



MOTION SHEET

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Public Policy Analyst

DATE: October 6, 2014

RE: MOTION SHEET – GROUND TRANSPORTATION AMENDMENTS

Council Sponsor: Charlie Luke

MOTION 1

I move that the Council close the public hearing.

MOTION 2

I move that the Council close the public hearing and refer this item to a later date.

MOTION 3

I move that the Council continue the public hearing (Council Members may propose dates they deem appropriate.)





COUNCIL STAFF REPORT

CITY COUNCIL *OF* SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Public Policy Analyst

DATE: October 9, 2014 at 11:08 AM

**RE: GROUND TRANSPORTATION
AMENDMENTS**

Council Sponsor: Charlie Luke

PROJECT TIMELINE:

Briefing: September 16, 2014
Set Date: September 30, 2014
Public Hearing: October 14, 2014
Potential Action: October 21, 2014

[VIEW ADMINISTRATION'S PROPOSAL](#)

ISSUE AT-A-GLANCE

All information in this report appeared previously in a City Council staff report dated September 11, 2014. Motions attached to this report pertain only to the public hearing scheduled for October 14.

- Mayor Ralph Becker's Administration has forwarded proposed amendments that would allow Transportation Network Companies such as Uber and Lyft to operate in Salt Lake City either through licensing and regulating individual drivers or the Transportation Network Companies.
- If adopted, the drivers or the companies would be subject to all ordinances regulating ground transportation in the City.
- One unknown is how the proposed amendments would affect the ground transportation market.

POLICY QUESTIONS

1. This report will reference "Transportation Network Companies" and use the acronym "TNCs" on occasion. The term has been defined by the California Public Utilities Commission and the Colorado Legislature in its regulation of companies such as Uber and Lyft. The companies have developed software to match drivers who have signed contracts with them with people who access the software to obtain rides to locations. In effect, the process is using an electronic digital application to hail a driver. It



might be noted that the legal counsel for Yellow Cab Utah and Ute Cab of Salt Lake City said in a recent interview that Ute Cab has developed a similar electronic application and Yellow Cab Utah was developing one.¹

2. Where do drivers for Uber and Lyft currently provide service in Salt Lake City?
3. If the taxicab companies awarded contracts in October 2011 to operate in Salt Lake City start operating, and companies such as Uber and Lyft plus the existing taxicab companies continue to operate as ground transportation businesses, what effect will that have on the taxicab/ground transportation market?
4. Does **Uber's obtaining a \$1.5 million liability insurance policy supersede its insurance requirements** with individual drivers? Has the new policy become the primary policy, and does it name Salt Lake City as an additional insured party?
5. Does Lyft already require its drivers to **obtain a commercial insurance policy to use Lyft's electronic** application?
6. The proposed amendments contemplate eliminating the 30-minute requirement for pre-arranged service and a \$30 minimum charge for limousine service. Eliminating the \$30 minimum was suggested by an Uber representative because the representative indicated that Uber Black, a limousine service, could provide rides for less than \$30.² The intent of the \$30 minimum fee was to differentiate between taxicab service and limousine service. For its Uber Black service, Uber works with existing companies that are full-time ground transportation companies commercially licensed by the City.³ If Uber already is working with area limousine companies subject to the \$30 minimum fee when they pick up fares, and the fee has worked to date, why should it be eliminated?
7. Should the proposed amendments include establishing a minimum fare that drivers for Transportation Network Companies would charge so that the drivers could be certain of meeting expenses, and the City could avoid market alterations through artificially low fares?
8. The Administration already has presented the proposed amendments to the Transportation Advisory Board and the Business Advisory Board, and the Business Advisory Board has sent a letter to the Mayor and City Council supporting the use of Transportation Network Companies.⁴ Are the **Administration's** presentations sufficient for the City Council to move forward with a public hearing, or would the City Council like to return the issue to the boards for further consideration? The City Council generally holds public hearings on issues affecting businesses in Salt Lake City.

ADDITIONAL & BACKGROUND INFORMATION

CURRENT SITUATION

Two companies -- Ace Taxi Service of Cleveland, Ohio, and Total Transit of Glendale, Arizona -- were awarded contracts in October 2011 to operate between 200 and 268 taxicabs in Salt Lake City. Two other taxicab companies -- Ute Cab and Yellow Cab Utah -- filed a lawsuit in Third District Court challenging the process by which Salt Lake City awarded contracts to Ace Taxi and Total Transit.

Neither Ace nor Total has begun operating in Salt Lake City because the lawsuit filed by Ute Cab and Yellow Cab has not yet reached a final legal decision. The contracts for Ace Taxi and Total Transit require them to serve all areas of Salt Lake City seven days a week, 24-hours a day. They also have to equip five percent of their fleets with taxicabs accessible for people with disabilities. The City Council **sets the two companies' meter rates. The current contracts require the two companies to** maintain car fleets no older than five years old.

The contracts were based on the City Council's adoption in November 2010 of ground transportation ordinances that established several regulations Mayor Ralph Becker's Administration proposes to amend. One item that will not be amended is the Executive Branch's authorization to solicit periodically proposals to operate taxicab services in Salt Lake City.

Earlier this year, representatives of Uber approached members of Mayor Becker's Administration, and City Council Chair Charlie Luke to discuss the potential for Uber to operate its Uber Black car service in Salt Lake City. In late spring Lyft started operating in the City without obtaining a business license, and Uber began operating its Uber X service in Salt Lake City, also without obtaining a business license. It should be noted that Uber plans to apply for a Salt Lake City business license the week of September 15.⁵

As of August 5, Salt Lake City ground transportation enforcement personnel have issued 154 citations to people operating as drivers for Uber and Lyft. Of the citations, 131 of them were warnings, and 23 were actual citations carrying a civil penalty.⁶ The reason for the citations is "a majority, if not all" drivers for the two companies are not registered or licensed by Salt Lake City to provide transportation for hire.⁷ Other civil violations included not obtaining a City vehicle registration, inspection, background check, and picking up passengers without a 30-minute pre-arrangement.⁸

It should be noted that the Department of Airports is the department Mayor Becker has designated to enforce City regulations involving the ground transportation industry, including taxicab companies. Some 252 ground transportation companies using roughly 1,400 vehicles fall under the City's ground transportation regulations.⁹ The staff is made up of a manager, two supervisors, and three inspectors. The department also contracts with a "secret shopper" service to enforce regulations.

PROPOSED ORDINANCE

The Administration's stated goal is to "ensure the safety of the public and the operational and logistical needs of the City, TNCs (such as Uber and Lyft), taxicabs, and other ground transportation providers, while providing "consumer choice" in an "evolving market."¹⁰

To meet the goal, the proposed amendments appear to seek a balance between the companies it has contracted with to provide taxicab service, Transportation Network Companies, and the other ground transportation companies that operate in Salt Lake City.

The way to do that, according to the Administration, is to register and license each person who drives for Uber and Lyft as an individual company. However, the proposed ordinance is structured to apply to Transportation Network Companies, if those companies obtain a business license and the appropriate insurance, and the drivers operate under that umbrella. Either way, every Transportation Network Company vehicle would have to pass a City inspection, and every driver would have to pass a City background check – all items required of every ground transportation business authorized to operate in Salt Lake City.¹¹

The proposed amendments appear to hinge on the definitions of "taxicab" and "authorized ground transportation business," and "ground transportation vehicle":

- o The definition of "taxicab" in Chapter 5.71 reads: "A motor vehicle used in the on-demand, for hire transportation of passengers or baggage over public streets and not operated on a fixed route or upon a fixed schedule, but which is subject for contract for hire by persons desiring special trips from one point to another, as provided under Chapter 5.72 of this title, or its successor chapter and authorized to operate in Salt Lake City by contract with the department." The definition is the same, except or minor points involving the capacity of vehicles, in Chapters 5.72 and 16.60.

- The definition of “authorized ground transportation business” in Chapter 5.71 reads: **“Any business operating any ground transportation vehicle, which has a current, valid business license as required by the City and which:**
 - Registers the business in accordance with the requirements established by the department, and
 - **Is current with all fees or charges imposed by the department and City.”**
- The definition of “ground transportation vehicle” in Chapter 5.71 reads: **“Any motor vehicle used for the transportation of persons using Salt Lake City streets for commercial purposes, regardless of whether a fee or fare is collected.”**

It might be noted that the three definitions are little changed from current definitions in City ordinances. The **words** “authorized to operate in Salt Lake City by contract with the department” separate Ace Taxi and Total Transit from other ground transportation businesses because Ace and Total have signed contracts with the City. When they start operating Ace and Total will be the only taxicab companies authorized to work in Salt Lake City. As that, they can pick up passengers anywhere immediately, including being hailed from someone standing on the sidewalk.

They also have and will have the right – along with free courtesy vehicles and hotel vehicles – to pick up people at Salt Lake City International Airport on demand to take them to destinations inside Salt Lake City. Every other company licensed by the City, **is an** “authorized ground transportation business.”

Under the current ordinances, authorized ground transportation businesses can only pick up fares by having customers arrange rides thirty minutes in advance of being picked up. If they are limousine companies, people have to arrange a ride thirty minutes in advance and pay a \$30 minimum fare. Proposed amendments would eliminate both requirements.

Coupled with eliminating the 30-minute pre-arrangement requirement and \$30 minimum fee, a key proposed change to the ordinance is **to simplify Section 5.71.060 to read, “All authorized ground transportation businesses may provide on-demand service, scheduled service, or prearranged service within the City, except as provided in Salt Lake City Code section 16.60.097.”**

The proposed changes were initiated largely because Uber and Lyft representatives said their technology would not achieve its purpose if its drivers had to wait 30 minutes to pick up a fare. As for limousine service, it should be noted again that an Uber representative indicated its Uber Black service could provide limousine service for less than \$30. But again, the original goal of the minimum \$30 fare was to differentiate between limousine service and other ground transportation services, particularly taxicabs.

The proposed changes would, in effect, allow any of the 1,400 vehicles regulated by the ordinance plus driver fleets for Uber and Lyft, to pick up people in Salt Lake City on demand – except at the Salt Lake City International Airport for destinations within the City.

In an attempt to balance the advantage that would be given up by Ace Taxi and Total Transit under the proposed changes, the Administration has proposed four things.

First, the ordinance defines **“taxi stand”** as: **“A public place along alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor’s designee, as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.”**

The effect of the change would be to make taxi stands exclusively for Ace Taxi or Total Transit cabs because – under the proposed ordinance – by virtue of their contracts with the City, they would be the only taxicabs recognized by the City. The Administration has indicated that it plans to work with the two companies to locate taxi stands where they would be most effective. The twenty three taxi stands in Salt Lake City currently designated as taxi stands fell into disuse years ago.

Second, the proposed revision of Section 5.71.060 included the words, “except as provided in Salt Lake City Code section 16.60.097.” That section reads in part, “Only ... taxicabs, courtesy vehicles, and hotel vehicles may provide on-demand service at the airport to points within Salt Lake City.” That means Ace Cab and Total Transit taxicabs would be the only fare-charging vehicles allowed to provide on-demand service from the airport to destinations in Salt Lake City. Transportation Network Company rides would have to be pre-arranged.

A key to the revision is “points within Salt Lake City.” Any ground transportation company can provide on-demand service to take people to locations outside Salt Lake City under the current ordinance, and that will not change. A fine point of the proposed change might be how long it will take for an airline passenger to pre-arrange a ride from a TNC driver when a plane lands in Salt Lake City.

Third, Section 5.72.165 would be revised to authorize the Mayor to determine the number of taxicab businesses awarded contracts after the City issues requests for proposals to provide taxicab service in Salt Lake City. Another revision would authorize the Mayor to determine the total number of taxicabs authorized to operate in the City. **The current ordinance requires “at least two and not more than four taxicab businesses” be awarded contracts after a request for proposals. It also sets the total number of taxicabs to operate in Salt Lake City at between 200 and 268.**

The figures for the total number of taxicabs authorized to operate in the City come from two places. The 200 total is the number of taxis Dr. Ray Mundy, Ph.D., estimated in his 2005 study that would allow taxi drivers to earn a living.¹² The 268 figure came from the number of cabs authorized the three Salt Lake City taxicab companies under certificates of public convenience and necessity.

Both revisions appear to anticipate a potential reduction in taxicab fleets.

Fourth, Section 5.72.405 would be revised to allow taxicab businesses to have a review of taxicab rates every three months. The current ordinance allows for a rate review every six months. It should be noted that the periodic rate review would start a process that would end with the City Council setting rates for taxicabs.

INSURANCE ISSUES

A major point in the proposed amendments involves commercial vehicle insurance. The current ordinance requires commercial ground transportation companies to carry a \$1.5 million commercial liability insurance policy that names Salt Lake City as an insured party. Again, it should be noted that Uber representatives indicate Uber has obtained a \$1.5 million insurance policy.

The Administration estimates that individual drivers registering as a business, getting a background check and registering a vehicle at the airport as a ground transportation vehicle would cost less than \$250. The Administration estimates the cost of obtaining an individual \$1.5 million commercial liability insurance policy that names Salt Lake City as an insured party at between \$2,000 and \$4,000 a year.¹³ That comports with a business owner who told Council staff his cost to insure a Toyota Prius as a commercial ground transportation vehicle was about \$3,300 a year.

Requiring commercial insurance that names Salt Lake City as an insured party is standard practice in the City. The City requires vending carts, ice cream trucks, and mobile food trucks to obtain general liability insurance, although in lesser amounts than ground transportation businesses. The

City is named as an insured party. **According to the City Attorney's Office, the City does not contract for services provided by ground transportation companies, mobile food vendors, and similar businesses. However, the City's role as a regulator creates a liability exposure for Salt Lake City. In such situations, an additional insured endorsement to a general liability policy, which names Salt Lake City Corporation, can provide protection from liability exposure. An additional insured endorsement is intended to provide the City with insurance coverage in the event of related claims or lawsuits.**¹⁴

Part of the issue involving insurance is the status of people who drive for companies such as Uber and Lyft. Both companies identify those who drive for them as independent contractors. Language from an agreement between people who drive for Uber and a company connected to Uber says:

You represent that you are an independent contractor engaged in the independent business of **providing the transportation services described in this Agreement ...**¹⁵

Except as specifically set forth in this Agreement, you are solely responsible for all costs and expenses incident to your personnel and equipment in performing services under this Agreement, including, but not limited to, costs of fuel, fuel taxes, wages, employment taxes, excise taxes, permits of all types, gross revenue taxes, road taxes, equipment use fees and taxes, licensing, insurance coverage and any other tax, fine or fee imposed or assessed against the equipment or you by any state, local, or federal authority as a result of an action by you or your employees, agents, or subcontractors in the performance of this Agreement.¹⁶

As an express condition of doing business with the Company, and at your sole expense, you agree to maintain current during the life of this Agreement, third-party automobile insurance of the types and amounts specified herein for every vehicle used to perform services under this Agreement.¹⁷

To perform services under this Agreement, you must maintain automobile insurance with coverage of at least the minimum coverage required by state or local law to operate a private passenger vehicle on public roads. You understand and acknowledge that your personal automobile insurance policy may not afford liability, comprehensive, collision, medical payments, personal injury protection, uninsured motorist, underinsured motorist, or other coverage for the P2P transportation service you provide pursuant to this Agreement. If you have any questions or concerns about the scope or applicability of your own insurance coverage, it is your responsibility, **not the Company's, to resolve them with your insurer(s).**¹⁸

The Company holds a commercial automobile insurance policy with \$1 million of liability coverage per accident, as defined in the relevant policy. Subject to its specific terms and conditions, this policy is intended to cover your liability to third parties, on an excess basis, from the time you accept a Request via the Software until the completion of the requested trip. You understand and acknowledge that your own automobile insurance policy is primary and that the **Company's policy is excess to your policy.**¹⁹

By entering into this Agreement, you agree to defend, indemnify, protect and hold harmless the Company, its **Licensors and each such party's parent organizations, subsidiaries,** affiliates, officers, directors, members, employees, attorneys, and agents, from any and all claims, demands, damages, suits, losses, liabilities, expenses (including **attorneys' fees and costs**), and causes of action arising directly or indirectly from out of or In connection with (a) your actions (or omissions) arising from the performance of services under this Agreement, including personal injury or death to any person (including you and/or your employees) ...²⁰

This Agreement is between two co-equal, independent business enterprises that are separately owned and operated. The Parties intend this Agreement to create the relationship of principal and independent contractor and not that of employer and employee. The Parties are not employees, agents, joint venturers or partners of each other for any purpose. As an independent contractor, you recognize that you are not entitled to unemployment benefits.²¹

A Lyft representative also described Lyft drivers as independent contractors. However, based **on information Lyft provided, its insurance program is different from Uber's.** Lyft appears to require drivers to have personal liability when **drivers have not accepted a ride request through Lyft's** electronic application.

Lyft says it has four insurance policies that are in effect after a Lyft driver has accepted a ride request. According to Lyft, the four policies are: commercial automobile, contingent liability coverage, contingent comprehensive and collision coverage, and uninsured/underinsured motorist coverage.

When a driver is not driving with his or her electronic application **on, the driver's personal** insurance is the only policy that applies. When a driver turns on his or her electronic application, **Lyft's contingent liability policy provides coverage if a driver's personal insurance does not. When a** driver accepts a hail **on his or her electronic application Lyft's liability coverage becomes primary to a driver's personal insurance and is designed to cover a driver's liability for property damage or bodily injury to passengers "and/or third parties."** The policy appears to have a \$50,000 maximum per person and \$100,000 per accident plus a \$25,000 maximum for physical damage. The uninsured motorist/underinsured motorist coverage covers claims for up to \$1 million per incident, if the Lyft driver is not at fault.²²

INDEPENDENT CONTRACTORS

Like drivers for Uber X and Lyft, taxicab drivers in Salt Lake City are independent contractors. Independent contractors for taxicab companies are the taxi industry standard. In Salt Lake City, a series of orders by the U.S. Department of Labor and the Utah Industrial Commission between 1982 and 1997 made clear that taxicab drivers were not employees of taxicab companies.

One paragraph in an *Acknowledgement, Waiver & Release* form for a Salt Lake City taxicab company says:

I acknowledge my self-employed, independent contractor status with the Cab Company. Except as may be required by Salt Lake City ordinance or other statutory law, or which may be reasonably **required for purposes of safety or to promote the Cab Company's good name and its** reputation for the prompt and courteous service to the public, the Cab Company does not have the right to direct and control the manner or means of my performance. I can set my own working hours; I am not assigned any routes; I am not required to report or work in any particular location; I have the right to operate without the service of radio dispatch from the Cab Company; I am not paid any salary or wage from the Cab Company; I do not account to the Cab Company for any collections; I am responsible for my own expenses and taxes.

In Salt Lake City, many drivers for Yellow Cab Utah, Ute Cab and City Cab own their vehicles.²³ Although they are independent contractors, taxicab drivers use dispatch systems provided by the companies. The companies also provide the liability insurance required by the City, and the drivers pay for the insurance as part of their lease fees to operate under the companies.

Airport personnel indicate a few ground transportation companies operate only one vehicle as an owner-operator. Some ground transportation companies pay employees an hourly wage.

In sum, drivers for Transportation Network Companies are similar to many taxicab drivers and independent operators. A Lyft representative said most of drivers that use its equipment drive for 10 hours or less, but many TNC drivers operate full-time.

OTHER CITIES

Uber and Lyft have faced opposition wherever they have entered a market. A German court earlier this month issued a temporary injunction stopping Uber from operating in that country because German law prevents drivers without commercial licenses from charging more than the cost of making a journey. Because Uber takes a percentage of each ride, the court issued the injunction, according to CNN Money.²⁴ The injunction was made in connection with a lawsuit filed by Taxi Deutschland which operates its own car-booking application. Uber also is banned in Spain, and in Brussels, Belgium, among other places.

In the United States, Uber and Lyft have been ordered to stop operating in Virginia until they obtain the proper authority to do so, and Uber has been stopped from operating in New Orleans, Miami, and Portland.

