

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

WORKSHOP SUMMARY

Meeting Date: January 27, 2015

Department: PUBLIC SAFETY DEPARTMENT / COUNTY ATTORNEY'S OFFICE

I. EXECUTIVE BRIEF

Title: Request Board direction on the County's Vehicle For Hire (VFH) ordinance and Transportation Network Companies (i.e. UBER, Lyft).

Summary: On December 2, 2014, the Board of County Commissioners directed staff to review our current VFH ordinance to determine what accommodations would need to be made in order for Transportation Network Companies (TNC) companies to operate in Palm Beach County. TNCs have contracted with drivers to operate their personal vehicles for hire in Palm Beach County (PBC). The drivers provide transportation on County streets, at Palm Beach International Airport, railway stations, hotels, etc. The County Attorney's office has determined that rides through TNCs are no different from VFH companies, therefore, TNC drivers are subject to our VFH ordinance. To the best of our knowledge, TNCs and their drivers have not complied with the County's VFH Ordinance. Over 50 citations have been issued to TNC drivers by Consumer Affairs. Countywide (JB).

Background and Policy Issues: Transportation Network Companies (TNC) are entities that offer smartphone applications that allow users to book prearranged transportation services. Rides are provided by a driver that uses his or her own private vehicle that typically isn't covered by commercial insurance. The most recognizable of these companies are Uber and Lyft. The challenge facing state and local governments is how to incorporate this popular new technology into existing regulations governing traditional vehicles for hire to ensure the public's safety, yet at the same time provide a level playing field within the vehicle-for-hire industry even though there are some inherent differences in the service providers.

It is staff's position, like many other municipalities and counties including Broward and Metro-Dade, that TNC and its drivers are subject to the County's Vehicle for Hire (VFH) ordinance as it stands today. In fact, Uber and its drivers have been cited under the existing ordinance for not having a driver's permit/ID badge and a lack of commercial liability insurance. The drivers, through an attorney provided by Uber, have not contested any of the citations, instead choosing to accept the civil penalty imposed by the court, which Uber has paid. Citations issued directly to Uber have also gone uncontested with penalties paid. In any event, it is advisable to amend the ordinance to expressly address the TNC business model.

To this end, staff has reviewed regulations from other jurisdictions and various related information that can be helpful in this effort. Further, we've already been communicating with Broward and Miami-Dade to possibly coordinate common-ground language. Staff has also reviewed the ordinance provided to the Commissioners by Uber finds it unacceptable, as it is more akin to a contract between Uber and the County, with the terms and conditions mainly favorable to Uber. Besides, as mentioned above, a stand-alone ordinance isn't necessary as TNCs can be rolled into our existing VFH ordinance.

(continued on page 3)

Attachments:

1. Power Point Presentation

Recommended by: Vincit Bonvento 1/22/15
Department Director Date

Approved By: Vincit Bonvento 1/22/15
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	* _____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No Fiscal Impact

C. Departmental Fiscal Review: *Stephanie Depina*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Lisa Henry 1/23/14
 OFMB
 1/22
Barbara Wheeler
 Contract Dev. and Control
 1-23-15
for Barbara Wheeler

B. Legal Sufficiency:

James Brubaker
 Assistant County Attorney

C. Other Department Review:

 Department Director

Continued from Page 1

Because our current VFH regulations are comprehensive and extensive, there may be some areas that can be modified or eliminated in order for the requirements to more practically apply to both the traditional and the new technology without compromising the County's primary objective of protecting the public's safety.

There are many moving parts in the TNC arena. In addition to regulatory scheme variations ranging from no-regulations to outright bans and everything in between, the judiciary has been and will continue to be weighing in on this subject. There's a plethora of litigation pending across the nation, the results of which will undoubtedly provide further guidance as to how TNCs are to be treated. Examples of active claims include personal injury and insurance coverage, labor law violations and worker misclassification, false advertising, unfair business practices and consumer protection, and tortious interference with business, to name a few. Staff will continue to monitor the legal challenges and legislative actions.

In light of the above, staff is seeking BCC direction to work with the VFH industry, including TNC representatives, as well as Broward and Miami-Dade on an amendment to the existing VFH ordinance to ensure that all VFH companies are operating under the same rules and regulations.

PALM BEACH COUNTY EXECUTIVE SUMMARY

VEHICLE FOR HIRE ORDINANCE

TRANSPORTATION NETWORK COMPANIES

January 2015

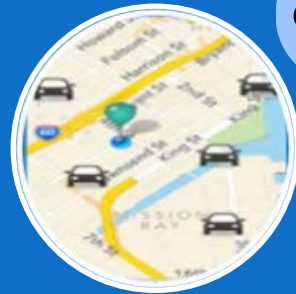
What are Transportation Network Companies?

Technology based companies that allow passengers to request transportation services with an iPhone or Android mobile application (an “app”) and provide prearranged transportation services for compensation such as UBER and Lyft.

How Do TNCs Work?



DOWNLOAD APP
AND PROVIDE
CREDIT CARD
INFORMATION



TAP THE APP
FOR A RIDE



CONNECT TO
DRIVER



SUMMARY OF CURRENT VFH ORDINANCE REQUIREMENTS

- **Current VFH Business Permit Requirements for any new Taxi, Sedan, SUV or Limousine companies**
 - Initial Application Fee of \$10,000
 - Minimum of seven (7) vehicles required for Taxi, Sedans, and SUVs. Minimum of two (2) vehicles required for Limousine companies.
 - Annual Business Permit fee of \$225
 - Annual Vehicle Decal Fee of \$100 per vehicle
 - Business must maintain a commercial business office or residential home office in PBC
 - Certification of evidencing compliance with insurance requirements that meet and/or exceed minimum insurance requirements established \$125,000/\$300,000/\$50,000 or combined single limit of \$300,000 and required 24 hours a day, 365 days a year

SUMMARY OF CURRENT VFH ORDINANCE REQUIREMENTS (continued)

- **Current VFH Driver I.D. Badge requirements**
 - Be at least 21 years of age
 - Possess a valid State of Florida Driver License
 - Driver I.D. Badge fee (2years) of \$100
 - Florida Department of Highway Safety Motor Vehicle Driver Record History check/fee \$16.25
 - FDLE/FBI fingerprint based Criminal History Records Check fee of \$50
 - Drivers are required to pass a County geography and English language test
 - Drivers must wear long pants or knee length skirt, collared shirt, and closed shoes

SUMMARY OF CURRENT VFH ORDINANCE REQUIREMENTS (continued)

- **Current Vehicle Requirements**

- Age – there is no age limitation so long as the vehicle complies with the inspection process. Any vehicle older than 7 years or exceeds 350,000 miles (whichever is first) is required to pass a bi-annual inspection
- Copies of annual and semi-annual vehicle inspections are provided to the Consumer Affairs Division. The inspections must be performed by an automobile technician or master automobile technician, both of whom must be certified by the National Institute for Automotive Service Excellence (ASE), who has passed the requirements for suspension/steering and brakes

SUMMARY

- **TNCs meet the regulatory definition of a vehicle for hire company. It is important that the BCC determine the appropriate level of regulations that should apply to all providers to protect the Public.**
- **There are no current VFH ordinance requirements that would prohibit a TNC to operate within Palm Beach County if they choose to comply with our existing VFH ordinance requirements.**
- **Consideration of Ordinance revisions could involve adjacent counties (i.e. Broward and Miami-Dade), TNC representatives, and local VFH industry representatives.**
- **Enforce our current VFH ordinance regulations.**