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**Proposed Amendments to  
Chapter 46 of the Code of Ordinances  
Related to Vehicles-for-Hire**

**Presented By:**

**Department of Administration & Regulatory Affairs**

**August 25, 2015**



# PRESENTATION OVERVIEW

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## Background:

- 08/06/2014: City Council approved omnibus changes to Chapter 46, including the creation of the Houston Transportation Accessibility Task Force.
- 09/2014: Taxicab permit computation performed according to Chapter 46 requirements
  - Computation showed 205 permits should be issued
  - To allow market to adjust to effects of new entrants, City Council approved delay of distribution of new taxicab permits for one year, to September 2015

## Primary Areas for Consideration Today:

- Houston Transportation Accessibility Task Force Recommendations
- Taxicab Permit Distribution
  - Pilot program for creation of “driver-owned company”
  - Delay in general distribution
- Miscellaneous Amendments



# Accessibility

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**We would like to thank the following Task Force Members who donated their time and talents to creating these recommendations:**

Toby Cole - Chair

Michelle Colvard – Vice Chair

David Dillon – limousine industry

Sharon Ewing – disabilities community

Duane Kamins – taxi industry

Louis Maher – disabilities community

Roman Martinez – taxi industry

Chris Nakutis – TNC industry

Vinh Nguyen – disabilities community

Karen Petty – disabilities community

George Powers – disabilities community

Josh Sanders – TNC industry

Angela Wigglesworth - disabilities community



# Accessibility (cont'd)

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**Mandatory Requirements for Accessible Vehicles-for-Hire** – The Task Force created two options for vehicle-for-hire companies to increase the number of available WAVs in Houston, and to increase on demand transportation services for the disabilities community. **All vehicle-for-hire companies, regardless of size, must select one of the options and come into compliance within the designated timeframe:**

- Option 1 – Percentage of Fleet Requirement:
  - Companies  $\geq$  20 vehicles: must have at least 3% of their vehicle fleet be comprised of Wheelchair Accessible Vehicles (WAVs) within the first year of adoption of the ordinance.
  - Companies with 2 – 19 vehicles: Beginning in 2017, companies must operate at least one WAV as existing vehicles come offline.
  - Companies with 1 vehicle: Beginning in 2018, must replace all vehicles coming offline with a WAV. Note: single car operators could select Option 2 and avoid this capital expenditure.
  - All companies selecting Option 1 must affiliate with a company that can provide dispatch service for the WAVs.
  
- Option 2 – Outcome-based Requirement:
  - Companies selecting this option would not be required to purchase vehicles and could contract with WAV vehicle owners to provide the services. The companies would be evaluated based on achieving specific customer wait times for WAV service:
    - At the end of one year, an average wait time of 40 minutes
      - A company whose wait times fall within 15% of this goal may continue operating upon a good faith showing to the City of an effort to comply.
    - At the end of two years, an average wait time of 30 minutes
    - At the end of three years, an average wait time of 20 minutes



# Accessibility (cont'd)

<b>Industry Breakdown by Number of Permits</b>				
<b>Industry</b>	<b># of Companies with &gt; 20 permits</b>	<b># of Companies with 2 to 19 permits</b>	<b># of Single Permit Companies</b>	<b>WAVS to be added under Option 1</b>
Taxi	8	64	72	312
Limousine	10	311	394	735
Jitney	0	2	2	4
Charter	5	59	18	93
<b>Totals</b>	<b>23</b>	<b>436</b>	<b>486</b>	<b>1144</b>
Notes:				
1. Size of vehicle fleet (# of permits) is a determining factor only for companies that select Option 1.				
2. These numbers assume that all large companies are meeting the 8% goal at the end of five years and that all medium and small companies have replaced at least once vehicle with a WAV.				



# Accessibility (cont'd)

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## Enforcement

- Dispatch operators may assign WAV trips to appropriate drivers. WAV drivers who refuse to accept an accessible trip are subject to citation.
- Companies who fail to comply with the milestones outlined in options 1 or 2 are subject to permit revocation.
- Companies may only change the option selected once per year at the time of permit renewal.