In California, the Public Utilities Commission last September created a new business category called **“transportation network companies”** and **enacted some regulations for businesses such as Uber and Lyft**. The Commission proposed tougher insurance requirements than it originally proposed. The companies typically provided drivers with \$1 million in insurance coverage, but that kicked in only after a passenger got in the car and applied only if the drivers' personal insurance policies didn't cover an accident. Then an Uber driver struck and killed a 6-year-old girl in San Francisco while on his way to pick up a passenger on New Year's Eve; because no passenger was in the car yet, Uber denied responsibility, according to a story in the San Jose Mercury news.²⁵

However, Uber and Lyft voiced support in late August for a California bill that **will require ridesharing companies in California to insure drivers as soon as they log into a ridesharing app to pick up passengers. The bill requires ridesharing companies to provide \$200,000 in coverage once a driver turns on their app — down significantly from [the originally proposed \\$750,000](#)**. The coverage is in addition to the required \$1 million insurance policy that covers drivers from when they are matched with a passenger, all the way until the passenger gets out of the car at their destination.²⁶

The Seattle City Council adopted an ordinance that allows all for-hire companies to continue operating without a cap placed on the number of drivers on the road at any time. Previously, it had maintained a cap on the number of for-hire drivers, only allowing 150 active drivers on the road at any given time.

Other key terms of the deal included:

- Transportation network companies and their drivers will be licensed and required to meet specific insurance requirements.
- The city will work with the industry to clarify or change state insurance law to account for recent changes in the industry, similar to recent actions in Colorado.
- The city will provide 200 new taxi licenses over the next four years.
- Taxi and for-hire licenses will transition to a property right that is similar to a medallion in other cities.
- For-hire drivers will have hailing rights.
- An accessibility fund will be created through a \$0.10 per ride surcharge for drivers and owners to offset higher trip and vehicle costs for riders who require accessibility services.²⁷

The most comprehensive regulations for Transportation Network Companies is a Colorado law signed by Gov. John Hickenlooper in June. Briefly, the law:

- Defines a TNC pre-arranged ride as a ride that starts when a driver accepts a requested ride through a digital network.
- Requires a Transportation Network Company to file with the state commission regulating motor carriers evidence that the company or the driver has secured primary liability insurance coverage for the driver for incidents involving the driver during a pre-arranged ride. The coverage must be at least \$1 million per occurrence.
- Requires the Colorado Division of Insurance to conduct a study of whether insurance levels **in the act “are appropriate for the risk involved with Transportation Network Services.”**
- Limits a driver to working no more than twelve consecutive hours.
- Requires a Transportation Network Company to **“conduct or have a certified mechanic conduct” a safety inspection of a prospective driver’s vehicle before it is approved for use as a TNC vehicle and continue periodic inspections of at least one a year.**
- Authorizes the appropriate Colorado agency to conduct inspections of personal vehicles 90 days after the law goes into effect.
- Allows any taxicab or shuttle company to convert all or in part to a Transportation Network Company.
- **Requires each personal vehicle providing transportation through a TNC to “display an exterior marking that identifies the personal vehicle as a vehicle for hire.”**
- Requires potential drivers to obtain a criminal history record check through state agencies **or through a “privately administered national criminal history record check, including the National Sex Offender Database.”**
- **Requires a Transportation Network Company to provide “services to the public in a nondiscriminatory manner, regardless of geographic location of the departure point or destination, once the driver and rider have been matched through the digital network.”**

Cc: Mayor Ralph Becker, Cindy Gust-Jenson, David Everitt, Margaret Plane, Maurine Riley, Eric Shaw, Mary De La Mare Schaefer, Marco Kunz, Neil Lindberg, Larry Bowers

File Location: Ground Transportation

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- ¹ TribTalk, *Room for Ride-Sharing in the SLC Transportation Scene?*, August 14, 2014, Don Winder.
- ² E-mail, Marco Kunz, September 9, 2014.
- ³ E-mail, Caitlin O'Neill, Uber Technologies, September 3, 2014.
- ⁴ Please see attached letter.
- ⁵ E-Mail, Caitlin O'Neill.
- ⁶ E-mail, Larry Bowers, August 5, 2014.
- ⁷ Transmittal Letter, David Everitt, June 30, 2014, Page 3.
- ⁸ E-Mail, Marco Kunz.
- ⁹ E-mail, Larry Bowers, August 5.
- ¹⁰ Everitt, Page 2.
- ¹¹ E-mail, Marco Kunz.
- ¹² *Ground Transportation Study, Salt Lake City, Utah*, July 31, 2005, Ray A. Mundy, Ph.D., Page 62.
- ¹³ E-mail, Larry Bowers, August 5.
- ¹⁴ E-mail, Margaret Plane, September 9, 2014.
- ¹⁵ Raiser Software Sublicense & Online Services Agreement, June 20, 2014, Page 5.
- ¹⁶ Raiser, Page 6.
- ¹⁷ Raiser, Page 7.
- ¹⁸ Raiser, Page 8.
- ¹⁹ Raiser, Page 8.
- ²⁰ Raiser, Page 11.
- ²¹ Raiser, Page 11.
- ²² Please see attached Lyft information sheet.
- ²³ Mundy, Page 12
- ²⁴ CNN Money, September 2, 2014.
- ²⁵ Uber, Lyft, Sidecar fight to block new California regulations, San Jose Mercury News, Josh Richman, August 13, 2014.
- ²⁶ Uber & Lyft agree to insure drivers in between rides in California, Venture Beat, Harrison Weber, August 27, 2014.
- ²⁷ Seattle City Council OKs measure on for-hire car services, Seattle Fox News, Brett Cihon, July 14, 2014.

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October 9, 2014

Kyle LaMalfa, Council Chair
Erin Mendenhall, Council Vice Chair
James Rogers, Council Member
Stan Penfold, Council Member
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Mayor Ralph Becker
Mayor's Office
PO Box 145474
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**Re: Ute Cab Company's Opposition to Proposed Ground Transportation
Amendments**

Dear Mayor Becker and Members of the Salt Lake City Council:

On October 14, 2014, the Council will conduct a public hearing to consider whether to amend the City's ground transportation ordinances. The purpose of those amendments, according to supporting documents, is to allow "Transportation Network Companies" ("TNCs") such as Uber and Lyft to operate in Salt Lake City. In reality, these companies will not be operating here. They are not transportation companies. TNC's are only phone brokers that connect riders with hundreds of inexperienced drivers who want to occasionally use a personal car like a taxi.

The Council has always banned this haphazard, unregulated approach in favor of safe and professional taxicab services. Using a phone app does change the problems posed by unregulated, transient taxi operations. Ute Cab asks you not to pass these amendments because they:

- Fail to address real differences in what is provided to the public, and thus ignore the important public needs that "app" regulations would have to address.

- Fail to address real risks that “app cab” operations force on the public, or leave important questions about risk unanswered.
- Fail to apply the strong public policies for ground transportation that have always guided the Council’s actions. The public relies on the system that those policies created, but the amendments “gut” the system for the benefit of unaccountable phone brokers and inexperienced, transient operators.

Some believe “app cabs” are cool and innovative, but the amendments are not endorsing something “cool,” they are formalizing problems for the public without any reason to do so. We ask you instead to continue to apply the stable public policies that the Council developed over long periods of time and through much public input.

1. The Amendments Do Not Address Real Operating Differences. There are real differences between a professional taxicab company and a phone brokered “app cab.” A professional company invests in developing a strong and stable local industry that serves all of the community. It commits its resources to long-term facilities; equipment; a trained and stable group of drivers; developing relationships with other businesses; creating a strong, long-term customer base; and generating good will. Phone brokers are not transportation companies. They provide a hailing service to enable operations by the real transportation providers – hundreds of individual, transient drivers who occasionally transport riders on-demand. Attachment 1 points out some of the extreme differences between these two types of operations.

As Attachment 1 underscores, professional taxicab companies and phone-brokered “app cabs” are as different as a well-stocked local hardware store and a door-to-door seller. Yet the proposed amendments treat operations that diverse as though both were a full-service business, ignoring the serious risks of fraud and harm posed by transient operators. The amendments only regulate taxicabs differently based on whether a company has a City contract, not based on the actual operations that companies are conducting. All companies without a City contract are regulated the same way, regardless of what they are providing to the public or whether they are meeting professional standards. There is no conceivable public purpose for endorsing transient operators as though they were professional, full-service companies. This only ignores, and formalizes, all the serious public risks of transient operators.

These amendments have been hastily drafted in the excitement of a new phone app. We ask the Council to set them aside. If the Council wants to legalize aspects of this new type of operation, the City and the public would be well served by taking the time to examine what regulations are needed to suitably address actual operations. The Council has not even conducted a fact finding process to determine what these operations really involve.

Meanwhile, Ute Cab asks the City to maintain its current regulations to avoid damaging the professional taxicab operations that the public depends on.

2. Endorsing “App Cabs” Will Only Formalize Public Risks. Claims about “app cabs” abound, but some information is clear. The brokers force their customers to enter a contract in which the parties promise that the broker can charge any amount of money to the customer, and in return, the broker provides no assurance of any services and forces the customer to assume every conceivable risk.

Uber’s terms and conditions of use state that “[a]ny fees” Uber charges you “are *due immediately and are non-refundable*.” Uber’s terms also state that third parties, not Uber, provide transportation services, and Uber “does not intend to provide transportation services or act in any way as a transportation carrier, and has *no responsibility or liability* for any transportation services provided to you by such third parties.” It goes on to force users to agree to accept all of the risk, such as agreeing to release all claims and damages (against Uber, not against drivers). Use is entirely “*at your own risk*.” Lyft’s terms and conditions impose essentially the same requirements.¹ The customer *must* enter this contract. Yet while these terms read like egregious software contract, riders are stepping into a moving vehicle, not clicking on something. TNC’s claim that traditional public interest regulation is contrary to their business model, but if that is true, it is because their model does not contemplate responsible, accountable operations.

Some questions, however, remain obscure despite these carefully worded TNC contracts. For example, the phone brokers make a variety of claims about insurance coverage. An injured rider may not even be able to make a claim on this insurance after agreeing to the Uber or Lyft contract, leaving the driver alone subject to a lawsuit. But even for injured third parties, insurance issues raise many unanswered questions, such as when coverage applies, who it covers, whether it is primary or contingent (and to what extent), whether personal driver policies are adequate when they are primary, what ratings all of the involved insurance companies hold, how consumers are affected by having to fight through multiple policies, whether drivers have adequate resources if they are sued personally, to what extent drivers may sue if they are injured or their cars are damaged, whether a TNC’s million-dollar policy (if one applies) can be depleted by claims paid out across the country, and the impact of fault on the availability of coverage.

Broker contracts force clear risks onto the public and the drivers, and the issues that these contracts leave ambiguous create risks that the public must bear if regulations do not

¹ See Uber Legal Terms and Conditions at <https://www.uber.com/legal/usa/terms>; Lyft Terms of Service at <https://www.lyft.com/terms> (Lyft does *not* operate on a donation basis in Salt Lake City, and it caps charges at \$500 for a single ride. It also charges a cancellation fee if you cancel and a damage fee if the driver claims you damaged the vehicle. As with Uber, these amounts are charged to you immediately because you have already agreed to it).

require clear responsibility and mitigate the risk. Attachment 1 points out more of these risks and unanswered questions. There is no public purpose for allowing risks and ambiguities to remain unresolved, and we ask the Council to take the time to examine and address the risks of these “app cab” operations.

3. The Public Still Needs the Council’s Past Policies. The Council developed clear, stated policies for ground transportation over many years and with much public input. Those policies support the public interest and protect the vulnerable. People who step into a taxi have little control over how transportation is provided. Regulations thus reflect the public’s need for protection and service, and professional taxicab companies follow those laws and work to create quality services that the public can rely on, time after time. A list of the Council’s longstanding policies is included at Attachment 2.

Whether people dial or tap a phone to call a cab, their needs in ground transportation have not changed, and the need for those laws has not changed. Yet “app cabs” flout the law. They operate however they chose regardless of what the law says and regardless of the citations against them. Their operations do not conform to the Council’s longstanding policies that protect the public interest. Instead, they are asking the Council to conform to them. They insist that the Council must abandon longstanding public policies and that the public must accept the risk of their operations because tapping a phone is new and “innovative.” As noted above, what these brokers call “innovative” amounts to taking advantage of riders, drivers, and bystanders and placing them at risk.

The Council’s longstanding public policies, and the administration’s current interest in unaccountable, transient services, contradict one another. The proposed amendments do not serve the public interest, and if the Council is abandoning its longstanding public policies, it should have policy reasons for doing so. The Council has not yet stated any such policy reasons, or even conducted fact finding to determine whether public needs for safety and service have changed.

Some members of the public may support “app cabs.” The Council, however, cannot credibly make determinations that involve public safety, consumer fraud, community-wide service needs, and similar concerns based on popular opinion or partisan support. The Council’s acts must be based on public welfare, not private favor. We encourage the Council to apply sound public policies, and if it has an interest in “app cabs,” to take the time to conduct the fact finding and investigation necessary to establish public needs and determine public policies. Those are necessary steps to support the enactment of a law, and the public still needs the longstanding policies that the Council formerly applied.

The three issues summarized above raise serious concerns about the need for, and the viability of, the proposed ground transportation amendments. The City has not laid the

Salt Lake City Council Members

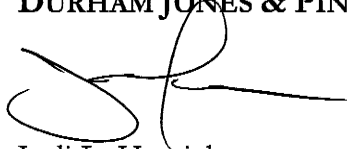
October 9, 2014

Page 5

groundwork to adopt these regulations, and they are disconnected from the reality of ground transportation operations, the public's needs, and sound public policies. We ask the Council to set these proposed amendments aside. If the Council believes there are sound public reasons to legalize some aspects of phone brokered "app cabs," it should take the steps necessary to make such a determination and craft appropriate legislation.

Very truly yours,

DURHAM JONES & PINEGAR, P.C.



Jodi L. Howick

JH:cm

Attachment 1

Differences Between Professional Taxicab Companies and Phone Brokered “App Cabs”

Professional taxicab companies and phone brokered “app cabs” could not be more different:

- Professional companies plan to operate long term and have the resources and the initiative to stand behind their services. With phone brokered “app cabs,” there is no company – just transient drivers.²
- Professional companies work to build a stable, dependable local industry. As indicated in the Council’s materials, transient operators work when they want to (and don’t when they don’t want to).
- Professional companies build long-term relationships with other businesses and with customers to promote the needs of both. Transient drivers flock to wherever they can make money in the moment (along with all the other transient drivers).³
- Professional companies pick up everyone who wants to ride at any time of day, any day of the year. Transient drivers can exclude anyone, including people with special needs.⁴
- Professional companies are accountable. They have permanent locations, they monitor their drivers and trips, and they require comprehensive background checks and regularly inspect vehicles. No one is monitoring transient “app cab” drivers. While phone brokers claim that they require some form of background check, without monitoring, riders have no assurance that someone is available to protect their safety.⁵

² See Uber Legal Terms and Conditions at <https://www.uber.com/legal/usa/terms>; Lyft Terms of Service at <https://www.lyft.com/terms>.

³ See Rampell: Ridesharing Services on the Path to Becoming the New Monopoly, Salt Lake Tribune, Oct. 3, 2014, <http://www.sltrib.com/sltrib/opinion/58484701-82/ridesharing-cars-drivers-uber.html.csp> (reporting that empty cars drive around looking for passengers, snarling intersections, polluting the air, and leaving few fares for drivers) (article at Attachment 3).

⁴ See Uber and Airbnb Leave Disabled People Behind, The Daily Beast, Oct. 4, 2014, <http://www.thedailybeast.com/articles/2014/10/04/uber-and-airbnb-leave-disabled-people-behind.html> (reporting on lawsuit for discrimination against blind passengers, who have been injured as “app cabs” drove off to get away from them, or whose service animals have been shoved into trunks despite objections).

⁵ See S.F., L.A. Prosecutors Target “Ridesharing” Practices at Uber, Lyft, Sidecar, San Francisco Business Times, Sept. 26, 2014, <http://www.bizjournals.com/sanfrancisco/blog/2014/09/san-francisco-and-los-angeles-prosecutors-target.html?s=print> (prosecutors are attempting to enforce laws that TNCs are repeatedly breaking, including false Sidecar claims that it conducts competent background checks); Police: Uber Driver Reached Under Passenger’s Blouse, WESH News Orlando, Sept. 25, 2014 <http://www.wesh.com/news/police-uber-driver-reached-under-passengers-blouse/28246380> (driver drove aimlessly commenting on victim’s attractiveness then assaulted her); UberX Driver Accused of Hitting Passenger with Hammer in San Francisco, NBC Bay Area, Sept. 27, 2014 (driver accused of striking

- Professional companies maintain insurance to cover accidents – riders and third parties don't have to worry about whether there is coverage or whether they will be able to use that coverage. Phone brokers and “app cab” drivers argue about who has to provide insurance; riders, drivers, and third parties cannot be certain about what coverage may exist or whether they can make a claim on it, and regulators struggle for any assurance on the public's behalf.⁶ Even Utah officials have warned that “app cabs” do not have adequate insurance for drivers or for passengers.⁷
- Professional companies provide driver training, create a stable driver pool, and support company and regulatory measures to promote driver well being. Phone brokers take no responsibility for the financial well being of passengers or drivers and are even accused of stiffing drivers for tips and reimbursements.⁸
- Professional companies are sometimes accused of being monopolies, but they are upholding public regulations enacted to protect and serve vulnerable travelers and transportation workers. Phone brokers are working to displace all competitors and become the next monopoly (an unregulated one), despite poor quality services that do not meet public interest standards and undermining tactics that adversely impact services, air quality, and other public interests.⁹
- Professional taxis charge the same regulated rates for the shortest route, every time, and regulators determine what rates are in the public interest. “App cabs” have no regulated routes or rates, and even if they take the shortest route, their rates can vary dramatically from hour-to-hour and day-to-day. Price gouging is part of their

passenger's head with hammer, causing fracture and trauma, after passenger questioned driver's route).

⁶ See Uber Sued Over Girl's Death in S.F., SFGate, Jan. 28, 2014, <http://www.sfgate.com/bayarea/article/Uber-sued-over-girl-s-death-in-S-F-5178921.php> (insurance unclear when Uber driver struck and killed child); The Question of Coverage for Ride Share Drivers, The New York Times, Sept. 5, 2014, http://www.nytimes.com/2014/09/06/your-money/auto-insurance/offloading-the-risk-in-renting-a-car-ride.html?_r=2 (continuing lack of clarity in ride “share” insurance issues).

⁷ See State of Utah Insurance Department, Sharing a Ride, But Not Insurance: Ridesharing Drivers May Face Insurance Coverage Gap, September 16, 2014; State of Utah Insurance Department, Sharing a Ride, But Not Insurance: Protect Yourself as a Ridesharing Passenger, September 9, 2014, <https://insurance.utah.gov/news/> (letters at Attachment 3).

⁸ See Uber Skimps on Driver Training, Then Charges Drivers \$65 For Basic Driver Skills Course, Forbes, Oct. 8, 2014, <http://www.forbes.com/sites/ellenhuet/2014/10/08/uber-skimps-on-driver-training-then-charges-drivers-65-for-basic-driver-skills-course/> (reporting that a lack of training is part of the TNC business model, and basic training courses are only offered to drivers for a fee even though the drivers report not knowing how to handle problems with riders); 6 Horrible Things the Sharing Economy is Being Accused Of, Time, Aug. 18, 2014, <http://time.com/money/3119317/sharing-economy-disrupt-housing-wages/> (reporting that TNCs sabotage each other, price gouge, have been accused of illegal currency trading, and ruin wages for all drivers, and their founder eventually envision using driverless cars); Uber Lawsuit Class Action Site to Recover Tips and Reimbursements, <http://uberlawsuit.com/> (including press links).

