

Transportation Network Companies and Taxis

December 6, 2016



What is a TNC?

- State law definitions:
 - Transportation Network Company (TNC) – An entity that uses a digital network to connect a rider to a driver for a prearranged ride.
 - Digital network – any online-enabled application, software, website or system offered or used by a TNC that enables a prearranged ride with a transportation network company driver.

Texas Insurance Code, Chapter 1954

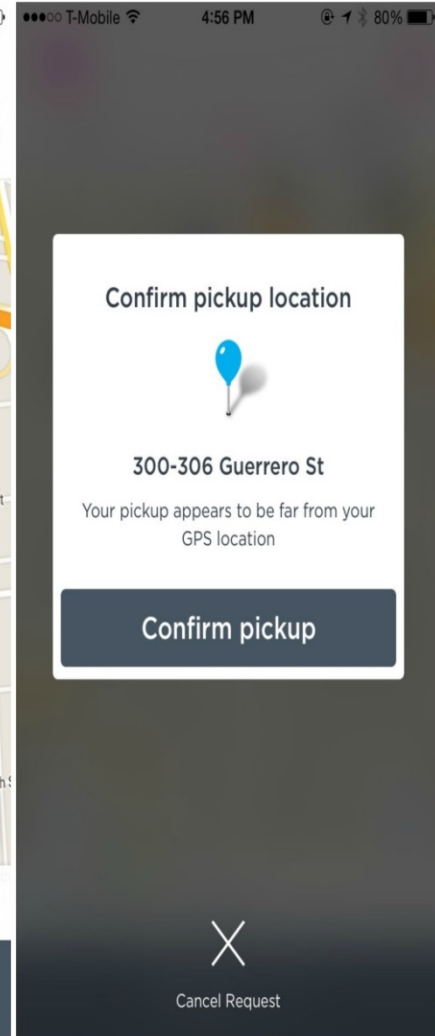
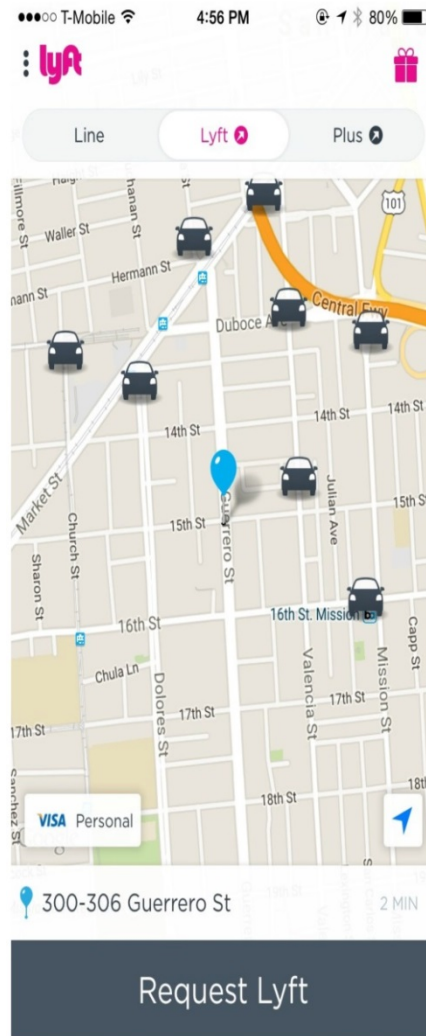
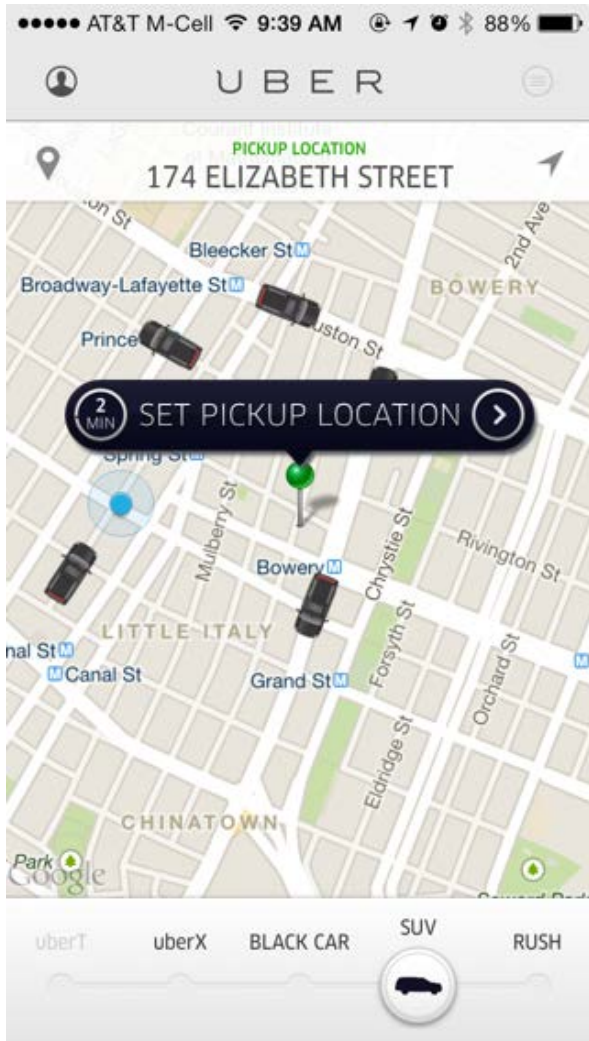


How TNCs Work

- Rider uses an app to request a ride and sees the fare.
- Driver accepts the request and goes to rider's location.
- App displays an estimated arrival time, driver's first name, vehicle type and license plate.
- Driver arrives and picks up rider.
- Payment is handled through credit card provided in the app. No cash exchanged.