## Other Requirements

- All VFH drivers must undergo general accessibility training. Drivers who operate a WAV must undergo more specific training for that vehicle. Companies may submit their in-house training programs to the City for approval to fulfill this requirement.
- Low speed shuttles, pedicabs, and antique vehicles are not subject to the WAV requirements. The Task Force requests that ARA develop ordinance language to ensure that these vehicles are as accessible as possible.
- If a VFH driver arrives at a pick-up location before the communicated or pre-agreed pick-up time, the driver will wait on the passenger without charge until the communicated pick-up time.
- Any and all dispatch platforms must have an option to dispatch a WAV.
- Electronic payments systems should provide an interactive speech output of all pertinent information to assist passengers with a visual impairment.
- The Task Force shall continue to meet on a regular basis to assess the success of implementation.



# Accessibility (cont'd)

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## Points of contention

- Prohibiting VFH companies from using any method to segregate accessible service from that provided to the general public, i.e. using "access codes"
- Allowing TNCs the option to purchase WAVs



# Taxicab Permit Distribution

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## Proposed Taxicab Permit Distribution has 2 Components:

- Delay distribution of 180 permits for two years until September 2017 - requested by industry and proposed by the Task Force
  
- Create “driver owned and operated” company:
  - Pilot Program
  
  - Issue one lot of 25 taxicab permits
  
  - New “Driver Owned and Operated” company must meet the following criteria:
    - Proof of financial responsibility – \$10,000 per permit
    - Compliance with all applicable sections of Chapter 46
    - Dispatch capability
    - Maintain a minimum fleet size of at least 25 vehicles
    - A single color scheme, company name and phone number





# Miscellaneous Amendments

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## Housekeeping Amendments:

- Consolidate ordinance provisions that deal with the same subject matter into one place in the ordinance (example: data submission requirements)
- Remove detailed taxicab zone rates from the ordinance, post on ARA website and with City Secretary
- Remove the requirement for taxicabs to paint the permit number on the roof of the vehicle
- Update TNC insurance requirements to mirror recent State law change

## Process Improvement Amendments:

- Amend Chapter 46-6(a) shifting the burden for maintaining driver drug test and medical physical forms from the City to company owners
- Replicate federal DOT guidelines for the types of medical professionals that may perform VFH driver physicals



# Miscellaneous Amendments (cont'd)

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## Industry Parity Amendments:

- Eliminate the re-inspection fee for pedicabs
- Eliminate the rate change fee for jitneys and low speed shuttles
- Remove 150,000 mileage limit for TNC vehicles
- Reduce requirement for renewal of Charter/Sightseeing permit from 10 years to 5 years
- Reduce the timeframe between the 1<sup>st</sup> and 2<sup>nd</sup> installment payments for limousines, charter/sightseeing and jitney vehicles



# Miscellaneous Amendments (cont'd)

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## Other Amendments:

- Provide for an extended vehicle life for all VFHs that pass an annual, rigorous, third party, mechanical inspection after the prescribed life of the vehicle
- Amend dress code to allow VFH drivers to wear shorts
- Clarify that Six in the City trips are not cash only; drivers must accept credit cards
- Allow taxicabs to post detailed rate information and complaint information on the passenger information module (PIM) rather than sticker on windows
- Clarify that credit cards for taxicab trips must be processed with a credit card device that is integrated with the calibrated taxi meter and complies with weights and measures standards
- Allow for the collateralization of taxicab permits
- Creates a transfer fee of 5% of the purchase amount for taxicab permits distributed in 2017 or later