⁹ See This Is Uber's Playbook for Sabotaging Lyft, The Verge, August 26, 2014, <http://www.theverge.com/2014/8/26/6067663/this-is-ubers-playbook-for-sabotaging-lyft> (describing tactics of companies that create needless service, traffic, and pollution problems); Rampell: Ridesharing Services on the Path to Becoming the New Monopoly, Salt Lake Tribune, Oct. 3, 2014, <http://www.sltrib.com/sltrib/opinion/58484701-82/ridesharing-cars-drivers-uber.html.csp> (reporting TNCs are big bullies and consumers are just trading one monopoly for another that is not regulated).

business plan. Lyft and Uber engage in “surge pricing,” which has resulted in riders being charged up to 800% of the usual price.¹⁰

- Professional companies are vital to people who do not own a car and make it possible for fewer people to own and drive cars, helping our environment. Studies have shown that “app cabs” take business from taxicabs and from public transportation, biking, or walking. Drivers also can use any vehicle as they drive around looking for passengers, no matter how environmentally unfriendly.¹¹
- Professional taxis have local managers who can solve problems. “App cabs” don’t even have a phone number that you can call if an “app cab” doesn’t show up or if you are treated unprofessionally.¹²
- With professional taxis, you pay for your services after you receive them. With “app cabs:” “[a]ny fees that the Company may charge you for the Application or Service, are due immediately and are non-refundable. This no refund policy shall apply at all times regardless of your decision to terminate your usage, our decision to terminate your usage, disruption caused to our Application or Service either planned, accidental or intentional, or any reason whatsoever. The Company reserves the right to determine final prevailing pricing – Please note the pricing information published on the website may not reflect the prevailing pricing.”¹³
- With professional companies, you can expect dependable, quality service. With “app cabs,” you must enter an agreement that states: “[t]he company makes no representation, warranty, or guaranty as to the reliability, timeliness, quality, suitability, availability, accuracy or completeness of the service or application.”¹⁴
- Professional companies are there to serve the customer and they do not shift the risk of doing business to the customer. “App cabs” force you to enter an agreement before you ride that requires you, the rider, to indemnify the phone broker for your

¹⁰ See Lyft Is Rolling Out the Highly Controversial, Uber-Like Surge Pricing, Business Insider, Dec. 25, 2013, <http://www.businessinsider.com/lyft-has-uber-like-surge-pricing-2013-12> (Lyft has its own version of surge pricing and is ditching its donation-based model for company-set pricing); 19-mile Uber Ride to Pepsi Center for Elton John Concert Cost Parker Mom \$106; Ride Home Cost \$443, ABC7 News Denver, Sept. 23, 2014, <http://www.thedenverchannel.com/news/local-news/19-mile-uber-ride-to-pepsi-center-for-elton-john-concert-cost-parker-mom-106-ride-home-cost-44309222014> (rider expected to pay same price for ride home but email receipt informed her she was charged “surge pricing;” Uber claimed people are always notified of that pricing, but rider stated she would never have accepted the ride if she had known the pricing).

¹¹ See Rampell: Ridesharing Services on the Path to Becoming the New Monopoly, Salt Lake Tribune, Oct. 3, 2014, <http://www.sltrib.com/sltrib/opinion/58484701-82/ridesharing-cars-drivers-uber.html.csp> (reporting on University of California Transportation Center study in San Francisco area).

¹² See <https://www.uber.com/>; <https://www.lyft.com/>.

¹³ See Uber Legal Terms and Conditions at <https://www.uber.com/legal/usa/terms>; Lyft Terms of Service at <https://www.lyft.com/terms> (containing similar terms).

¹⁴ See Uber Legal Terms and Conditions at <https://www.uber.com/legal/usa/terms>; Lyft Terms of Service at <https://www.lyft.com/terms> (containing similar terms).

behavior and accept the risks related to the service. This agreement limits the phone broker's liability to you – such as stating that the broker does “not assess the suitability” of its drivers and “you expressly waive and release the company from any and all liability, claims or damages” related to what your driver provides you. The “quality of the transportation services” is “entirely the responsibility of the third party providers,” and you agree that you “may be exposed to transportation that is potentially dangerous, offensive, harmful to minors, unsafe or otherwise objectionable.” You use the service “at your own risk.”¹⁵

- Professional companies comply with the law, which protects the public interest. “App cabs” and their phone brokers ignore the law even when they are cited for violating it.¹⁶
- Professional companies operate within a regulated system that protects the public interest. Studies have shown that deregulation creates many community problems, and the proposed “app cab” amendments want deregulation.¹⁷
- Professional taxi drivers do not have access to a customer's personal contact information, and if the customer wants to remain entirely anonymous, he or she can pay in cash. Complaints about “app cab” drivers include complaints that they can access personal information, like names and email information, and that this has led to instances of sexual harassment.¹⁸

¹⁵ See Uber Legal Terms and Conditions at <https://www.uber.com/legal/usa/terms>; Lyft Terms of Service at <https://www.lyft.com/terms> (containing similar terms); Uber Rider Might Lose An Eye From Driver's Hammer Attack, Could Uber Be Held Liable?, Forbes, Sept. 30, 2014, <http://www.forbes.com/sites/ellenhuet/2014/09/30/uber-driver-hammer-attack-liability/> (discussing Uber's contract barriers against claims as man attempts to pursue Uber for hammer attack).

¹⁶ See Uber and Lyft Drivers Told to Ignore Regulations: Companies Pay Airport Citations for Drivers, NBC Bay Area, Oct. 6, 2014, <http://www.nbcbayarea.com/investigations/Rideshare-Divers-Told-to-Ignore-Regulations-Uber-Lyft-will-pay-citations-at-Bay-Area-Airports-278283631.html> (drivers claim the companies tell them to ignore legal prohibitions and operate in violation of law).

¹⁷ See Evaluation of the Proposed Amendment to the Ground Transportation Ordinance – Salt Lake City Utah, Cris Lewis, Lewis & Associates, LLC, October 4, 2014 (at Attachment 3).

¹⁸ See Uber's Biggest Problem Isn't Surge Pricing. What If It's Sexual Harassment by Drivers?, The Daily Beast, Mar. 28, 2014, <http://www.thedailybeast.com/articles/2014/03/28/uber-s-biggest-problem-isn-t-surge-pricing-what-if-it-s-sexual-harassment-by-drivers.html> (describing various instances where a driver obtained personal contact information and engaged in stalking behavior toward women, and other instances of sexual harassment).

Attachment 2

There Is No Reason to Change Longstanding Public Policies for Ground Transportation

The Council developed stable public policies for ground transportation over time and with much public input. These policies shaped the ground transportation system that the public now relies on to protect and serve the public. But phone brokered “app cabs” do not comply with these policies and do not provide that public benefit. These are the Council’s longstanding policies, which support traditional regulation:¹⁹

- Promote quality services (*timely, cost effective, clean, courteous, and always available*).
- Promote a clean and modern image of the City.
- Create a *fair environment for traditional taxicab providers* and potential new entrants.
- Strengthen the *economic vitality of taxicab drivers* to facilitate quality services.
- Make taxicab requirements clear and uniform among providers.
- Provide meaningful ways to examine and *address service complaints*.
- Provide for ease of taxicab administration.
- Minimize city costs and liabilities.
- Clearly *define types of ground transportation providers to aid* administration and *consumer choice*.
- Require *financial accountability* to verify that cost effective taxicab services are offered to the public.
- Impose fees that make regulation self-sustaining.
- Optimize the benefits of competition in the system to the extent feasible.
- Ease the impacts of transition to a new system.
- Provide adequate airport coverage to accommodate passenger needs.
- *Emphasize safety*.
- Update the regulatory structure to better address changed industry business practices.

¹⁹ The Council’s Resolution No. 66 of 2005 is at Attachment 3.

Attachment 3

Additional Materials

The Salt Lake Tribune

Rampell: Ridesharing services on the path to becoming the new monopoly

BY CATHERINE RAMPLELL

THE WASHINGTON POST

PUBLISHED: OCTOBER 3, 2014 10:25AM

UPDATED: OCTOBER 3, 2014 04:49PM

Washington • Meet the new boss, same as the old boss. Except less regulated.

That's my feeling about so-called ridesharing services such as Uber and Lyft, which seem to be hailed (no pun intended) as a godsend to travelers, drunken revelers and environmentalists alike. A group of heavyweight economists has unanimously endorsed the idea that competition from these firms raises "consumer welfare." One likely future Nobel laureate said he couldn't think of any "externalities" — that is, costs imposed on others — that might result from "more competition" in the livery market.

But it's silly to assume cities can welcome ever-higher numbers of relatively unregulated quasi-taxis with no costs to consumers.

First, there are the obvious short-term social costs: traffic and emissions.

Medallions and other regulations capping the number of livery cars available are often derided as taxi cartel protectionism. But they can benefit the public, too. They limit the number of empty cars driving around looking for passengers, snarling intersections and polluting the air.

If you don't believe me, check out message boards where drivers talk about waiting hours without getting "pinged" for a ride. "I just realized why I'm not getting pinged," one disgruntled driver wrote, posting a picture of a cluster of idle Uber cars in Orange County, Calif. "We're all on top of each other begging for pennies."

Unlike drivers or urban planners, Uber and Lyft have no incentive to limit the number of cars on the road; quite the opposite, since the companies don't bear the costs of additional driving (gas, maintenance and the opportunity cost of waiting around are all borne by drivers). Uber just wants the maximum number of Uber-affiliated cars on the road, to keep wait times short and thereby attract more passengers.

Ridesharing evangelists assert, of course, that they are helping the environment by discouraging car purchases. Thus far, though, there is no evidence that ridesharing passengers are getting rid of their own cars, according to a recent University of California Transportation Center study based on ridesharing customers in the San Francisco area. The study also found that ridesharing upstarts took business not just from legacy taxi fleets but also from more environmentally friendly modes of transit as well. Nearly half of respondents said that if a ridesharing service hadn't been available for the trip they were being asked about, they would have instead taken a bus, train or bike — or simply walked.

Even those who said they might have taken a regular taxi might still be less green than they believe; taxicabs in San Francisco, after all, have to meet tight emissions standards, but Lyft drivers can use any vehicle — even a Hummer — made after 2000.

Maybe you think the traffic and environmental costs are worth it, given the value to consumers of cheap, reliable rides, especially in cities where public transit and taxi services are undependable. Plus, Uber and Lyft are engaged in a price war, which in the short run certainly looks good for consumers.

But there's also the long run to think about.

For all the rhetoric about the value of competition, the goal of this price war is to neutralize the competition and become the only livery game in town. Which would mean more market power, over both drivers and consumers, probably to the detriment of both.

We've already seen these firms harvesting the driver side of the market: Both companies have lured drivers with promises of unrealistically high paydays, then unilaterally changed terms — raising commissions, cutting fares, forcing drivers to participate in lower-paying ridesharing services — after drivers already made major investments such as buying new cars.

Uber and Lyft have aggressively exempted themselves — first by casual defiance, then through savvy lobbying — from insurance and safety laws covering other livery services. They have also tried to steal each other's business in ways that are unethical at best (with both reportedly scheduling and canceling thousands of each other's rides to keep competitors' cars unavailable to paying customers).



In other words, for all their bellyaching about the bullies of Big Taxi, Uber and Lyft are becoming pretty big bullies themselves. Nothing about their behavior suggests the ultimate winner of the ridesharing wars will wield its power beneficently when it controls the market and can raise consumer prices at will. Consumers will just be trading in one monopoly — loathed Big Taxi — for another, less regulated one.

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State of Utah
GARY R. HERBERT
Governor
SPENCER COX
Lieutenant Governor

Insurance Department

TODD E. KISER
Insurance Commissioner

For Immediate Release
September 16, 2014

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Sharing a Ride, But Not Insurance: **Ridesharing Drivers May Face Insurance Coverage Gap.**

You may have seen cars sporting fuzzy pink mustaches in your city, or maybe you've thought about using your own vehicle to make some extra money giving rides. Ridesharing services, such as lyft, sidecar and uberx, are popping up across the country and becoming an increasingly popular way for people to earn money. However, state insurance regulators have concerns about potential gaps in insurance coverage. The Utah Insurance Commissioner, Todd E. Kiser, urges consumers to consider the following tips before picking up their first passenger.

Understanding Ridesharing

For the purposes of this consumer alert, 'Ridesharing' is used to describe the practice of driving for hire using an online-enabled platform to connect drivers—who are using their personal vehicles—with passengers.

Ridesharing uses mobile technology to connect passengers to drivers. Instead of hailing a cab from the curb or calling an 800 number, consumers download an app to their smartphones that allows the customer to request a ride. The app also allows users to get price quotes for their trips, track the driver's location, and to pay their fare using a credit card on file.

These services are provided by transportation network companies (TNCs). The three major TNCs are UberX, Lyft and Sidecar, although more TNCs are joining the market. TNCs allow drivers to use their personal vehicles (with personal lines auto insurance) to transport passengers and earn extra income.

Protect Yourself as a Driver

As ridesharing becomes more popular, state insurance regulators have grown increasingly concerned about the insurance implications of ridesharing for consumers and the TNCs. The main issue is a possible gap in insurance coverage between the driver's personal automobile insurance policy and the TNC's commercial policy.

Before driving for some TNCs, a driver must prove that they have a valid personal auto policy. In addition, the major TNCs have policies on their drivers that include commercial auto, liability, and collision coverage; some TNCs also offer uninsured/underinsured motorist coverage. Check out [Insure U](#) for help understanding the different types of auto insurance coverage.

Most standard personal auto insurance policies list exclusions for livery, or using your personal vehicle to transport passengers for a fee. Some policies may go even further and list exclusions for when the driver is available for hire. Other policies may be silent concerning coverage during

the period when the driver has engaged the app and is looking for passengers, but has not picked up a passenger. Drivers should not assume the lack of a specific exclusion means they have coverage. Insurance regulators have noticed possible gaps in coverage where a TNC driver may not be protected in the event of an accident. In some cases, it is unclear if a driver's personal auto insurance or the TNC's commercial insurance is expected to cover an accident.

Understand What's Covered

Before signing up to drive for a TNC, talk to your insurance provider about what your personal policy may cover if you are involved in an accident. Be aware that some providers may not insure you if you choose to conduct commercial business with your personal vehicle. Others may offer to provide coverage for additional premium. You will also want to ask the TNC questions about its commercial policy. Some questions you should ask include:

- How much liability insurance does the TNC provide while I'm transporting a passenger? Is it enough?
- Will I be charged a deductible? If so, how much?
- Is the commercial liability insurance coverage my main source of coverage, or is it supplemental to my personal auto policy?

Find out what is covered by the TNC's commercial policy if you are involved in an accident in each of the following circumstances:

- You are available for hire (logged into your ridesharing app) but not transporting a passenger.
- You are logged into your ridesharing app and transporting a passenger.
- You are unavailable for hire (not logged into your ridesharing app) and not transporting a passenger.

Depending on the TNC you drive for, you may need to consider buying a commercial policy that provides liability insurance as well as comprehensive, collision, medical payments, and uninsured/underinsured motorist coverage. This will ensure that you are properly protected if you get into an accident while you are driving for hire.

Workers' Compensation

As a driver, if you are acting as an employee, make sure that your employer is providing workers' compensation coverage. If you are acting as an independent contractor for a TNC you will need to be responsible for your own worker's compensation policy.

SEPTEMBER 2014



State of Utah
GARY R. HERBERT
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SPENCER COX
Lieutenant Governor

Insurance Department

TODD E. KISER
Insurance Commissioner

For Immediate Release
September 9, 2014

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Sharing a Ride, But Not Insurance: Protect yourself as a ridesharing passenger.

Ridesharing services, such as UberX, Sidecar and Lyft, are often seen as a cheaper alternative to taxis. However, there may be gaps in insurance coverage for ridesharing passengers. The Utah Insurance Commissioner, Todd E. Kiser recommends that consumers who are considering using their personal vehicle to give rides to earn extra income, should review the following tips to make sure they are adequately protected.

Understanding Ridesharing

For the purposes of this consumer alert, 'ridesharing' is used to describe the practice of driving for hire using an online-enabled platform to connect drivers—who are using their personal vehicles—with passengers.

Ridesharing uses mobile technology to connect passengers to drivers. Instead of hailing a cab from the curb or calling an 800 number, consumers download an app to their smartphones that allows the customer to request a ride. The app also allows users to get price quotes for their trips, track the driver's location, and to pay their fare using a credit card on file.

These services are provided by transportation network companies (TNCs). The three major TNCs are UberX, Lyft and Sidecar, although more TNCs are joining the market. TNCs allow drivers to use their personal vehicles (with personal lines auto insurance) to transport passengers and earn extra income.

Ridesharing is Different than Taking a Taxi

Ridesharing is not the same thing as taking a traditional taxi or limousine. Limos and taxis have been licensed by the state and/or local transportation authority to provide a livery service, or to transport passengers for a fee. The vehicles are inspected, and drivers must be properly licensed. Taxi operators are required to have insurance that protects a passenger and third parties, such as pedestrians or other drivers, should the taxi be involved in an accident that causes bodily injury or damage.

In many states, TNCs are not subject to the same licensing and insurance requirements that apply to taxis or limousines. However, as ridesharing becomes more popular, state insurance regulators and legislatures are taking action and working with the TNCs to ensure consumers are adequately protected.

Protect Yourself as a Passenger

Before using a ridesharing service, it is a good idea to research the companies that are operating in your city. Find out what insurance policies the TNC has to protect drivers and passengers, and

Please note: Agency hours are 8am-5pm, Monday-Friday.

how much liability coverage those policies offer. This information may be available on the TNCs' websites.

If you are concerned that a TNC may not have adequate coverage, talk to your insurance provider. Your personal auto policy will likely provide you with some coverage when you are a passenger. If you do not own a car, you might consider purchasing a "named non-owner" policy, which provides coverage for you above any insurance the vehicle's owner may have. If the owner is uninsured, or has low limits of liability, this type of policy can protect you as a passenger. These policies include protection for bodily injury or property damage, medical payments, and uninsured/underinsured motorist. In certain no-fault states, they may also include personal injury protection (PIP). Check out [Insure U](#) for help understanding the different types of auto insurance coverage.

More Information

Contact the [Utah State Insurance Department](#) to find out how it is handling matters involving ridesharing. You can also learn more about Utah requirements for personal auto insurance.

For more information about your insurance needs and tips for choosing the coverage that is best for you and your family, visit [Insure U](#).

SEPTEMBER 2014

**EVALUATION OF THE PROPOSED AMENDMENTS TO THE GROUND
TRANSPORTATION ORDINANCE—SALT LAKE CITY, UTAH**

by

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Background

The proposed Amendments to the Ground Transportation Ordinance (2014) in Salt Lake City represent a well-intentioned plan to reflect and accommodate technological and other developments in the regulation of the transportation for hire industry.¹ However, the removal of a cap on the number of taxicabs and equivalent vehicles could result in significant unintended negative consequences with regard to the level of fares, safety of both passengers and drivers, level and quality of service, air quality, congestion, and impact on the local economy from taxi revenues to accruing to out-of-state businesses.

The introduction of TNCs into the market, in particular Uber and Lyft, represents a technological development enabling the provision of on-demand automobile transport service by using text messaging and/or mobile telephone application (i.e., apps) to match passengers with drivers who use their personal vehicles, often on a part-time basis, to essentially provide on-demand transportation.² Given the relatively low cost of entry into the TNC business, it can be expected that other providers, including some already in existence (e.g., Sidecar), will also enter the Salt Lake City market. While it can be argued that the introduction of the TNCs will increase the range of choice for some passenger consumers, there probably will be negative consequences; these will be addressed in this report.

¹The most significant of the proposed changes would be the elimination of (1) the 30-minute limitation and \$30 minimum fare requirement, (2) the requirement for a minimum number of taxicabs, and (3) restrictions on the number of taxicab companies that can operate in the city. With individual Lyft, Uber, and possibly other TNC operators entering the market, there could be several hundred individual firms in Salt Lake City.

