than insurance

requirements around the country. The proposed ordinance requires Transportation Network Companies to maintain at least the following minimum coverage:

- Commercial automobile liability insurance with a combined single limit of \$1 million per accident, covering liability resulting from any occurrence arising out of, or caused by, the operation of a transportation network vehicle;
- Contingent liability insurance to cover that period between the time the driver goes into “driver mode”, i.e. goes onto the system to make himself available to receive trips, to the time he actually accepts the trip;
- The policies must provide coverage regardless of whether the driver maintains adequate personal liability insurance to cover a claim.

## Proposed TNC Insurance Coverage Requirements: An Example



**Q: Are taxicab companies or any vehicle-for-hire operator required to provide wheelchair accessible vehicles under the current ordinance?**

**A:** No, under the existing ordinance, there are no requirements that any vehicle-for-hire operator provide wheelchair accessible vehicles.

**Q: Will any vehicles-for-hire be required to provide wheelchair accessible vehicles under the proposed ordinance?**

**A:** Under the proposed ordinance, the City is required to meet a goal of 5% of the entire vehicle-for-hire fleet (including taxis, limousines and transportation network companies) being comprised of wheelchair accessible vehicles within 5 years of the effective date of this ordinance.

**Q: Please summarize all the changes that are proposed in this ordinance to address City Council's concerns related to wheelchair accessible vehicles.**

A: This ordinance addresses the issue in multiple ways, as summarized in our memo to City Council dated June 3, 2014:

1. As stated above, the proposed ordinance establishes a 5% goal for wheelchair accessible vehicles across all vehicle-for-hire categories within 5 years of the approval of this ordinance.
2. The proposed ordinance intends to incentivize the retrofit of vehicles-for-hire to wheelchair accessible vehicles by extending the vehicle age limit for vehicles used as wheelchair accessible vehicles, thereby allowing owners of those vehicles to recoup the substantial additional investment required for the retrofit.
3. The proposed ordinance establishes a Houston Transportation Accessibility Task Force to study the vehicle-for-services provided in Houston and provide recommendations to the Mayor and City Council regarding opportunities to improve or refine local regulatory controls on vehicles-for-hire that impact the provision of transportation services to persons with disabilities.

**Q: Is there due process for owners whose vehicles have been impounded or removed for operating without a valid vehicle-for-hire permit or registration?**

A: Yes. The proposed language provides that:

1. The vehicle will be towed to a secure facility designated by the City, and the vehicle operator will be given detailed, written instructions on how to retrieve his vehicle from the storage lot operator.
2. If the vehicle owner does not agree with the removal of the vehicle, he may request a hearing within 14 business days of the vehicle being impounded. It should be noted that the vehicle owner may retrieve his vehicle immediately from the storage lot and does not need to wait for the hearing to be held.
3. Hearings must be held within 10 business days after the hearing request is received by the court. Both the owner and the police officer who order the removal of the vehicle shall be notified of the date, time and place of the hearing. If the court determines probable cause did not exist for the removal of the vehicle, the City shall fully reimburse the owner.