How It Looks



Common Regulations by Cities

- Permits
- Fees
- Background Checks
- Records Inspections
- Airport Fees
- Fingerprint Requirements



Other Cities

	Abilene	Austin	College Station	Corpus Christi
City Permit for TNC	Yes - 1 yr.	Yes - 1 yr.	Yes - 1 yr.	Yes - 1 yr.
Fee	Yes - \$500	Yes - 1%AGR, # of drivers, or miles	Yes-# of drivers	Yes - 2% AGR or # of drivers
Background Check	Yes - TNC conducts checks	Yes	Yes - TNC conducts checks	Yes
Vehicle Inspection	No - TNC ensures compliance with TC	Yes	No - requires current registration	No - requires current registration
Records Inspection/Report	Yes	Yes	Yes	Yes
Insurance	Yes	Yes	Yes	Yes
Airport Fee	No	No	No	Yes
Fingerprint	No	Yes	No	Yes
City License for driver	No	No		Yes
Is TNC a "vehicle for hire"	unclear, likely not	"ground transportation service"	not taxicabs	yes, but not a taxi
display rates	Yes	Yes	Yes	Yes
distinct signage	No	Yes	No	Yes
wheelchair accessibility	Yes	Yes	Yes	No
nondiscrimination	Yes		Yes	No
citywide service			No	Yes



Other Cities

	Houston	Lubbock	San Antonio
City Permit for TNC	Yes - 5 yrs.	Yes - 1 yr.	Yes - 2yrs, autorenew 2 yrs.
Fee	Yes - 2% AGR	No	Yes - # of drivers
Background Check	Yes	Yes - TNC conducts checks	Yes
Vehicle Inspection	Yes - annual	No	Yes - TNC ensures; city inspect on demand
Records Inspection/Report	Yes	No	Yes
Insurance	Yes	Yes	Yes
Airport Fee	Yes	No	Yes
Fingerprint	Yes	No	Yes
City License for driver	Yes	No	Yes
Is TNC a "vehicle for hire"	no	no	yes, but some exceptions
display rates	Yes	Yes	Yes
distinct signage	Yes	No	No
wheelchair accessibility	Yes	Yes	No
nondiscrimination	No	Yes	No
citywide service	Yes	Yes	No



Fort Hood

- TNCs allowed
 - Drivers must show drivers license, registration and insurance
 - Criminal background check conducted (the same as anyone requesting an access pass)
 - If granted, pass is valid for 30 days



State Regulation of TNCs?

- SB 113 (Huffines)
 - Would prohibit sex offenders from driving for TNCs
(State law already prohibits sex offenders from driving cabs or limos)
 - Would prohibit cities from regulating street-hail cab service, prearranged limo service and TNCs



State Regulation of TNCs?

- SB 176 (Schwertner)
 - Among other things, would require state permits for TNC drivers, require TNCs to conduct criminal background checks, and generally prohibits cities from regulating TNCs or their drivers



Taxis

- Local Government Code 215.004
 - To protect the public health, safety and welfare, a municipality by ordinance:
 - SHALL license, control and otherwise regulate each private passenger vehicle...that provides passenger taxicab transportation services for compensation
 - Regulations may include: entry into the business, rates, and safety and insurance requirements



Code of Ordinances

Chapter 29

- Franchise required for operation
 - Currently 3: Cove, Luxury and Express
- An active fleet of at least 5 cabs
 - Cove 12
 - Luxury 10
 - Express 8



Code of Ordinances

Chapter 29

- Vehicle permits required
 - Inspection completed by city staff
 - State safety standards
 - Fire extinguisher
 - Physical barrier between passenger and driver
 - Two-way communication equipment for dispatch
 - Air conditioning and heat
 - Interior and exterior condition standards



Code of Ordinances

Chapter 29

- Drivers permit required
 - Issued by the Police Department
 - Must be sponsored by a franchise holder
 - Exam required
 - Review by the Police Department to determine the applicant's fitness or ability to perform the duties
 - 79 issued to date in 2016



Code of Ordinances

Chapter 29

- Rates
 - First 1/10 of a mile: \$2.50
 - Each additional 1/10 of a mile: \$0.285
 - Waiting time: \$25.00 per hour
 - Per additional passenger: \$1.00
 - Minimum fare: \$5.00
 - Scaled fuel surcharge when gas prices exceed \$4.00 per gallon
 - Last revised in 2008



Taxis at the Airport

- Must have a franchise issued by the city
- Airport issues a separate permit to provide service at KFHRA
- No soliciting inside the airport or at the sidewalk



Code of Ordinances

Chapter 29

- Fees
 - Franchise application fee: \$300
 - Annual renewal fee: \$100
 - Vehicle permit: \$50
 - Airport authority permit: \$40
 - Driver Permit: \$25

§29-74



Potential Changes to Taxi Ordinance

- Eliminate the written exam
- Consider fees and rates
- Match vehicle inspection standards with any lesser requirements considered for TNCs