²Actually, the Curb (formerly Taxi Magic) software application for mobile phone taxi service has been available for more than five years and is used by some traditional taxi companies. As one taxi company executive in Chicago said: "The only thing new that Uber brings to the table is a total disregard for regulation."

It is noteworthy that both the existing ordinance and the amended ordinance presumably would treat all ground transportation operators equally (i.e., they would all be subject to essentially the same regulatory standards); for example, the memorandum that accompanies transmittal of the ordinance (Everitt, 2014) states the following:

The ground transportation scheme in Salt Lake City is relatively straightforward. Except for certain City ordinances that impose some obligations on and grant some exclusive privileges to on-demand taxicab providers, most City ground transportation ordinances apply equally to all providers of ground transportation for hire that operate in the City. (p. 2)

In the next paragraph, the memo states:

Under Salt Lake City's current regulatory structure, individual Lyft and Uber drivers are held to the same city standards as all ground transportation providers. However, a majority, if not all, TNC drivers are not registered by the City to provide transportation for hire in the city. (p. 3—emphasis added)

Presumably, some TNC drivers have registered with the city, but most have not and apparently are operating illegally. Given the potential for hundreds of independent TNC units to be operating in the city, is it realistic to think that the regulations included in the ordinance can be enforced? It is one thing to enforce standards on taxicabs operating under agreements with a few firms, but it is quite another to enforce them on several hundred independent operators. For example, one of the requirements is that five percent of taxis be equipped to accommodate persons with disabilities. Which of the Uber and Lyft cabs will be meeting that requirement?

Finally, the memorandum states:

Although TNC drivers can, if they choose, comply with most City ground transportation requirements including vehicle cleanliness, service standards, driver background checks, insurance, and other standards listed in Chapters 5.71, 5.72, and 16.60 of the SLC City Code . . . (p.3—emphasis added)

That is an interesting statement; apparently, at this time some have chosen not to be licensed.

The Traditional Taxicab Market

The typical industry-city model for taxi service consists of a city regulating the number of taxicabs that can be operated based on public convenience and necessity while also requiring providers to meet detailed service, equipment, and pricing regulations to provide for safety and protection from price gouging which is common in unregulated markets. For example, the following are indicative of the type of requirements involved:

- dress and conduct standards for drivers;
- licensing of vehicles and drivers;
- minimum and/or maximum number of vehicles that can be licensed;
- periodic inspection of vehicles;
- standards for exterior and interior of vehicles;
- minimum insurance standards;
- requiring taximeters to be installed and inspected regularly;
- setting prices;
- requiring prices to be displayed on the sides of the vehicle;
- requiring that service be available 24 hours per day, 7 days a week;
- requiring that service not be denied to anyone requesting transportation within the service area; and
- requiring a minimum number or percent of vehicles be equipped to assist handicapped passengers.

Meeting these standards can involve substantial costs and usually require regulatory oversight and control. One advantage of having only a few providers of taxi service, each having a large number of units, is that much of the control for meeting standards is centralized; the individual companies have an incentive to make sure that the standards are met and with a number of cabs in operation there are economies of scale for them in terms of inspections, hiring standards for drivers, maintenance and repair of their vehicles, and making sure that insurance contracts are current and adequate.

It is generally agreed among economists that under certain conditions, a freely operating market will maximize economic welfare in the sense of providing low prices and optimum rates of output. Proponents of taxicab deregulation have used that argument to support claims that:

there would be more taxis and faster response times;
service innovations would increase;
fares would fall; and
government expense would decline by eliminating regulatory agencies and related activity.

However, the conditions required for competition to maximize economic welfare include having a lack of externalities,³ symmetric information between buyers and sellers concerning price and quality, and no significant economies of scale.⁴ None of these conditions are met in the taxi market. With regard to the problem of asymmetric information, drivers will generally know more than passengers about the prices to be charged (especially in the absence of taximeters), the most direct route, condition of the vehicle, and safety. Obviously, a cab driver intent on robbing or assaulting a passenger is not about to share that information with a potential rider before that rider enters the cab; of course, the same is true for a rider who may be planning to rob or assault the driver.

Also, unregulated taxi service would not guarantee that service would be available during low demand periods (e.g., holidays, late at night, etc.) or that certain neighborhoods or classes or

³An externality is defined as a production or consumption act by one person or firm that has positive or negative effects on a third person who is not a party to the production or consumption transaction. Air and water pollution and noise are classic examples of negative externalities; in the absence of regulation, the polluter does not compensate those who are impacted by the pollution. Criminal acts also are good examples of negative externalities; the thief does not compensate his victim. An example of a positive externality is when the well-cared for landscaping of a home increases the value of the adjacent properties. It is generally agreed that when externalities are present, the price, quantity and quality of output are suboptimal.

⁴Economies of scale exist when per unit costs fall as the rate of production increases. A company with a number of cabs is in a position to capture scale economies in maintenance, fuel costs, and vehicle purchase.

consumers would be served. In particular, there is no indication of how the new TNCs will be required (either by Uber, Lyft, or by the regulatory authority) to provide for the transportation needs of low-income and handicapped persons. Proponents of regulation argue that by regulating fares (coupled with the use of meters), requiring background checks on drivers, requiring 24/7 service, etc., these problems can be overcome, but it is not clear how that would be done with essentially free entry of taxi units in the market.

The issue essentially becomes an empirical one; that is, what has been the experience of deregulation. In the United States and in most developed countries, taxi regulation has been the rule rather than the exception (see Shaw et al. 1983), and experience with deregulation has had mixed results. In some cases (e.g., Seattle), the experience was so poor that the industry was reregulated within a few years at great expense to everyone involved. In a later section of this report, a review is provided of some of that deregulation experience.

Centralized Versus Decentralized Taxicab Operation

In the traditional model where several companies provide taxi service, each firm has a significant incentive to monitor driver performance, check for any criminal history of drivers, provide maintenance and inspection of vehicles, provide insurance for driver, passengers, and vehicles, and to provide some direction and guidance to drivers with regard to most efficient routes, location of taxi stands, and traffic issues in order to maximize revenues (and, equivalently, customer service and driver earnings). Any management failure by a driver will be costly to the firm as would any vehicle abuse or criminal act by one of the firm's drivers. Most firms in the industry devote significant attention and resources to driver training, vehicle maintenance, and insurance. Firms also must meet regulatory standards with regard to having

service available on a 24/7 basis, providing service to all parts of the service area, and picking up anyone requesting service.

Under the decentralized Lyft and Uber models where there are a large number of individual taxi owner-drivers (i.e., small firms), these incentives will not be as strong. For example, Lyft requires a one hour training and safety session for drivers, but apparently there is no on-going training requirement beyond that. Certainly, the individual driver-car owner has the same incentive for keeping his vehicle maintained mechanically, but what incentive is there to maintain adequate liability insurance to cover passengers and other vehicles.

The web sites for both Uber and Lyft indicate that the driver's regular automobile insurance policy will be adequate, and both report that they maintains a \$1 million per occurrence excess liability policy for its drivers, but is there adequate incentive and monitoring for the driver's underlying coverage? Based on my discussions with several insurance agents, they indicate that this is "new territory" for them, but they are confident that in the long-run, insurance companies are not going to allow the standard personal automobile insurance package to cover a vehicle being used to provide commercial taxi service. Once these insurance issues are resolved, the average TNC driver may find that commercial coverage is too expensive or unavailable.

With regard to service, what incentive does the average TNC driver have to be available in the early morning hours when business is slow and/or to accept a call to a remote part of the city where there is little chance of getting a fare back to a busier area? It seems reasonable to expect that the TNC operators will tend to serve those areas where there is more passenger traffic and operate primarily during the peak travel periods to the exclusion of other areas and times of day; that is, there is an incentive for them to "cherry pick" the market leaving the less profitable

service areas and service times to the taxi companies. Under that circumstance, it will be difficult for the traditional taxi firms to remain competitive.

Also, oversight by the regulatory authority is facilitated by being able to deal directly with management of a few taxi companies as in the Salt Lake City area; how can such oversight be managed if there were several hundred individual owner-operators as there would be using the TNC model.

These are but a few of the many questions and issues that need to be resolved before any significant deregulation of the industry is undertaken.

Research on the Economic Effects of Deregulation

As indicated above, the problem comes down to the empirical evidence on the net effects of deregulation where it has been attempted. While the evidence is mixed, there is a substantial research base indicating that the net effects are negative (i.e., the costs of deregulation exceed the benefits), and there are a number of examples of cities that attempted to deregulate the industry only to find they had to go back to their earlier regulatory models. Some of the more important research is reviewed in the following.

In a widely cited article, Teal and Berglund (1987) studied the effects of deregulation efforts in seven U.S. cities including Seattle, Kansas City, San Diego, Sacramento, Phoenix, Tucson, and Oakland. They found:

- a significant increase in the number of firms;
- turnover increased especially among small firms and independent drivers;
- regulation did not necessarily result in lower fares;
- service was not improved;
- there was no important innovation;
- markets tended to continue to be dominated a few large firms;
- a small reduction in response time;

- a significant increase in no-shows and refusals;
- a significant decline in taxicab productivity (e.g., on average, a one-third decrease in trips per cab and trips per day); and
- a decrease in average driver earnings often with no change in the number of hours of work.

The authors conclude:

Taxicab deregulation cannot be demonstrated to have produced, in most cases, the benefits its proponents expected. Prices usually do not fall, improvements in service are difficult to detect, and new price-service combinations have not developed. **There is little evidence that either consumers or producers are better off.** (p. 54—emphasis added)

In another classic article, Dempsey (1996) reviewed the effects of deregulation experiments in 21 cities in the United States and found the following:

- a significant increase in entry to the market;
- a decline in operational efficiency and productivity;
- an increase in congestion, energy consumption, and pollution;
- an increase in rates;
- a decrease in driver income;
- a deterioration in service;
- an increase in refusal and no-show rates;
- increased turnover of drivers and firms; and
- little or no reduction in administrative costs. (p. 102)

Dempsey summarizes his position as follows:

Taxicabs are an essential part of the urban transportation infrastructure, and some would argue, in the nature of a public utility. As we have seen, the unregulated taxi market suffers from the absence of a competitive market, imperfect information, significant transactions costs, externalities, cream skimming, the loss of economies of scale and scope, and destructive or excessive competition, collectively producing demonstrable deleterious economic and social consequences. While deregulation produces a significant increase in new entrants, it appears to cause declining operational efficiency and productivity, an increase in highway congestion, energy consumption and environmental pollution, a decline in driver income, a deterioration in service, and paradoxically, an increase in passenger rates, with little or no improvement in administrative costs. Any objective assessment of the empirical evidence would conclude that the costs of taxicab deregulation outweigh the benefits. Virtually every major city which has tasted economic deregulation has lived to regret it, and reversed course. (p. 117)

In 1979, Seattle essentially eliminated the limit on the number of cabs that could operate in the city as long as they met the licensing requirements. Leisy (2001) commented on this experience:

The City of Seattle regulated rate and entry in the taxicab industry beginning in 1914. The taxicab industry was deregulated in 1979 because it was believed that competition would provide the public with improved service and lower rates. In fact, service quality declined and rates were often higher. Subsequently, the taxicab industry was reregulated beginning in 1984. Initially rate ceilings were established and later a moratorium was placed on issuance of new taxicab licenses. Seattle, like nearly all other cities that experimented with deregulation, eventually returned to regulation of entry and rates. (p. 1)

He continued:

Most of the results of deregulation were disappointing. Ridership declined by 25 percent during 1979 and 1981 even though the number of taxicabs increased by 20 percent. Rates for taxicabs without radio dispatch were 27 percent higher than radio dispatch cabs. The median taxicab age rose from 4 years to 6 years. (p. 6)

Zerbe (1986) also reported on the Seattle experience with deregulation. He found that the number of cabs rose significantly, but fares for radio-dispatched cabs rose 6 percent, rates for airport cabs rose 25 percent, and fares for not radio-dispatched cabs (mostly independents) increased by about 30 percent. He also reported on "horror" story experiences at the railroad station and at the airport.

Before deregulation, Amtrak awarded the right to serve the railroad station to a single franchisee. It agreed to switch to open entry in 1979, mostly because of pressure from independent operators—who quickly took advantage of the new opportunity. Long taxi lines developed, taxis spilled out of assigned areas, some drivers left their cabs (blocking access for Amtrak employees and passengers, as well as fellow cabbies) and some loitered in the station aggressively seeking passengers. Amtrak personnel attributed these problems almost entirely to the independent cabs. Independent drivers clashed with drivers of the lower-priced "major" cab fleets. There were reports of physical intimidation, of drivers who lied about the availability of bus service, who were slovenly, vulgar and rude—and so on. (p. 46)

The Sea-Tac airport has had even worse problems in its cab lines, largely because it had mostly kept the system for assigning cabs it used in the days of uniform fares. Taxis are called up into the loading area one by one strictly according to their place in line. It is a system that impedes price competition, because it puts drivers in a stronger position than customers. A cab that refuses, or is refused by, a customer goes not to the end of the line but to a holding area, so that it soon returns to the head of the line. Moreover, airport customers are unlikely to dicker with or refuse a cab that seems to be assigned to them, especially when they do not know local fares or know that legal fares may vary, or when they are on expense accounts and not concerned about costs. Until changes were made in early 1981, taxis operating solely at the airport were able to set their fares as high as they wished so long as they could find customers willing to pay. . .

As fares at the airport rose, they attracted new entrants and the taxi lines became much longer. But since each cab was making fewer trips, the drivers were no better off. Many of them refused short-haul customers because they had invested so much time getting their place in line. . .

Finally, at the airport, as at the cab lines downtown, the quality of the ride deteriorated. Drivers were less knowledgeable, cabs dirtier. (p. 46)

Zerbe concluded his article by arguing that the deregulation can have unintended and unforeseen negative effects, and that the issue is not one of regulation versus deregulation but rather what adjustments in existing regulation can be made at the margin in order to improve economic welfare for passengers, drivers, and taxi firms. The implication is that any deregulation effort should be made gradually in order to assess the impacts and to make adjustments as problems arise.

Mundy (2014)⁵ discusses the poor Seattle experience with deregulation, and quotes James J. Buck (1992) the manager of the King County Division of General Services:

Did the market regulate entry and rates? NO. Were there problems? YES. Rate gouging. Short-haul refusals. Surly and discourteous treatment of passenger. Fights at cab stands at the airport. . . Government regulators were constantly barraged by industry complaints that "deregulation" wasn't working, they couldn't make any money, unsafe vehicles were on the street, tension and animosity among drivers with the potential for violence, etc. Pleas for reviews were frequent. (p. 142)

The consulting arm of Price Waterhouse (1993) evaluated the effects of deregulation in six U.S. cities and found that the experience of these cities indicates that the benefits of deregulation were devalued by unanticipated and unattractive side effects. While the supply of new service increased, most of the new service was concentrated at locations such as airports and major cabstands that were already well served. Response times were essentially unchanged, but trip refusals and no-shows increased significantly.

The International Association of Transportation Regulators (2002) reported that in St. Louis, deregulation produced a 35% rise in taxi fares, and taxicab drivers complained of waiting hours at airports for customers at taxicab stands. Taxicab companies claimed they increased fares in order to make up for lost competition resulting from the increased supply of taxis. Tourists and

⁵Ray A. Mundy has served as a consultant to Salt Lake City on taxicab industry issues.

airport officials reported a decrease in service quality because of deregulation. As a result, the St. Louis City Council froze new taxicab licenses within a few years.

Potential Economic Impacts

The entrance of Uber and Lyft taxis into Salt Lake City also would have a negative impact on the local economy due to the share of taxi revenue accruing to the parent companies which, of course, are located out of the area. Lyft takes 20 percent of the driver's gross revenue and Uber takes 5-20 percent plus \$10.00 per week. These are revenues that would otherwise be expected to be spent in the local area; thus, there would be a direct negative effect on the Salt Lake economy. In addition, the indirect (or multiplier) effect would be on the order of one to two times the direct effect. Because of the unavailability of good data, this effect can not be quantified, but it is clearly negative.

Environmental Impact

To the extent that there are more cars on the streets operating as taxis, an increase in exhaust emissions can be expected to further impair air quality in the Salt Lake Valley. Also, more cabs may mean less intensive use (more waiting and idling) between fares with an associated increase in emissions. Given the air quality problems in the area, this could be a significant problem. Also, an increase in the number of taxis on the street also will increase congestion; certainly, this is an issue in the Salt Lake metropolitan area.

Guidance for Regulation

The research outlined above provides guidance for cities and associated regulatory agencies. For example, Dempsey (1996) argued:

New entry should be modest, measured, and monitored. In deciding which among several applicants should be allowed to operate in the market, a prudent regulatory authority might choose the applicant which, for example, has a sound financial base and a seasoned and experienced managerial team, a minimum fleet size with centralized radio dispatch to serve the entire community adequately, trained and experienced drivers, adequate insurance, and a young, safe, and environmentally sound fleet of cabs. On the last point, there is significant concern as to whether a number of cities will be able to comply with the Federal Clean Air Act Standards. If not, they stand to lose hundreds of millions of dollars of Federal grants.

The regulatory authority might also phase-in additional taxis over a period of years, regularly monitoring their impact upon the public in terms of price, safety, and service (including customer complaints, service response times, and such), and upon the health of the industry. If the regulatory authority found that the problems of destructive competition described above, were emerging, it might well reduce the number of taxis to be licensed during the prescribed forthcoming period. Thus, the regulatory authority must be careful to expand entry on a phased-in basis only very gradually, and monitor the results closely.

It appears that the proposed changes in the Salt Lake City ordinance would allow for almost uncontrolled increases in the number of taxis almost overnight; the potentially large number of Uber and Lyft vehicles that might enter the market could result in chaotic market conditions. The evidence cited above would indicate further study before any significant deregulation process be undertaken. One option would be to license a few TNC vehicles and closely monitor their performance and impact on fares, service quality, and safety.

Admittedly, there is evidence on both sides of the regulation question (for example see Moore and Balaker, 2006), but there is enough empirical experience with failed deregulation efforts to at least indicate that a “go slow approach” to deregulation is called for. The Uber and Lyft models represent an interesting technological development that has the potential to increase economic welfare but that has yet to be proven. While some users might see a greater range of choice in service and possibly lower fares, others may find service hard to find, higher fares, and

increased safety risks. Certainly, the safety issue is of paramount importance; one bad experience, such as a passenger being assaulted or where it turns out that a passenger injured in an accident is not covered by insurance, could be disastrous for the city.

Also, it is probable that having a significant number of new entrants into the market would result in much less efficient use of the capital resources in the industry as drivers experience longer wait times. Of course, more taxis and potentially more idling would have negative effects on air quality and traffic congestion which are major issue in this area.

Finally, the leakage of local taxi industry revenue from the Salt Lake area to Lyft and Uber with the negative direct and indirect effect on the local economy also should be considered.

At this point, more information, experience, and assessment is called for before significant regulatory changes are made.

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RESOLUTION NO. 66 OF 2005
(Regarding Taxicab Service in Salt Lake City)

WHEREAS, Salt Lake City regulates ground transportation that serves the public, including taxicabs that currently operate under certificates of public convenience and necessity granted by the City; and

WHEREAS, the City Council wants to promote quality service to the public, promote a clean modern image of the City to tourists and travelers, create a competitive but fair environment where the public can choose among quality ground transportation providers, and that strengthens the economic viability of taxicab drivers in particular to facilitate quality service; and

WHEREAS, the City Council has attempted to address these goals by enacting several ordinances during the last two years, including Ordinance Nos. 69, 70, and 92 of 2004 and Nos. 4, 39 and 45 of 2005.