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# Discussion



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# FAQs



# FAQs: TNCs

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- Has Uber been paying the 2% permit fee required by City Ordinance?
  - Yes. Uber has been paying the City a permit fee equal to 2% of gross receipts from trips generated within the City limits.
- Why doesn't a 2% surcharge appear on all Uber receipts?
  - The Ordinance does not require Uber to pass the permit fee on to the customer. The decision to pass the permit fee to the customer is a private business decision and does not impact compliance with the ordinance. MDS trips (e.g. UberBlack) are also not subject to a 2% permit fee. The City has the authority to conduct an audit to verify that all permit fee payments are correct.
- Does the City know how many TNC drivers are operating?
  - ARA maintains records on all licensed TNC drivers in the City. Uber, however, has filed a lawsuit against the City and the Attorney General to prevent the release of this information. ARA with the City Attorney is willing to brief any Council Member that is interested in further information.
- Has the City taken enforcement action against illegal operators?
  - Yes. In FY 2015, the City issued 3,425 citations to TNC drivers, 603 citations to limousine drivers, 549 citations to taxi drivers, and 141 citations to drivers of other VFHs. Additionally, the City also impounded several illegal taxis, limousines, and TNC vehicles.
- Why is Uber suing the City?
  - The City received several public information inquiries about the data that Uber reports on a quarterly basis. Uber has sued the City and the Attorney General to prevent the release of this information. The City is currently under a temporary injunction to not release the information until the lawsuit is resolved. The first lawsuits are set for trial on October 19, 2015.



# FAQs: Accessibility

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- How will a City Ordinance affect the Americans with Disabilities Act (ADA)?
  - A City Ordinance will have absolutely no effect on the ADA. Regardless of the requirements in City Ordinance, all companies must still meet their obligations under state and federal law. Any requirements imposed by the City are in addition to, not in lieu of, the requirements imposed by the ADA. A City Ordinance simply gives the community a responsive, local remedy in addition to existing federal remedies.
- Do the accessibility recommendations require VFH companies to purchase WAVs?
  - No. The Task Force's recommendation gives all VFH companies the ability to provide service to the disabilities community either through a percentage based mandate or by meeting outcome-based service metrics. A company that does not wish to purchase a vehicle could enter into a contract with a third party to provide accessible service on its behalf to fulfill the outcome-based option. Under Option 1, a company may also enter into an exclusive contract with a third party to operate the requisite number of vehicles on its behalf.



# FAQs: Taxis and Limos

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- What is the timeline for compliance with the integrated credit card/GPS system requirement?
  - The Ordinance approved by City Council on August 6, 2014 required all taxis to have installed an integrated credit card/GPS system by April 30<sup>th</sup>, 2015. Due to the time needed to deliver and install these devices, an extension was granted to July 31, 2015 to any company that could demonstrate a good faith effort to comply with the Ordinance.
- Why is it important for taxi drivers to process credit card payments through the authorized system?
  - If a credit card processing system is not linked directly to the taximeter, there is no way to guarantee that the passenger is being charged the correct amount. Using an unauthorized device also presents a security risk and leaves a passenger's credit card information vulnerable to theft.
- What is a Passenger Information Monitor (PIM)?
  - A PIM is a screen installed in the backseat of a taxi to provide information to the passenger. The PIM can display information about the trip including the route taken and the current fare as well as information about Houston.
- What is the timeline for compliance with the PIM requirement?
  - The Ordinance approved by City Council on August 6, 2014 required all taxis to have installed the PIM by January 2016.





# Taxicab Permit Computation

Pursuant to Chapter 46 of the Houston Code of Ordinances, the following is the computation of additional taxicab permits to be issued for 2015.

<b>Three-Year Average Method</b>	
Average Airport Taxicab Usage (Three-Year Average for 2011, 2012, 2013)	649,286
Base Year Airport Taxicab Usage	548,947
Difference	100,339
Percentage Change	18.28%
Average Population Estimate (Three-Year Average for 2011, 2012, 2013)	2,160,977
Base Year Population	2,198,520
Difference	-37,543
Percentage Change	-1.71%
Permit Adjustment Factor	8.29%
Permit Year Base Permit Number	2480
Permit Year Base Permittee Number	138
<b>Number of Taxicab Permits to be Issued</b>	<b>205</b>