WHEREAS, the City Council finds that the current method of regulating taxicabs in particular is contentious, archaic, and difficult to enforce with piecemeal amendments to those regulations; and

WHEREAS, in order to obtain an independent analysis of the issues pertaining to ground transportation in the City, including the taxicab industry, the City Council, in December 2004, commissioned a study by Dr. Ray Mundy, the director of the Center for Transportation Studies at the University of Missouri – St. Louis and the principal partner of the Tennessee Transportation & Logistics Foundation; and

WHEREAS, following a detailed investigation of the ground transportation industry in the City, including numerous interviews with a wide variety of persons involved in or affected by that industry, including taxi firm owners, taxi drivers, airport officials, city officials, and hotel managers, Dr. Mundy, on March 8, 2005, gave a presentation to this Council describing in detail his preliminary findings regarding Salt Lake City's current ground transportation industry. On April 19, 2005 he presented recommendations addressing numerous ground transportation issues he had identified. Dr. Mundy subsequently met on two occasions with the Ground Transportation/ Taxi Subcommittee appointed by this Council. During an August 3 meeting with the Subcommittee, Dr. Mundy presented his final report and recommendations ("Ground Transportation Study – Salt Lake City" dated July 31, 2005, hereafter "Report"). That Report was then provided by the Subcommittee to the entire Council; and

WHEREAS, the City Council invited and received public written comments during the period of April 19, 2005 to June 7, 2005. The Council further conducted formal public hearings on June 7, 2005 and on August 9, 2005 to obtain public and industry comment regarding the aforementioned findings and recommendations of Dr. Mundy and proposed legislative solutions by the Council; and

WHEREAS, the findings of Dr. Mundy's Report include, among other things, the following:

- A primary objective of the City Council's original request of Dr. Mundy was to determine if there were alternative methods by which the City could regulate taxicabs and shuttle vans more effectively than under the current system and at the same time improve the level of service currently being achieved. (Report, Page 2)
- Existing taxi firm owners felt the City had not done its job to protect traditional taxicab markets from unlicensed taxi, shuttle and van operators. (Report, Page 2.)
- There is an excess of ground transportation supply in the community. (Report, Page 5)
- Salt Lake City taxi firms are competing to lease city taxi permits to as many owner/operator drivers as possible, regardless of a driver's ability to earn a reasonable income. (Report, Page 12)
- Taxi firm owners agreed that the present structure of taxis in the Salt Lake City market condemns owners and drivers to anemic incomes. (Report, Page 15)
- Drivers are unable to achieve sufficient revenue to make driving a cab an attractive job, and current taxi lease fees are unable to generate profit margins to sustain long-term business or to attract capital for needed improvements. Report, (Page 15)
- Taxi company owners said they preferred a more flexible permit system that allowed them to add or subtract vehicles as demand warranted. (Report, Page 15)
- Every driver interviewed said there were too many taxis and drivers in the taxi system for anyone to make a decent living. Many drivers work 14- to 16-hour-days to pay their taxi lease and take home \$70 or more. (Report, Page 17)
- The respective average ages of taxicabs for City, Ute and Yellow Cab are 14 years, 11 years and 10 years. (Report, Page 27.) The ages make the Salt Lake City's cab fleets some of the oldest that Dr. Mundy said he ever had seen.
- City code enforcement personnel expressed frustration at the difficulty of enforcing City taxi ordinances due to lack of personnel and funding problems. They stated that they would prefer more competition in the provision of taxi services in order to improve the quality of taxi services offered to visitors and residents alike. (Report, Page 22)
- Hotel managers in the downtown area expressed considerable frustration with constant guest complaints of taxicabs that never showed up, were old and dirty and often driven by rude drivers. (Report, Page 23)
- There is no commercial walk-up, on-demand shuttle service at the Salt Lake City International Airport. (Report, Page 25)
- Shuttle owners felt that the existing taxi shuttle regulation of the City severely restricted their ability to offer innovative services and pricing to the traveling public. (Report, Page 26)
- Salt Lake City International Airport is the single major taxi demand generator in the area. (Report, Page 48) However, drivers at the airport complained about having to wait two or three hours for a fare. (Report, Page 17)
- Airport customers could be served most of the time by allowing a maximum of 20 taxis to be available for fares in the Airport taxi holding lot- if taxis arriving at the

airport were encouraged to go into the holding lot after dropping off passengers. (Report, Page 32); and

WHEREAS, Dr. Mundy's study recommended various changes to the City's taxicab service within the City, including the following long-term recommendations:

- Change the way in which the City regulates the taxicab industry from its current method of issuing certificates of public convenience and necessity to a method of seeking bids for contracts with the City to provide taxicab service. Dr. Mundy's study recommended that the contracts be issued to two to four companies. Each of the companies would be required to operate a minimum of 50 taxicabs. In response to a City request for proposals each company would indicate the maximum number of taxicabs it would operate. According to the study, requiring a minimum of 50 taxis would provide enough business "to support investment in GPS (global positioning system) dispatching and other technologies for improving the delivery of service to the traveling public." (Report, Page 62, No. 1)
- Reduce the total number of taxicab permits issued by the City by 25 percent to about 200 permits. Currently, there are 268 total permits.
- Reduce the number of taxicabs waiting to pick up passengers at the Salt Lake City International Airport. The study contends that there are too many taxicabs waiting too long to pick up passengers at the airport. It contends that airport customers could be served most of the time by allowing a maximum of 20 taxis to be available for fares in the Airport taxi holding lot-- if taxis arriving at the airport were encouraged to go into the holding lot after dropping off passengers. Long-term the number of taxis could be restricted by Automatic Vehicle Identification electronic tracking that, according to Dr. Mundy, is being installed at the airport. (Report, Pages 62 and 63) The study contends that restricting the number of taxicabs at the airport would force cab companies to develop new markets, including being available in other parts of Salt Lake City.
- Develop a "shared-ride exclusive walkup van concession at the airport." (Report, Page 63) The study notes that "with very few exceptions" most U.S. airports have more than one walk up alternative for arriving airline passengers. The study notes that the Salt Lake City Airport has no alternative. Passengers seeking on-demand service must take a taxicab.
- Revise City fees to reflect the actual cost of City services. The study indicates that business license and driver permit fees "are not adequate for the services being performed." (Report, Page 63).

NOW, THEREFORE, in order to meet the City Council's goals of:

- Promoting quality services to the public (i.e. timely, cost effective, clean, courteous, and always available),
- Promoting a clean, modern image of the City to travelers,
- Creating a fair environment for traditional taxicab providers and potential new entrants,
- Strengthening the economic vitality of taxicab drivers to facilitate quality service,

- Making taxicab requirements clear, and applying uniform requirements to providers,
- Providing meaningful ways to examine and address service complaints,
- Providing for ease of taxicab administration,
- Minimizing city costs and liabilities,
- Clearly defining types of ground transportation providers to aid administration and consumer choice,
- Requiring financial accountability to verify that cost effective taxicab services are offered to the public,
- Imposing fees that make regulation self sustaining,
- Optimizing the benefits of competition in the system to the extent feasible,
- Facilitating the upgrading and maintaining of taxicab service levels,
- Easing the impacts of transition to a new system,
- Providing adequate Airport coverage to accommodate passenger needs,
- Emphasizing safety, and
- Updating the regulatory structure to better address changed business practices in the industry;

BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That the Council does hereby give notice of its intent:

1. To change the taxicab system within Salt Lake City from a certificate of convenience and necessity system to another system to be set forth in detail in an ordinance to be enacted hereafter which system shall include the seeking of bids for contracts with the City to provide taxicab service;
2. That the aforementioned contracts be issued to two to four companies. Each of the companies would be required to operate a minimum of 50 taxicabs. In response to a City request for proposals each company would indicate the maximum number of taxicabs it would operate;
3. That the total number of taxicab permits issued by the City under all of such contracts be approximately 200;
4. That whatever additional steps may be necessary be taken, in addition to legislation already enacted, to insure that no more taxicabs operate at the airport than are appropriate to meet the needs of the traveling public and to insure that cab companies develop new markets and become more available in other parts of Salt Lake City;
5. That a "shared-ride exclusive walkup van concession at the airport" be developed, similar to that available at other U.S. airports; and
6. That City fees be revised to reflect the actual cost of City services with regard to taxicab companies, vehicles and drivers licensure and enforcement.
7. That all taxicabs in operation in the City be no older than five years from the date of manufacture.

Passed by the City Council of Salt Lake City, Utah, this 8th day of
December, 2005.

SALT LAKE CITY COUNCIL

By *John J. Lundquist*
CHAIRPERSON

ATTEST:
Christine Neeker
CHIEF DEPUTY CITY RECORDER

I:\Resolutions\Taxicabs & Ground Transportation\Resolution re Taxicab Service in Salt Lake City - 11-09-05 final



APPROVED AS TO FORM
Salt Lake City Attorneys Office
Date 11/9/2005
By *A. Spaulding*

SALT LAKE CITY CORPORATION
OFFICE OF THE MAYOR



SCANNED TO: *hargre*
SCANNED BY: *hargre*
DATE: *06/27/2014*

CITY COUNCIL TRANSMITTAL

Date Received: 06/27/2014
Date sent to Council: 06/27/2014

DATE: June 30, 2014

 RECYCLED PAPER

continue to operate at least through July 13, 2014, under a temporary waiver that allows them to continue with their on-demand taxi services without a contract while the City works with Ace Taxi and Total Transit (“Contracted Taxicab Companies”) to determine the City’s operational needs in the current business environment and to give the Contracted Taxicab Companies time to ramp up operations. Even without such a waiver, however, those three taxicab operators would be able to operate in the City, but not on-demand at the Airport, as ground transportation for hire companies, assuming they continued to meet the City’s requirements for such operations.

Providing transportation choices is a priority for Salt Lake City. The ground transportation services provided by a majority of transportation for hire companies include pre-arranged cars, vans, courtesy vehicles, hotel vehicles, limousines, and busses. Additionally, traditional taxicab service is required to provide 24-hour, nondiscriminatory, accessible, metered service with regulated rates. TNCs provide another choice to the public that makes car travel conveniently available to those who need it, while reducing the number of cars on the roads. TNCs provide an option to driving a personal automobile, which is an objective supported by several Plans and policies of the City, including the Transportation Master Plan and the City Council’s Philosophy Statement on Transportation.

The explosive global growth of TNCs, which has reached hundreds of cities around the world, has caused ground transportation regulators to rethink their ground transportation policies in an effort to provide for these new transportation services, while honoring existing business agreements, regulations, and practices. Ground transportation regulatory schemes vary widely among jurisdictions. For example, in some locales taxicabs are governed by a separate regulatory body, such as a public service commission, from other ground transportation for hire services. Logistical and operational needs, such as staging of vehicles, numbers of providers, and connections to public transportation and airports, depend on the size and configuration of the local area and airport, as well as the ground transportation needs of the population. Jurisdictions also vary in their treatment of violations as civil or criminal, and whether they must obtain a cease and desist order before they can impose fines or other sanctions.

The ground transportation regulatory scheme in Salt Lake City is relatively straightforward. Except for certain City ordinances that impose some obligations on and grant some exclusive privileges to on-demand taxicab providers, most City ground transportation ordinances apply equally to all providers of ground transportation for hire that operate in the City. For example, violators are subject to civil, not criminal, penalties; fines can be imposed directly, based on City ordinances, and do not require a court order; all ground transportation companies must comply with the same requirements regarding passenger safety, service standards, and insurance coverage. With a few modifications, current City ordinances will be sufficient to address the City’s desire to ensure the safety of the public and the operational and logistical needs of the City, the needs of the TNCs, taxicabs, and other ground transportation providers, while providing consumer choice in this evolving market.

Under Salt Lake City's current regulatory structure, individual Lyft and Uber drivers are held to the same City standards as all ground transportation providers. However, a majority, if not all, TNC drivers are not registered or licensed by the City to provide transportation for hire in the City. Although TNC drivers can, if they so choose, comply with most City ground transportation requirements, including vehicle cleanliness and service standards, driver background checks, insurance, and other standards listed in Chapters 5.71, 5.72, and 16.60 of SLC City Code, TNC companies assert they cannot comply with the current 30 minute prearrangement requirement in City ordinance. That requirement presents an irreconcilable conflict with their business model, which requires a rapid response to internet application-based ride requests. Thus, TNC drivers currently operate in violation of certain City ground transportation requirements, and violators are being cited for such violations.

Certain amendments to the City's ground transportation ordinances are necessary to create a regulatory environment that meets the various needs of the City, supports ground transportation providers, and protects the public, including the following:

1. Thirty minute limitation and \$30 minimum charge. Current restrictions prohibiting non-taxicab operators from providing on-demand service in the City should be eliminated, except at the Airport. The TNCs have indicated they cannot operate according to their business model unless they are able to pick up customers on-demand and without a minimum charge (or with a very nominal minimum charge). The 30 minute pre-arrangement requirement restricts consumer choice to only taxicabs for most on-demand service. Similarly, the \$30 minimum charge for limousines also limits consumer choice.

However, this transmittal recommends that the Council continue to mandate the prearrangement and minimum charge requirements for picking up passengers at the Salt Lake City International Airport. By doing so, the City reserves the privilege of on-demand service for the contracted taxicab companies. Also, the Airport has limited space for taxis and others to dwell, so limiting on-demand at the Airport to the Contracted Taxicab Companies helps to manage the space constraints.

2. Minimum number of taxicabs. This transmittal recommends the elimination of the requirement in City ordinance that sets the minimum number of on-demand taxicabs in the City. The City needs the flexibility to adjust fleet size to changing market conditions.

3. Restrictions on number of taxicab companies. This transmittal recommends the elimination of the requirement in City ordinance that the City select in a competitive process between 2 and 4 companies to provide on-demand taxicab service in the City. The restriction requiring 2-4 companies was incorporated into the City's ordinances over four years ago to allow for the possibility that all three taxicab companies holding certificates of public convenience and necessity at that time would have the possibility of being successful respondents in the competitive public selection process. However, those certificates of public convenience and necessity expired on their own terms on November 28, 2011, and the Contracted Taxicab Companies were selected to provide on-demand taxicab service in the City. Such limits on the number of providers are no longer

necessary and it is in the best interest of the City to have the flexibility going forward to be able to award on-demand taxicab contracts to the appropriate number of companies the market can support.

4. Emergency Powers. The department director appointed by the Mayor to administer and enforce the City's ground transportation ordinances currently is authorized, in emergency and certain other situations, to waive temporarily the requirement that only on-demand taxicab providers with a department contract to provide on-demand services in the City and at the Airport. In the current, rapidly changing ground transportation market, it would be in the City's best interest to allow the department director to waive or impose restrictions in Chapters 5.71, 5.72, and 16.60 on a temporary basis, with the approval of the Mayor and upon notice to the City Council, in the event of congestion and other operational problems, security concerns, or emergency conditions. Such emergency power will enable the City to respond quickly and allow time for the Council to enact the appropriate ordinance amendments after the applicable public process.

5. Miscellaneous. Other changes have been made throughout the ordinances that are necessary or recommended to correspond with and effectuate the changes discussed above. Additionally, a few clean-up changes are included, as well as changes that reflect more modern terminology or remove unnecessary language because of changes in state law.

PUBLIC PROCESS:

City representatives have met with a representative of Uber about Uber's concerns related to operating in Salt Lake City, and Airport management and staff have discussed the proposed changes to the ordinance with the Contracted Taxicab Companies. The Salt Lake City Business Advisory Board has discussed the proposal as well and is in the process of providing feedback.

SALT LAKE CITY ORDINANCE

No. _____ of 2014

(Ground transportation requirements)

An ordinance amending Chapter 5.71, *Salt Lake City Code*, pertaining to ground transportation requirements, to coordinate with taxicab regulations in Chapter 5.72, to provide for regulation of ground transportation providers that supports consumer choice, by expanding on-demand service, eliminating minimum fees, and providing flexibility for the number of taxicab companies that have contracts with the City and taxicab fleet size .

WHEREAS, providing transportation choices is a priority for Salt Lake City; and

WHEREAS, peer-to-peer transportation providers (also called transportation network companies or “TNCs”) currently are operating in Salt Lake City; and

WHEREAS, City has entered into contracts with taxicab providers to provide taxicab service in the City; and

WHEREAS, City desires to provide a regulatory environment for ground transportation in the City that is in the best interests of the City; and

WHEREAS, it is in the best interest of the City to allow all commercial ground transportation providers to offer on-demand service without minimum charge limitations; and

WHEREAS, it is in the best interest of the City to provide for temporary exceptions in the event of emergency, security concerns, and operational needs; and

WHEREAS, City desires to clarify that all ground transportation seals and AVI tags are the property of the Department of Airports; and

WHEREAS, City desires to make certain changes to modernize the language, concepts, and definitions, delete obsolete provisions, and make certain clean-up changes in this ordinance; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. That Chapter 5.71, *Salt Lake City Code*, pertaining to ground transportations requirements be, and the same hereby is, amended to read as follows:

Chapter 5.71

GROUND TRANSPORTATION REQUIREMENTS

Article I. Definitions and General Regulations

5.71.010: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

AIRPORT SHARED RIDE SERVICE: Ground transportation provided by an authorized ground transportation business contracted through the Department of Airports to provide on-demand shared ride service to and from the Salt Lake City International Airport.

AIRPORT SHARED RIDE VEHICLE: Any authorized ground transportation vehicle operating under contract with the Department of Airports to provide airport shared ride service to and from the Salt Lake City International Airport.

APPLICANT: An individual who has submitted an application to the department to obtain a ground transportation vehicle operator's badge pursuant to Article VII of this chapter.

AUTHORIZED GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle, which has a current, valid business license as required by the City and which:

A. Registers the business in accordance with the requirements established by the department, and

B. Is current with all fees or charges imposed by the department and City.

AUTOMOBILE: Any motor vehicle with passenger seating for five (5) persons or less, not including the driver.

BUS: Any licensed motor vehicle operated on the streets and highways for hire on a scheduled or nonscheduled basis with a seating capacity of twenty-five (25) or more passengers, not including the driver.

BUSINESS: A voluntary association legally formed and organized to carry on a business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

BUSINESS LICENSING OFFICE: The division of building services and licensing of Salt Lake City Corporation, or its successor.

CERTIFICATE: A certificate of public convenience and necessity issued by the City.

CIVIL NOTICE: A written notice of a ground transportation violation as provided under this chapter.

COMMENT FORM OR FORM: The form described in Section 5.71.270 of this chapter, or its successor.

COURTESY VEHICLE: Any motor vehicle regularly operated on Salt Lake City streets for transportation of customers and/or baggage without making a specific separate charge to the passenger for such transportation.

DEPARTMENT: The Salt Lake City Department of Airports or such other City department or division as may be designated by the Mayor to have responsibility for the enforcement of this chapter.

DEPARTMENT AUTOMATED VEHICLE IDENTIFICATION (AVI) TAG: An electronic transponder used to identify vehicles and provide the department with vehicle data and billing information.

DEPARTMENT DIRECTOR: The director of the department designated by the Mayor to have responsibility for the enforcement of this chapter or the authorized designee of such director.

DEPARTMENT INSPECTION: An inspection of a ground transportation vehicle by the department to verify that the vehicle meets the standards set by the department director, department rules and regulations, applicable contracts, and applicable City ordinances, including without limitation the exterior and interior of the vehicle and all associated vehicle licensing, safety, and insurance requirements.

DEPARTMENT INSPECTION SEAL: A sticker or seal issued by the department to signify that a ground transportation vehicle has passed the required department inspection. These department inspection seals are non-transferable and no ground transportation vehicle may be operated without such seal.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern commercial ground transportation operations within the City.

FIXED SCHEDULE: Ground transportation service operating on a regular time schedule previously announced as to time of departure and arrival between definitely established and previously announced points along definitely established and previously announced routes regardless of whether passengers or freight are to be carried.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle.

GROUND TRANSPORTATION SERVICE: The transportation of passengers by a ground transportation business.

GROUND TRANSPORTATION VEHICLE: Any motor vehicle used for the transportation of persons using Salt Lake City streets for commercial purposes, regardless of whether a fee or fare is collected.

HEARING OFFICER: A hearing officer of the Salt Lake City Justice Court.

HOLDER: A person to whom a certificate of public convenience and necessity has been issued.

HOTEL VEHICLE: Any motor vehicle regularly operated by a ground transportation business under contract to or directly by a motel, hotel, or other lodging business, to provide transportation of customers and/or baggage for the contracted establishment for which transportation the customer is charged a separate fee or fare, and which is subject to a contract filed with the department providing for operating the vehicle.

LIMOUSINE: Any vehicle described by its manufacturer or aftermarket manufacturer as a limousine or a luxury vehicle, with a driver furnished, who is dressed in professional business attire or a chauffeur's uniform.

MINIBUS: Any motor vehicle with a passenger seating capacity of sixteen (16) to twenty-four (24) persons, not including the driver.

NAMED PARTY: The driver, vehicle owner, or authorized ground transportation business named in a civil notice issued by the City.

ON-DEMAND AIRPORT SERVICE OR ON-DEMAND SERVICE: Transportation provided by an authorized ground transportation business which is not scheduled service or prearranged service as defined in this section.

PERSONS WITH DISABILITIES: Those persons who are not acutely ill, who do not require the services of an ambulance, and who need or desire special transportation equipment or accommodation for physical or mental infirmities.

PREARRANGED SERVICE: Transportation provided by an authorized ground transportation business from points within the City to destinations within the City, or beyond, for which the authorized ground transportation business providing such transportation has recorded the name or description of prospective passenger and the date and time of the request for transportation at least thirty (30) minutes prior to the transporting of the passenger by such vehicle and for which records of such transportation may be required for inspection by the department.

SCHEDULED SERVICE: Transportation provided by an authorized ground transportation business on a fixed schedule posted with and approved by the department in advance of such transportation.

SPECIAL TRANSPORTATION VEHICLE: Any motor vehicle for hire, other than an airport shared ride vehicle, ambulance, or taxicab, which vehicle is designed, equipped, and used for the transportation of persons with disabilities.

SPECIALTY VEHICLES: Any vehicles that are unique in their design, or built for a specific purpose, including but are not limited to, special conversion vehicles and classic or collector automobiles, but excluding special transportation vehicles.

STARTER: A person appointed by and representing a ground transportation business who is responsible for managing the coordination of vehicles and passenger transportation for that business.

TAXICAB: A motor vehicle used in the on-demand, for hire transportation of passengers or baggage over public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another, as provided under Chapter 5.72 of this title, or its successor chapter, and authorized to operate in Salt Lake City by contract with the department.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

TERMINAL OF TRANSPORTATION: A facility or location having the primary purpose of facilitating ground transportation services, such as, but not limited to, the Salt Lake City Intermodal Hub.

TRAILER: A wheeled vehicle designed to be pulled by a motor vehicle for the transportation of freight, luggage, or other items.

VAN: Any licensed motor vehicle other than those designated as a limousine with a passenger seating capacity of six (6) to twelve (12), not including the driver.

VEHICLE OPERATOR'S BADGE or OPERATOR'S BADGE: An identification badge issued by the department to an individual to signify that the individual has met the requirements to operate a ground transportation vehicle.

5.71.020: PURPOSE:

This chapter is enacted to provide for and protect the interests of Salt Lake City residents and visitors using ground transportation services which make use of City streets and other City property, including:

A. To reflect standards of professionalism prevalent in and accepted by the Salt Lake community at large;

B. To enhance the comfort, ease, and safety of the traveling public on Salt Lake City streets;

C. To enhance the City's competitiveness in attracting the traveling public to this City;

D. To increase safety for drivers of ground transportation vehicles, their passengers, and the public;

E. To adequately identify ground transportation vehicles and their drivers to the public in the City;

F. To meet the needs of the public using ground transportation vehicles in the City;

G. To provide for uniform enforcement of standards throughout the City by coordinating the efforts of the departments responsible for enforcement, adjudication, and business licensing of all commercial ground transportation businesses and ground transportation vehicles;

H. To provide that the Mayor designate a department or departments to be responsible for the administration and enforcement of regulations pertaining to all ground transportation businesses, ground transportation vehicles, and ground transportation vehicle drivers in the City; and

I. To provide authority for administration and enforcement of business licensing in connection with ground transportation in the City.

5.71.025: DESIGNATION OF DEPARTMENT:

The Mayor shall designate a City department or departments to be responsible for the oversight and enforcement of all ground transportation businesses, ground transportation vehicles, and ground transportation vehicle drivers within the corporate limits of Salt Lake City. Such department or departments shall be responsible for the administration and enforcement of business licensing in connection with ground transportation in the City.

5.71.030: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

A. To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter.

B. The Mayor shall adopt procedures applicable to the establishment of department rules and regulations that provide for:

1. Public notice of any proposed rule that will affect operation of any ground transportation business;
2. An opportunity for public comment on proposed rules before they take effect, and
3. The basis for any proposed rule.

5.71.040: EXEMPTIONS FROM REQUIREMENTS OF THIS CHAPTER:

A. The provisions of this chapter shall not apply to vehicles licensed by a governmental agency or operated by a university or school district, the Utah Transit Authority, an ambulance service, and others as may be designated in department rules and regulations.

B. Sections 5.71.095, 5.71.150, 5.71.180, 5.71.190 and 5.71.240 shall not apply to busses and motor coaches, and bus and motor coach drivers, regulated by the U.S. Department of Transportation.

C. If any provision of this chapter is preempted by federal law, such provision shall not apply.

5.71.050: BUSINESS LICENSE AND REGISTRATION REQUIRED:

A. It is a violation for any person to operate a ground transportation business without, prior to commencement of the business, completing the following:

1. Obtaining a business license,
2. Registering such business with the department, and
3. Paying all applicable fees associated with the licensing or permitting of such business, its vehicles, and its employees.

B. Business license fees for ground transportation companies shall be calculated to include the cost of administering and enforcing the provisions of this title.

5.71.060: GROUND TRANSPORTATION SERVICE:

All Authorized ground transportation businesses may provide on demand service, scheduled service, or prearranged service within the City, except as provided in Salt Lake City Code section 16.60.097.

Article II. Driver Standards

5.71.070: DRIVER AND STARTER APPEARANCE:

The drivers of ground transportation vehicles and starters representing ground transportation businesses within the City shall adhere to the standards of appearance established

by department rules and regulations while operating such vehicles, or while representing ground transportation businesses, in order to meet the interests of the City in such transportation.

5.71.080: DRIVER CONDUCT:

The drivers of ground transportation vehicles and starters representing ground transportation businesses within the City shall adhere to the standards of conduct established by department rules and regulations while operating such vehicles or while representing ground transportation businesses in order to meet the interests of the City in such transportation.

5.71.090: UNAUTHORIZED SOLICITATION OF BUSINESS:

No person may solicit for business at any terminal of transportation except in locations and in accordance with department rules and regulations.

5.71.095: ANNUAL DRIVER APPLICATION RENEWAL:

A driver may not be required to renew a driver application more than once every two (2) years and shall not be required to provide fingerprints for a background investigation more than one (1) time except:

- A. In the case of an emergency,
- B. As may be otherwise required by a state or federal law, regulation, or directive; or
- C. As the department director may determine, to achieve consistency with a state or federal law, regulation, or directive.

Article III. Smoking

5.71.100: SMOKING RESTRICTIONS:

Passengers and drivers in ground transportation vehicles may only smoke in such vehicles as set forth in the Utah Code.

Article IV. Vehicle Standards

5.71.120: VEHICLE TITLE RESTRICTIONS AND CONDITION:

A. No vehicle shall be authorized by the city to operate as a ground transportation vehicle if the vehicle has a salvage/branded title.

B. A specialty vehicle shall be exempted from the foregoing salvage/branded title restrictions if the vehicle meets:

1. Safety standards set forth in the vehicle safety inspection manual promulgated by the Utah Department of Public Safety pursuant to Utah administrative rule 714-158-8, or its successor, and
2. Exterior and interior appearance standards set forth in section 5.71.125 of this chapter and department rules and regulations. (Ord. 84-12, 2012)

5.71.125: VEHICLE APPEARANCE STANDARDS:

A. All ground transportation vehicles shall meet the following vehicle exterior appearance standards:

1. All vehicles shall be maintained as required by any state law or city ordinance or statute, whether or not a part of this chapter.
2. Vehicle exteriors shall be clean except during the first twenty four (24) hours following a snow, rain, or dust storm in Salt Lake or surrounding counties.
3. Vehicles, including bumpers and body molding, shall be free of all exterior damage except for dents no larger than six inches (6") in diameter and rust spots no larger than one inch (1") in diameter. Bumpers shall be straight and aligned, as designed by the vehicle manufacturer.

4. Windshields shall be free of cracks and chips larger than six inches (6”) in diameter or length. All other glass and mirrors shall be free of cracks and chips larger than one inch (1”) in diameter or length.

5. Exterior paint shall be maintained in good condition and repair, with no faded, oxidized, or nonmatching paint. Signs, graphics, door handles, antennas, and other equipment used for the ease and convenience of drivers and passengers shall be maintained in a good and operable condition.

6. Exterior tires, brakes, exhaust pipes, lights, wipers, turn signals, horns and other safety equipment shall be maintained in a good and operable condition.

7. Wheels shall have wheel covers, or be equipped with custom wheels.

8. All fluid leaks shall be repaired immediately.

B. All ground transportation vehicles shall meet the following vehicle interior appearance standards:

1. Vehicle interiors shall be clean and sanitary, and free of dirt, oil, litter, or other similar material, or offensive odors.

2. Seats and other interior surfaces shall be in good repair and free of tears and sharp objects. Dashboard covers may be used, but shall be professionally manufactured.

3. Trunks and luggage storage compartments shall at all times be maintained free of oil, dirt, debris, and personal property except for property used by the driver in connection with operating a ground transportation vehicle.

4. All equipment in the interior of the vehicle used for the ease and convenience of drivers and passengers, including, but not limited to, doors, windows, carpets, door and window handles, ashtrays, heaters, air conditioners, and radios, shall be maintained in a good and operable condition.

5. Ashtrays shall be emptied after use and washed each day.

6. Seat belts shall be provided for the driver and for each passenger as required by law for such vehicle. Seat belts and all other safety equipment inside the vehicle, including child safety restraint devices or seats, shall be maintained in a good and operable condition as may be required by Utah and federal law.

5.71.130: CONFLICTING OR MISLEADING DESIGNS AND ADVERTISING

PROHIBITED:

A. No vehicle shall be authorized to operate whose color scheme, identifying design, monogram, or insignia, in the opinion of the department director, conflicts with or imitates any color scheme, identifying design, monogram, or insignia used on a vehicle or vehicles already operating under this chapter, in such a manner as to be misleading or tending to deceive or defraud the public or which improperly conveys the nature or the type of the ground transportation service offered.

B. No ground transportation business shall advertise or hold itself out as being licensed by the City under this chapter when in fact no such license has been issued or has been revoked or terminated.

Article V. Insurance and Inspections

5.71.140: INSURANCE REQUIRED:

A. Every ground transportation business shall maintain continuous vehicle insurance, when the vehicle is operational, at the minimum levels of coverage set forth by the Federal Motor Carrier Safety Administration, 49 CFR 387.33, or by the Utah Department of Transportation, or by the United States Department of Transportation, whichever levels are higher. Proof of insurance shall be required when a vehicle is initially inspected by the department, and may be verified upon the City's receipt of a complaint, negative comment form, or at the time of an on-street, unscheduled ground transportation vehicle inspection.

B. Taxicabs and other authorized ground transportation vehicles with a seating capacity of seven (7) passengers or less, including the driver, shall carry minimum coverage in the amounts required for vehicles with a seating capacity of fifteen (15) or less as set forth in Section 49 CFR 387.33. The exception for taxicab service set forth in Section 49 CFR 387.27 shall not apply to this Subsection B.

C. Each ground transportation business shall send a copy of any notice of cancellation or reduction of insurance coverage to the department immediately upon such cancellation or reduction.

D. Salt Lake City Corporation shall be named as an additional insured in all insurance contracts.

5.71.150: INSPECTIONS:

A. All authorized ground transportation vehicles shall be registered with the department and at all times shall meet or exceed standards established by the department rules and regulations in order to meet the interests of Salt Lake City.

B. No vehicle may operate as a ground transportation vehicle within the City without first having been inspected by the department and found to be meeting all requirements of the department Inspection as established by department rules and regulations for the category of vehicle being inspected.

C. Vehicles meeting the requirements of the department inspection shall have a unique department inspection seal affixed to the rear of the vehicle signifying that the vehicle has passed the department inspection and may be operated as a ground transportation vehicle. The department seal is non-transferable and no vehicle may be used as a ground transportation vehicle without the department inspection seal in place.

D. Department Seals are the sole property of the Department and must be returned to the Department upon demand or at the time a vehicle is sold or retired from service.

E. All ground transportation vehicles meeting the requirements of the department inspection shall be issued a department automated vehicle identification (AVI) tag, which the department shall install on the vehicle. These tags are non-transferable and may not be removed or modified without authorization from the department.

F. Department AVI Tags are the sole property of the Department and must be returned to the Department upon demand or at the time a vehicle is sold or retired from service.

G. The department may perform vehicle inspections at any time any ground transportation vehicle is operating within the corporate limits of the City in order to administer and enforce applicable vehicle standards.

H. No ground transportation vehicle may be operated within the City unless it is maintained to the standards and requirements established by department rules and regulations, including without limitation department inspection requirements.

5.71.160: TEMPORARY OPERATIONS:

A ground transportation business that operates on a limited or temporary basis within the City may petition the department director for a waiver from some of the requirements of this chapter. However, no ground transportation business may operate without paying otherwise applicable fees. Consideration of such waiver may include the following:

- A. The business is based outside of a thirty-five (35) mile radius of the City and the business provides limited services within the City;
- B. The business does not pick up passengers within the City and provides transportation only into the City; and
- C. Any specific ground transportation vehicle that will be used for operations within the City no more than five (5) calendar days per year.

Article VI. Special Transportation Businesses

5.71.170: SPECIAL TRANSPORTATION VEHICLES AND OPERATORS:

A. It is a violation for any person who owns or controls a special transportation business to allow a special transportation vehicle to be operated without, prior to commencement of the business, completing the following:

- 1. Obtaining a business license;
- 2. Registering such business with the department;
- 3. Paying all applicable fees associated with the licensing or permitting of such business, its vehicles and its employees; and
- 4. Providing the department with certification from the State of Utah that the vehicle meets all State requirements and was found to be in a safe condition for the

transportation of persons with disabilities and had all such equipment as may be required by state law including, but not limited to, the following:

- a. Doorways wide enough to accommodate a wheelchair;
- b. Ramps or lifting devices for elevating persons with disabilities from the curb or sidewalk into the special transportation vehicle, which ramps and lifting devices shall be stored inside the special transportation vehicle while it is moving;
- c. Adequate means of securing persons with disabilities safely to the inside of the special transportation vehicle and safety belts for all passengers;
- d. A door, in addition to those provided in such vehicles for normal ingress and egress, located at the rear thereof, to be used as a method of escape in case of an emergency; and
- e. A fire extinguisher, and first aid equipment and supplies, as prescribed and amended from time to time by state law.

B. In addition to meeting all other department rules and regulations applicable to ground transportation vehicles and businesses, owners and operators of special transportation vehicles shall comply with the following:

- 1. No special transportation vehicle shall be equipped with a siren or be permitted to operate as an emergency vehicle.
- 2. Special transportation vehicles shall be kept in a clean and sanitary condition, according to applicable rules and regulations promulgated by the State.
- 3. All special transportation vehicle operators shall obtain and maintain certification training in first aid, CPR, and AED as taught by an American Heart Association certified instructor.

5.71.175: EXISTING HOLDERS' CERTIFICATES FOR SPECIAL TRANSPORTATION VEHICLES:

A. Holders of existing certificates for special transportation vehicles shall retain such certificates, as set forth in Section 5.76.130 of this title, allowing them to operate the same number of vehicles as they are authorized to operate on the effective date of this ordinance, without any hearing, the public convenience and necessity have heretofore been demonstrated.

B. No certificate shall continue in operation unless the holder thereof has paid the annual business regulatory fees each year for each vehicle authorized under a certificate. Such fees shall be in addition to any other fees or charges established by proper authority and applicable to the holder of the vehicle or vehicles under the holder's operation and control.

Article VII. Vehicle Operator's Badge

5.71.180: VEHICLE OPERATOR'S BADGE REQUIRED:

It is a violation for any person to operate a ground transportation vehicle upon the streets of the City without having first obtained and having then in force a valid ground transportation vehicle operator's badge issued by the department under department rules and regulations.

All Department issued Ground Transportation Vehicle Operators badges are the sole property of the Department and must be surrendered upon demand of a police officer, any authorized agent of the department, or any other person authorized by the Mayor to enforce the provisions of this chapter.

5.71.190: PERMITTING NON-BADGED OPERATOR TO DRIVE:

It is a violation for any person who owns or controls a ground transportation vehicle to permit it to be driven, and no ground transportation vehicle authorized by the department shall be

so driven at any time, unless the ground transportation vehicle is operated by a driver who has then in force a valid ground transportation vehicle operator's badge issued by the department.

5.71.240: DISPLAY OF OPERATOR'S BADGE:

Every person issued a vehicle operator's badge shall display the badge above the waist, on front side of the outermost garment so as to be in plain view and not covered while such person is operating a ground transportation vehicle. Every such person shall exhibit such badge upon demand by any police officer, any authorized agent of the department, or any other person authorized by the Mayor to enforce the provisions of this chapter.

Article VIII. Payment For Furnishing Of Passengers

5.71.250: PAYMENT:

It shall be a violation for any person operating a ground transportation vehicle, business, driver, independent contractor, employee, or other person to pay, or offer to pay, any remuneration to another person, specifically including persons employed at a lodging business and vehicle dispatchers, for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. It shall be a violation for any person, specifically including persons employed at a lodging business and vehicle dispatchers, to receive or request any remuneration from any person for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. Nothing herein shall prohibit hotels and motels from contracting or invoicing for, and being paid, or making payment for, the transportation of customers and/or baggage, which payment may include a portion thereof being distributed by the hotel or motel to a bell staff, door staff, or concierge as a gratuity.

Article IX. Ground Transportation Discussion Group

5.71.255: PURPOSE:

The Mayor shall convene a ground transportation discussion group, committee, or forum to meet informally on a quarterly basis until June 3, 2014 for the purpose of providing advice on the following:

- A. Identifying ground transportation problems and potential solutions;
- B. Identifying items within the ordinances or regulations that appear to be unclear or confusing;
- C. Suggesting improvements to the program for consideration by the City;
- D. Discussing issues of concern to those in attendance;
- E. Identifying barriers to quality transportation service; and
- F. Considering whether the group recommends that a formal city board be established with the Mayor formally appointing an advisory board with the advise and consent of the City Council to address ground transportation issues in Salt Lake City and considering the number and make up of the board and its affiliation to or its independence of other city boards, commissions and committees. (Ord. 84-12, 2012: 84-10,2010)

5.71.258: PARTICIPANTS:

A. Invitations to participate in the discussion group, committee, or forum should include, but not be limited to, representatives of the:

- 1. Hotel industry,
- 2. Hospitality industry,
- 3. Taxi cab industry,
- 4. Shuttle industry,

5. Hotel contract vehicle industry,
6. Utah Transit Authority,
7. Tourism and convention industries,
8. Specialty transportation industries,
9. Wasatch Front Regional Council mobility coordinator,
10. Salt Lake City Accessibility Services Advisory Council or City ADA

Coordinator, and

11. A mechanic familiar with vehicles in commercial ground transportation fleets.

B. Individuals or representative of key transportation user groups including, but not limited to low income, elderly, and persons with physical limitations shall also be invited to participate.

Article X. Enforcement and Civil Penalties

5.71.260: DEPARTMENT AUTHORITY:

A. The department shall enforce the provisions of this chapter and govern the conduct of companies and drivers operating under this chapter.

B. With the approval of the Mayor and upon notice to the City Council the Department Director may waive or temporarily impose restrictions not addressed in this Ordinance or Department Rules and Regulations if it is determined that circumstances in the City exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension or modification of ordinances is in the best interests of the City to address such circumstances.

5.71.270: COMMENT FORM:

Any person may complain of any violation of this chapter or comment on any ground transportation business or vehicle, or any driver of a ground transportation vehicle operating within the corporate limits of Salt Lake City, by filing a comment form with the department on forms that the department may require ground transportation businesses to print and provide in their vehicles and which may be found on the City's website and within department rules and regulations.

5.71.280: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION VIOLATION:

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of such provision by the ground transportation business under whose authority such driver or owner was operating at the time of the violation.

5.71.290: RECORD KEEPING:

The City shall create a file for each driver and for each authorized ground transportation business at the time any document is submitted for application or filing. The City shall maintain any document placed in such files for a period as required by law.

5.71.300: CIVIL PENALTIES AND ENFORCEMENT:

A. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violation of any provision of this title, department rules and regulations, or other applicable law.

B. The department may revoke, suspend, or deny renewal of an operator's badge, department automated vehicle identification tag or department inspection seal for violations of any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension, or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement and the ground transportation appeal committee determines that reinstatement is appropriate.

C. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation, or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag or department inspection seal.

D. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

CODE	AMOUNT OF PENALTY	VIOLATION
ARTICLE I		
GENERAL REGULATIONS		
5.71.050	\$1000.00	Business license required
ARTICLE II		

DRIVERS STANDARDS		
5.71.070	\$100.00	Driver's appearance
5.71.080	\$300.00	Driver's conduct
5.71.090	\$300.00	Unauthorized solicitation of business
ARTICLE III		
SMOKING		
5.71.100	\$300.00	Smoking in vehicles
ARTICLE IV		
VEHICLE STANDARDS		
5.71.30	\$1000.00	Misleading design prohibited
ARTICLE V		
INSURANCE AND INSPECTIONS		
5.71.140	\$1000.00	Insurance required
5.71.150 (A,B,C)	\$1000.00	Vehicle inspection and seal required
5.71.150 (E)	\$500.00	Automated vehicle identification tag required
5.71.150 (H)	\$500.00	Failure to maintain vehicle inspection standards
ARTICLE VI		
SPECIAL TRANSPORTATION BUSINESSES		
5.71.170 (A,B,C,D)	\$1000.00	License and registration requirements
5.71.170 (E)	\$1000.00	Emergency vehicle equipment prohibited
5.71.170 (F)	\$1000.00	Clean and sanitary condition of vehicle
5.71.170 (G)	\$1000.00	First aid certification required
ARTICLE VII		
VEHICLE OPERATORS BADGE		
5.71.180	\$1000.00	Operator's badge required
5.71.190	\$1000.00	Permitting non-badged operator
5.71.240	\$100.00	Display of badge

ARTICLE VIII		
PAYMENT FOR FURNISHING OF PASSENGERS		
5.71.250	\$300.00	Payment for passenger

5.71.310: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND

TRANSPORTATION VIOLATION:

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials or approvals of a business license, operators' badge, department automated vehicle identification tags and department inspection seal shall be heard by the Salt Lake City Justice Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense. Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one (1) or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as the officer shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;
2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or
3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

5.71.320: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by the ground transportation appeal committee in accordance with the provisions of this chapter. If a preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2014.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2014
Published: _____

APPROVED AS TO FORM

Date: _____

SALT LAKE CITY ORDINANCE

No. _____ of 2014

(Taxicab requirements)

An ordinance amending Chapter 5.72, *Salt Lake City Code*, pertaining to taxicab regulation

WHEREAS, the City Council intends to amend Chapter 5.71, *Salt Lake City Code*, regarding ground transportation regulation; and

WHEREAS, the City Council has determined this ordinance corresponds with and supports amendments to Chapter 5.71; and

WHEREAS, it is in the best interest of the City to have the flexibility to award on-demand taxicab contracts to the appropriate number of companies the City believes the market can support; and

WHEREAS, it is in the best interest of the City to have the flexibility to adjust taxicab fleet size to market conditions; and

WHEREAS City has determined it is in the best interest of the City to allow taxicab companies to petition the City for rate adjustments every three (3) months; and

WHEREAS, City desires to make certain changes to modernize the language, concepts, and definitions, delete obsolete provisions, and make certain clean-up changes in this ordinance; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah as follows:

SECTION 1. That Chapter 5.72, *Salt Lake City Code*, pertaining to taxicabs, be, and the same hereby is, amended to read as follows:

Chapter 5.72

TAXICABS

Article I. Definitions and General Regulations

5.72.005: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

BUSINESS: A voluntary association legally formed and organized to carry on a Business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

CERTIFICATE: A certificate of public convenience and necessity issued by the City.

CITY: The governmental institution and landmass contained within the boundaries of Salt Lake City, Utah.

CIVIL NOTICE: A written notice of a ground transportation violation as provided under this chapter.

CLEARED: That condition of a taximeter when it is inoperative with respect to all fare registration and all cumulative fare and extras charges have been set to zero dollars (\$0).

CONCESSIONAIRE: A person or entity with whom the Department of Airports has contracted to provide taxicab services.

DEPARTMENT: The Salt Lake City Department of Airports or such other City department or division as may be designated by the Mayor to have responsibility for the enforcement of this chapter.

DEPARTMENT DIRECTOR: The director of the department designated by the Mayor to have responsibility for the enforcement of this chapter or the authorized designee of such director.

DEPARTMENT CONTRACT: A valid, existing, and current contract negotiated and approved by the department for providing taxicab or other services within the corporate boundaries of Salt Lake City, including the airport.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern ground transportation service and businesses within the City.

EXTRAS: Charges to be paid by a customer or passenger in addition to the fare.

FACE: That side of a taximeter upon which passenger or customer charges for hire of a taxicab are indicated.

FARE: That portion of the charge for hire of a taxicab which is automatically calculated by the taximeter through the operation of the mileage and time mechanism.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

HAIL A TAXICAB: The act of a person to call out for, or to signal for, an in-service taxicab that is not already engaged in transport of passengers to respond to the person's location for hiring and transport of persons or property.

HIRED: The button on the face of a taximeter, which when activated places the taximeter in operation, signifying the start of a billing process for the person(s) engaging the use of the taxicab.

IN-SERVICE: A taxicab that is in use on the streets of the City, with a driver, and available for the transportation of passengers for hire.

PERSON: An individual, a corporation or other legal entity, a partnership, and any incorporated association.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

TAXICAB: A motor vehicle with a seating capacity of five (5) passengers or less, not including the driver, or a van with a passenger seating capacity of six (6) to twelve (12), not including the driver, used in the on demand, for hire transportation of passengers or baggage over the public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another and authorized to operate in Salt Lake City by contract with the department.

TAXIMETER: A meter instrument or electronic device attached to a taxicab which measures mileage by the distance driven and the waiting time upon which the fare is based, and which automatically calculates, at a predetermined rate or rates, and registers, the charge for hire of a taxicab.

WAITING TIME: The time when a taxicab is not in motion, from the time of hiring by a passenger to the time of discharge of passenger(s).

5.72.105: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

A. To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter.

B. The Mayor shall adopt procedures applicable to the establishment of department rules and regulations that provide for:

1. Public notice of any proposed rule that will affect operation of any ground transportation business;
2. An opportunity for public comment on proposed rules before they take effect, and
3. The basis for any such proposed rule.

Article II. Authority To Operate

5.72.125: COMPLIANCE RESPONSIBILITY:

A. All persons shall comply with and operate under requirements of applicable law, including without limitation Federal, State, County and City laws and ordinances, including but not limited to, Chapters 5.72, 5.71, and 16.60 of the Salt Lake City Code, and department rules and regulations.

B. A concessionaire shall not be relieved of any responsibility for compliance with the provisions of this chapter, whether the concessionaire leases or rents taxicabs to drivers, or whether the concessionaire pays salary, wages, or any other form of compensation.

5.72.155: DEPARTMENT CONTRACT REQUIRED FOR OPERATION:

A. No person shall operate or permit a taxicab owned or controlled by such person to be operated as a vehicle for hire upon the streets of Salt Lake City unless such person is authorized to do so under a department contract.

B. No person may operate a taxicab business in the City unless the person is authorized to do so under a department contract. Nothing in the department contract shall relieve a

concessionaire of the requirements of applicable laws, including but not limited to Titles 5.71, 5.72, and 16.60 of the Salt Lake City Code, and department rules and regulations.

C. The term "operate for hire upon the streets of Salt Lake City" means and shall include the soliciting or picking up of a passenger or passengers within the corporate limits of the City, whether the destination is within or outside of the corporate limits of the City. For the purpose of this section, the term "operate for hire upon the streets of Salt Lake City" shall not include the transporting, by a taxicab properly licensed in a jurisdiction outside the corporate limits of the City, of a passenger or passengers for hire where a trip originates with the passenger or passengers being picked up outside of the corporate limits of the City and where the destination is either within or beyond the City corporate limits.

5.72.165: CONTRACT-BASED SYSTEM FOR PROVISION OF TAXI SERVICES:

A. The City hereby adopts a contract-based system for provision of taxicab services. Only taxicab providers selected pursuant to a competitive request for proposals (RFP) process and who have entered into a department contract, as defined in Section 5.72.005, may operate taxicab services upon Salt Lake City streets.

B. The Mayor shall determine the number of taxicab businesses that shall be awarded a department contract.

C. The Mayor shall determine the total number of taxicabs authorized to operate in the City under all such contracts.

5.72.205: MANDATORY ADA ACCESSIBLE VEHICLE:

At least five (5) percent of the vehicle fleet of each taxicab concessionaire shall be available and equipped, consistent with requirements of the Americans with Disabilities Act (ADA), for the use and convenience of persons with disabilities.

Article III. Taximeters

5.72.305: TAXIMETER REQUIRED

- A. All taxicabs shall be equipped with taximeters approved by the department.
- B. It is a violation for any person to operate or to allow to be operated any taxicab without an operative taximeter.
- C. All taximeters shall be mounted in locations approved by the department.
- D. All taximeters shall be tested and sealed by the department every six (6) months, and after a rate change, and no taximeter may be used without such seal being in place.
- E. Nothing that could shield or conceal the indications and metered fare of the taximeter from passengers may be placed so as to block the face of the taximeter.
- F. Taximeters shall have illuminated faces so as to provide visible indications of the meters status and fare to the passenger in low light or after sundown.
- G. Upon the completion of the service by the taxicab, it shall be the duty of the driver to call the attention of the passenger to the amount registered and to clear the taximeter of all fare indications so as to start at zero dollars (\$0) upon the next fare.
- H. Except as otherwise provided herein, it is a violation for any driver of a taxicab or taxicab business to charge a fare other than as calculated by the taximeter.
- I. It is a violation for any driver of a taxicab or taxicab business to charge any extra that is not approved by the department, calculated by the taximeter, and which is not applicable to the current fare.
- J. A top light shall be installed on every licensed taxicab. The top light shall be illuminated when a taxicab is available for hire and shall not be illuminated when the taximeter is placed into hire.

5.72.355: TAXIMETER INSPECTIONS; RECORD KEEPING:

A. The department shall keep a record of the identification of every taxicab meter number and date of inspection thereof in its office.

B. The department shall inspect, test, and seal every operational taximeter at least every six (6) months. Additionally, the department may inspect and test any taximeter upon receipt of a complaint regarding the operations or accuracy of a taximeter.

C. In the event a change in rates is made, the taximeter shall be adjusted to the new rates, and the taximeter of every taxicab in which a meter has been installed shall be immediately inspected, tested, and sealed by the department. A fee to recover costs of the meter inspection shall be charged by the department for each meter reprogrammed and sealed.

D. No taximeter which is inaccurate in registration in excess of one and one-half percent ($1\frac{1}{2}\%$) shall be allowed to operate in any taxicab, and when an inaccuracy is discovered, such taxicab involved shall immediately cease operation and be kept out of operation until the meter is repaired and in proper working condition.

E. No owner, driver or business shall perform or permit or allow any alterations to a taxicab that will affect the taximeter pulse setting without said taximeter being inspected and recertified by the department. Said alterations shall include, but are not limited to, transmission replacement or remanufacturing, differential replacement or remanufacturing, speedometer cable replacement, speed sensor replacement, repair or replacement of the taxicab's onboard computer, or change of tire size on the drive axle.

Article IV. Rates

5.72.405: RATES:

A. The rates charged by a ground transportation company for taxicab service shall be set by the City Council. The department shall review submittals by taxicab companies for taxicab rates and the department director shall recommend to the City Council the rate structure and extras allowed to be charged for taxicab service.

1. Unless otherwise provided for in a department contract, each taxicab business may file with the department periodically, but no more often than every three (3) months, a statement regarding the adequacy of the existing maximum rates. Said statement shall state whether, in the opinion of the person submitting the statement, the existing maximum rates are at an appropriate level, or whether such rates should be increased or decreased. If the statement indicates existing rates should be increased, the person submitting the statement shall supplement the statement with documentation in support of such increase, such as evidence of increased operating costs, insurance costs, costs of living, fares charged for competing ground transportation services, and any other relevant information.

2. Upon receipt of a statement regarding the adequacy of existing rates, the department director may authorize a temporary increase in rates, not to exceed six (6) months, to account for increased operating costs, insurance costs, costs of living, fares charged for competing ground transportation services, or other factors documented in a rate statement.

3. If the department director authorizes a temporary rate increase, the statement and other information justifying the increase shall be submitted to the City Council for review and consideration of a permanent rate increase.

B. Every taxicab shall have printed on the outside of the cab, in a conspicuous place and of sufficient size, legibility, and in such manner as to be plainly visible to all prospective passengers, all rates and extras in effect for such taxicab. All such rates and extras shall also be posted on the inside of the taxicab in such a manner as to be plainly visible to all passengers.

C. No taxicab or taxicab business shall charge any fee or payment for the use of a taxicab within the City without the prior approval of the City Council or department director, as provided in this chapter.

D. The driver of any taxicab shall render to every passenger a receipt for the amount charged, on which shall be the name of the taxicab business, taxicab number, the date and time the fare was initiated and completed, the miles charged, extras added to the fare, and the total amount of meter reading or charges.

Article V. Service Regulations

5.72.455: GENERAL SERVICE REQUIREMENTS:

A. Taxicab companies shall maintain all service requirements set forth in a department contract and other requirements as provided by applicable law and department rules and regulations.

B. Taxicab services shall be available twenty-four (24) hours per day, seven (7) days per week.

C. Unless otherwise provided in a department contract, it is a violation for any taxicab business to refuse to accept a call for service to or from any point within the corporate limits of

the City at any time when such business has available taxicabs, and it is a violation for any business to fail or refuse to provide all or any service required by this title.

D. Any driver employed to carry a passenger to a definite point shall take the most direct or expeditious route possible that will carry the passenger safely and expeditiously to his or her destination, unless otherwise directed by the passenger.

E. The Mayor or the Mayor's designee is authorized to establish Taxi stands in such place or places upon the streets of the City as the Mayor deems necessary for the use of taxicabs operated in the City. The Mayor shall not create an Taxi stand without taking into consideration the need for such stands by the taxicab industry, the convenience to the general public, and the recommendation of the City traffic engineer. The Mayor shall not create an Taxi stand where such stand would tend to create a traffic hazard.

F. Taxi stands shall be used only by taxicab drivers and their boarding passengers, who shall use them on a first come, first served basis. The driver shall enter the open stand from the rear and shall advance forward as the taxicabs exit. Drivers shall stay within ten feet (10') of their taxicabs. Nothing in this chapter shall be construed to prevent a passenger from boarding the cab of his or her choice that is parked at any position in an Taxi stand. The Mayor or the Mayor's designee shall prescribe the maximum number of cabs that shall occupy such Taxi stands.

G. Private or other vehicles for hire, and persons not waiting for or boarding taxicabs shall not occupy any space upon the streets that has been established as an Taxi stand during any times specified by the Mayor or the Mayor's designee for use by taxicabs.

H. The driver of any taxicab shall remain in the driver's compartment or immediately adjacent to his or her vehicle at all times when such vehicle is upon the public street, except that, when necessary, a driver may be absent from his or her taxicab for not more than twenty (20)

consecutive minutes; and provided further, that nothing herein contained shall be held to prohibit any driver from alighting to the street or sidewalk for the purpose of assisting passengers into or out of such vehicle or to load their baggage into the taxicab.

I. No driver shall permit more persons to be carried in a taxicab as passengers than the rated seating capacity rated by the vehicle manufacturer of his or her taxicab, Child seating shall be in accordance with Utah and federal law.

J. After a taxicab has been hired by a passenger or group of passengers, no driver shall permit any other person to occupy or ride in the taxicab without the consent of the original passenger or group.

K. No driver shall solicit passengers for a taxicab except when sitting in the driver's compartment of such taxicab, while standing within ten feet (10') of such taxicab, or at any authorized Taxi stand.

L. No driver shall refuse or neglect to convey any reasonably orderly person or persons, or their luggage upon request, unless previously engaged or unable or forbidden by the provisions of this chapter to do so. No driver shall refuse to transport a service animal accompanying a person or persons in the passenger compartment of the taxicab.

M. Any person may hail a taxicab for service within the City, except that in locations of an Taxi stand for taxicabs the person should proceed to the taxicab that is "headset" at the stand for service. However, nothing shall prohibit the person from hiring the taxicab of the person's choice.

5.72.505: REQUIREMENT TO PROVIDE SERVICE TO HAILING PUBLIC:

It is a violation for any taxicab driver to pass by or refuse service to a person hailing a taxicab for service unless the taxicab being hailed is already in route to a dispatched fare, is already hired or is not in service.

5.72.530: ADVERTISING MATERIAL ON CABS PERMITTED:

In accordance with an applicable department contract, it shall be permitted for any person owning or operating a taxicab to allow advertising matter to be affixed to or installed in or on such taxicabs.

Article VIII. Enforcement and Penalties

5.72.705: DEPARTMENT AUTHORITY:

The department shall enforce the provisions of this chapter and govern the conduct of companies and drivers operating under this chapter. With the approval of the Mayor and upon notice to the City Council, the Department Director may waive or temporarily impose restrictions not addressed in this Chapter or Department Rules and Regulations if it is determined that circumstances in the City exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension or modification of ordinances is in the best interests of the City to address such circumstances.

5.72.805: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION VIOLATION:

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any concessionaire, driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of such provision by the ground transportation business or concessionaire under whose authority such driver or owner was operating at the time of the violation.

5.72.855: CIVIL PENALTIES AND ENFORCEMENT:

A. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violations of any provision of this title, department rules and regulations, or other applicable law.

B. The department may revoke, suspend, or deny renewal of an operator's badge, department automated vehicle identification tag or department inspection seal for violations of any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension, or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement and the ground transportation appeal committee determines that reinstatement is appropriate.

C. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag and department inspection seal.

D. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

ARTICLE II. AUTHORITY TO OPERATE		
5.72.155 (A,B)	\$1000.00	Authority to operate Taxicabs
5.72.205	\$1000.00	ADA vehicle service required
ARTICLE III. TAXIMETERS		
5.72.305 (A,B,D)	\$1000.00	Certified meter required
5.72.305 (G)	\$300.00	Clearing of metered Fare
5.72.305 (C,E,F,J)	\$100.00	Location, visibility & top light requirement
5.72.305 (H,I)	\$500.00	Passenger Fares
5.72.355 (D,E)	\$1000.00	Accuracy in calculation of Fares
ARTICLE IV RATES		
5.72.405	\$100.00	Rates
ARTICLE V SERVICE REGULATIONS		
5.72.455 (A,B,C,G,I,L)	\$500.00	Violation of service requirements
5.72.455 (D,J,)	\$300.00	Violation of service requirements
5.72.455 (F,H,K)	\$100.00	Violation of service requirements
5.72.505	\$500.00	Service to Hailing Person

5.72.890: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND

TRANSPORTATION VIOLATION:

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials, or approvals of a business license, operators' badge, department automated vehicle identification tags and department inspection seal shall be heard by the Salt Lake City Justice Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense.

Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one (1) or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as he or she shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;
2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or
3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

5.72.900: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, such party may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by the ground transportation appeal committee in accordance with the provisions of this chapter. If a

preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2014.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2014
Published: _____

APPROVED AS TO FORM

Date: _____

SALT LAKE CITY ORDINANCE

No. _____ of 2010

(Motor vehicle operation at the Salt Lake City International Airport)

An ordinance amending Chapters 16.60 *Salt Lake City Code*, pertaining to motor vehicle operation at the Salt Lake City International Airport, to correspond with changes made in Chapters 5.71 and 5.72, *Salt Lake City Code*.

WHEREAS, the City Council has amended Chapters 5.71 and 5.72, *Salt Lake City Code*, pertaining to ground transportation and taxicabs; and

WHEREAS, the City Council has determined this ordinance corresponds with and supports amendments to Chapters 5.71 and 5.72, *Salt Lake City Code*; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah as follows:

SECTION 1. That Chapter 16.60, *Salt Lake City Code*, pertaining to motor vehicle operation at the Salt Lake City International Airport, be, and the same hereby is, amended to read as follows:

Chapter 16.60

MOTOR VEHICLE OPERATION

Article I. General Regulations

16.60.001: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter and any security or operating requirements applicable to the Salt Lake City International Airport.

16.60.005: EXEMPTIONS FROM REQUIREMENTS OF THIS CHAPTER:

Vehicles licensed and operated by a government agency, a university or school district, the Utah Transit Authority, an ambulance service, and others, as may be designated in department rules and regulations, and others, as may be designated by the director, are exempt from the requirements of this chapter.

16.60.010: COMPLIANCE WITH STATE AND OTHER REGULATIONS:

A. No person shall operate a motor vehicle on the airport except in strict compliance with applicable laws of the state, City ordinances, and department rules and regulations.

B. No person or owner shall drive, or permit to be driven, stopped or parked on any street, parking lot, alleyway or driveway within the airport, any vehicle which is required under the laws of the state to be inspected and registered unless such vehicle has been inspected and registered, and has attached thereto in proper position a valid and unexpired certificate of inspection as required by the laws of the state.

C. All vehicles operated on airport property, including ramp areas, shall be maintained in a safe operating condition.

16.60.020: DRIVING ON LOADING AREAS; RESTRICTIONS:

A. Any motorized vehicle being used on the ramp as a service vehicle shall display the department-issued identification sticker. Each such vehicle shall also bear company identification visible from fifty feet (50') on both sides of the vehicle.

B. No person or vehicle is permitted in, on, or around any secured area, such as, but not limited to, any hangar, landing field, runway, apron or taxi strip, without prior permission from the department director.

C. Automobiles, trucks and other equipment (including airport maintenance and emergency vehicles) being driven on any landing area, runway, taxi strip, or apron shall display a standard checkered flag or flashing amber or red light, as appropriate, if operated during the nighttime, or, when applicable, be marked in accordance with Federal Aviation Administration regulations or as directed by the department director, and shall not be operated without prior permission of the control tower.

16.60.030: VEHICLE RAMP OPERATIONS:

A. Speed Limits: Motor vehicles shall be operated on established streets and roadways within the airport in strict compliance with speed limits posted on traffic signs. They shall also be maintained and operated in conformity with all motor vehicle regulations and laws of the state and City. Motor vehicles being operated on any passenger loading ramp, aircraft parking ramp, or in any area immediately adjacent to the terminals or hangars, shall be driven cautiously and at a safe and reasonable speed, but not to exceed twenty (20) miles per hour.

B. Use of Ramp Roadways: Vehicles shall only be operated within the limits of the designated painted roadways on the air operations areas, except as required to perform aircraft servicing and airfield inspections.

C. Traffic Markings on Paved Surfaces: Vehicle operators shall observe all traffic markings painted on pavement surfaces of the aircraft operations area.

D. Yield Right-of-Way To Aircraft: All vehicles shall yield right-of-way to any aircraft when the aircraft is under tow or has its engines operating. No vehicle shall proceed past such aircraft until the vehicle's progress will not impede the aircraft's movement. This section does not preclude the establishment of agreements to the contrary between the City and the Federal Aviation Administration.

16.60.040: COMMON CARRIERS:

No common carrier, vehicle for hire, or ground transportation vehicle shall load or unload passengers at the airport at any place or in any manner other than that designated by the department director.

16.60.050: ACCIDENTS TO BE REPORTED:

Any person involved in an accident resulting in personal injury or damage to property on the airport shall report such accident promptly to the office of the department director.

16.60.060: PROHIBITED VEHICLES AND ANIMALS:

No go-cart, motorbike, bicycle, house trailer, or similar vehicle, or horse, shall be permitted on any landing area, ramp, taxiway, or hangar area without approval of the department director, except for bicycles that are secured and delivered to an aircraft for transport, or motorcycles used for surface transportation in a hangar area.

16.60.065: PARKING AREAS:

A. Parking areas for motor vehicles shall be set aside for airport employees and the general public. No person shall park a motor vehicle or a trailer in any place on the airport other than those areas designated by the department director or as expressly set forth in this title. No person shall park a vehicle in an area designated as an employee parking lot unless such person has complied with all rules and regulations, and other requirements for employee parking as established by the department.

B. Tenants of T-hangars and shade hangars may park their motor vehicles in their own hangars when the aircraft is being flown or in front of their hangar if they are present. Service or delivery vehicles may park next to a tenant's hangar long enough for delivery. All others shall park in public lots.

C. No person shall park a motor vehicle on the airport in excess of seventy-two (72) consecutive hours unless it is parked in the public parking area or with the authorization of the airport.

D. No person shall park a motor vehicle in an area designated as a public parking lot unless such person pays the authorized rate for such parking lots. A schedule of parking rates shall be available in the airport Office of Finance and Administration.

16.60.067: PARKING VEHICLES:

No person shall park a vehicle on the airport other than in the manner and at locations indicated by posted traffic signs and markings. Each hour a vehicle remains parked in violation of this section shall be a separate offense.

16.60.070: IMPOUNDMENT AUTHORIZED WHEN:

Any vehicle parked in violation of department rules and regulations may be impounded or relocated by a certified peace officer. The owner thereof shall pay for the tow charge, regular parking fees, and other penalties and related charges.

16.60.075: PASSENGER COURTESY CARS:

A. No person may operate any vehicle inside a City-owned building at the airport without proper authority. The owner of any such authorized vehicle shall install and maintain a speed governor on each such vehicle which will prevent the vehicle from exceeding five (5) miles per hour. Vehicles at all times shall be maintained in a safe operating condition. Any person operating such vehicle shall yield to pedestrians, not pass pedestrians unless there is enough space to leave an eighteen inch (18") clearance between vehicle and pedestrian, and otherwise operate the vehicle in a safe manner.

B. The department director may prohibit the operation of such vehicles at the Airport or limit their use at any time.

Article II. Ground Transportation Businesses

16.60.080: PURPOSE OF ARTICLE II PROVISIONS:

The provisions set out in this article are enacted for the purpose of:

A. Requiring persons who conduct business at the airport by providing ground transportation service to assist the City in defraying the expense of providing certain facilities and services provided for ground transportation vehicles and services using the airport, and to create an equitable assessment of fees for its use; and

B. Requiring such persons to adhere to department rules and regulations regarding the operation of ground transportation vehicles to ensure that such are conducted in a safe, efficient, and cost effective manner for the public benefit.

16.60.090: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

AIRPORT SHARED RIDE SERVICE: Ground transportation provided by an authorized ground transportation business contracted through the Department of Airports to provide on - demand shared ride service to and from the Salt Lake City International Airport.

AIRPORT SHARED RIDE VEHICLE: Any authorized ground transportation vehicle operating under contract with the Department of Airports to provide airport shared ride service.

AUTHORIZED GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle, which has a current, valid business license as required by the City and which:

A. Registers the business in accordance with the requirements established by the department, and

B. Is current with all fees or charges imposed by the Department or City.

AUTOMOBILE: Any motor vehicle with passenger seating for five (5) persons or less not including the driver.

BUS: Any motor vehicle with a seating capacity of twenty-five (25) passengers or more, not including the driver.

BUSINESS: A voluntary association legally formed and organized to carry on a business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

CIVIL NOTICE: The written notice of a ground transportation violation.

COURTESY VEHICLE: Any motor vehicle regularly operated on Salt Lake City streets for transportation of customers and/or baggage without making a specific separate charge to the passenger for such transportation.

DEPARTMENT: The Salt Lake City Department of Airports.

DEPARTMENT AUTOMATED VEHICLE IDENTIFICATION (AVI) TAG: An electronic transponder used to identify vehicles and provide the department with vehicle data and billing information.

DEPARTMENT DIRECTOR: The director of the Salt Lake City Department of Airports.

DEPARTMENT INSPECTION SEAL: A sticker or seal issued by the department to signify that a ground transportation vehicle has passed the required department inspection. These department inspection seals are non-transferable and no ground transportation vehicle may be operated without such seal.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern ground transportation service and businesses at the airport.

FIXED SCHEDULE: Ground transportation service operating on a regular time schedule previously announced as to time of departure and arrival between the airport and definitely established and previously announced points along definitely established and previously announced routes regardless of whether there are passengers or freight to be carried.

GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle.

GROUND TRANSPORTATION SERVICE: The transportation of passengers by a ground transportation business.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

GROUND TRANSPORTATION VEHICLE: Any motor vehicle used for the transportation of persons using Salt Lake City streets for commercial purposes regardless of whether a fee or fare is collected.

HOTEL VEHICLE: Any motor vehicle regularly operated by a ground transportation business under contract to or directly by a motel, hotel, or other lodging business to provide transportation of customers and/or baggage for the contracted establishment, for which transportation the customer is charged a separate fee or fare, and which is subject to a contract filed with the department providing for operating the vehicle.

LIMOUSINE: Any vehicle described by its manufacturer or aftermarket manufacturer as a limousine or a luxury vehicle, with a driver furnished, who is dressed in professional business attire or a chauffeur's uniform.

MINIBUS: Any motor vehicle with a seating capacity of sixteen (16) to twenty-four (24) passengers, not including the driver.

ON-DEMAND AIRPORT SERVICE OR ON-DEMAND SERVICE: Transportation provided by an authorized ground transportation business which is not scheduled service nor prearranged service from the airport as defined in this section.

PREARRANGED SERVICE FROM THE AIRPORT: Transportation from the airport to points within the corporate limits of Salt Lake City provided by an authorized ground transportation business which is contracted for between such business and the person to be transported, or by an agent of the person, prior to the arrival of the person at the Salt Lake City International Airport. Prearranged service from the airport shall include airport ground transportation contracted for by an airline company on behalf of its own passengers whose regular air travel may have been disrupted in some manner. An agent may include a travel agent, family member, employee, business or meeting planner, but excludes an authorized ground transportation business. Prearranged service to the airport shall be provided on the same basis as permitted under Title 5, Chapter 5.71 of this code.

SCHEDULED SERVICE: Transportation provided by an authorized ground transportation business on a fixed schedule posted with the department in advance of such transportation.

TAXICAB: A motor vehicle used in the on demand for hire transportation of passengers or baggage over the public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another, as

provided under Chapter 5.72 of this title, or its successor chapter, and authorized to operate in Salt Lake City by contract with the department.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

VAN: Any licensed motor vehicle other than those designated as a limousine with a passenger seating capacity of six (6) to twelve (12), not including the driver

VEHICLE OPERATOR'S BADGE or OPERATOR'S BADGE: An identification badge issued by the department to an individual to signify that the individual has met the requirements to operate a ground transportation vehicle.

16.60.095: BUSINESSES AUTHORIZED TO PROVIDE GROUND TRANSPORTATION:

It shall be a violation to operate a ground transportation vehicle at the airport, unless such vehicle is part of is an authorized ground transportation business.

16.60.097: GROUND TRANSPORTATION DESTINATIONS:

A. All authorized ground transportation businesses may provide scheduled service or prearranged service from the airport.

B. Only authorized airport shared ride service vehicles, taxicabs, courtesy vehicles, and hotel vehicles may provide on-demand service at the airport to points within Salt Lake City, except that courtesy vehicles and hotel vehicles may provide on-demand service only to and from the hotel, motel, or other lodging business with whom they hold a current contract for transportation services. The department director may waive these restrictions if the director

determines that circumstances at the airport exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension of this limitation is in the best interests of the City to address such circumstances.

C. All authorized ground transportation businesses may provide on-demand, scheduled service and prearranged service from the airport to destinations outside of the corporate limits of Salt Lake City.

16.60.100: PASSENGER PICK-UP ZONES:

All persons operating a ground transportation vehicle on the premises of the airport shall pick up passengers only in areas as designated by the department director. Ground transportation vehicles may occupy such area only for the period of time established by the department director.

16.60.110: COMMERCIAL CHARGES:

Commercial charges may be imposed by the City for the use of airport facilities and services. Any business located at, or doing business on, the airport shall pay all established fees applicable to such business.

16.60.120: GROUND TRANSPORTATION FEES REQUIRED:

No ground transportation vehicle or business shall use the airport's roadways or facilities without paying required fees established under Section 16.60.110 of this chapter.

16.60.130: PAYMENT OF FEES:

Payment of required fees shall be made in the manner prescribed by the department director consistent with department rules and regulations and applicable provisions of this code.

16.60.140: CITY ORDINANCES APPLICABLE TO AIRPORT:

All applicable ordinances set forth in the Salt Lake City Code, including without limitation Chapters 5.71 and 5.72 of Title 5 or their successors, shall apply to the airport.

Pursuant to applicable provisions of this code, the department director may enter into contracts and establish rules and regulations for taxicab operations specific to the airport.

16.60.180: GROUND TRANSPORTATION BOOTHS:

There may be established within the terminal buildings at the airport one (1) or more ground transportation booths for the exclusive use of authorized ground transportation businesses to assist the public to arrange for transportation, including travel reservations and ticket sales. These booths may be made available to businesses in accordance with applicable contracts and/or department rules and regulations.

A. No authorized ground transportation business may solicit passengers at the airport except at a bona fide ground transportation booth established by the department director and operated by the authorized ground transportation business.

B. No person or business including any ground transportation business may contract for passenger meet and greet services on behalf of any ground transportation business without written permission of the department director.

C. In addition to civil penalties, any violation of these solicitation restrictions by any driver or representative of any authorized ground transportation business may result in such driver or business being barred from any further entry to an airport terminal as a driver or authorized ground transportation business employee.

D. No representative of any authorized ground transportation business shall transport baggage or cargo in behalf of a customer to or from the airport without documentation such as baggage claim tickets or transfer documents clearly indicating the authority of such representative to transport such baggage. Said representative shall produce such documentation for inspection upon request by an authorized official of the department.

16.60.190: STAGING AND PARKING OF GROUND TRANSPORTATION VEHICLES:

Any use of a staging area, parking facilities, taxi stands, parking areas, traffic lanes or other areas and facilities used by authorized ground transportation vehicles are subject to department rules and regulations.

16.60.200: SIGNS:

Signs may be posted at the airport by authorized ground transportation businesses if such signs are in accordance with applicable City ordinances, department contracts, department rules and regulations, and have been approved by the department director.

SECTION 2. That Chapter 16.64, *Salt Lake City Code*, pertaining to violations, penalties, and enforcement at the Salt Lake City International Airport be, and the same hereby is, amended to read as follows:

VIOLATION, PENALTY AND ENFORCEMENT

16.60.210: PROHIBITIVE NATURE OF REGULATIONS:

It is a violation for any person to do any act prohibited by law, to fail or refuse to do any act required by law, to operate any vehicle or aircraft in violation of any provisions of this title or department rules and regulations, or to operate any vehicle or aircraft unless such vehicle or aircraft is equipped and maintained as provided in this title or other applicable law.

16.60.220: REMOVAL AUTHORIZED WHEN:

Any person using airport property, operating any vehicle or handling any aircraft in violation of this title or other applicable law, or by refusing to comply therewith, may be removed or ejected from the airport, and may be deprived of the further use of the airport and its facilities for such length of time as may be deemed necessary by the department director to ensure the safeguarding of the same and the public and its interest therein.

16.60.230: VIOLATION; PENALTY:

Any person guilty of violating any provision of this title shall be deemed guilty of a class B misdemeanor, except the violation of certain sections of this Title 16 as set forth in Section 16.64.030 below, which shall constitute civil violations.

16.60.240: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION**VIOLATION:**

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of such provision by the ground transportation business under whose authority such driver or owner was operating at the time of the violation.

16.60.250: CIVIL PENALTIES AND ENFORCEMENT:

A. Any person in violation of this title, department rules and regulations, or other applicable law are subject to civil penalties and any other lawful action as may be taken by the department director to ensure the safe and effective operations of the airport.

B. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violation of any provision of this title, department rules and regulations, or other applicable law as provided under Chapter 5.02 of this code.

C. The department may revoke, suspend or deny renewal of an operator's badge, department automated vehicle identification tag, or department inspection seal for violation of

any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement, and the ground transportation appeal committee determines that reinstatement is appropriate.

D. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation, or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag and department inspection seal.

E. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

F. Violations of the following ordinances shall constitute civil violations and be subject to the following penalties:

CODE	AMOUNT OF PENALTY	VIOLATION
ARTICLE I GENERAL REGULATIONS		
16.60.010	\$500.00	Vehicle operations on airport
16.60.020	\$1000.00	Secured area vehicle operations
16.60.030	\$1000.00	Ramp area vehicle operations
16.60.040	\$200.00	Unauthorized passenger load/unload
16.60.050	\$1000.00	Failure to report accident
16.60.060	\$1000.00	Prohibited vehicle in secure area
16.60.065	\$200.00	Parking area restrictions/failure to pay fees
16.60.067	\$100.00	Parking violation posted signs
16.60.075	\$500.00	Courtesy cart operations
ARTICLE II GROUND TRANSPORTATION		

BUSINESSES		
16.60.095	\$1000.00	Unauthorized ground transportation vehicle
16.60.097	\$500.00	Unauthorized prearranged/on-demand transport
16.60.100	\$200.00	Unauthorized passenger pick up
16.60.120	\$500.00	Failure to pay fees
16.60.180 (A,B,D)	\$500.00	Unauthorized solicitation or baggage transport
16.60.190	\$100.00	Unauthorized staging/use of grounds and facilities
16.60.200	\$500.00	Unauthorized posting of signs

16.60.260: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND

TRANSPORTATION VIOLATION:

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials or approvals of a business license, operators' badge, department automated vehicle identification tags and department inspection seals shall be heard by the Salt Lake City Justice Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense. Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as he or she shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;

2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or

3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

16.60.270: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by the ground transportation appeal committee in accordance with the provisions of this chapter. If a preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 3. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2010.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2010
Published: _____

APPROVED AS TO FORM

Date: _____

SALT LAKE CITY ORDINANCE

No. _____ of 2014

(Ground transportation requirements)

An ordinance amending Chapter 5.71, *Salt Lake City Code*, pertaining to ground transportation requirements, to coordinate with taxicab regulations in Chapter 5.72, to provide for regulation of ground transportation providers that supports consumer choice, by expanding on-demand service, eliminating minimum fees, and providing flexibility for the number of taxicab companies that have contracts with the City and taxicab fleet size .

WHEREAS, providing transportation choices is a priority for Salt Lake City; and

WHEREAS, peer-to-peer transportation providers (also called transportation network companies or “TNCs”) currently are operating in Salt Lake City; and

WHEREAS, City has entered into contracts with taxicab providers to provide taxicab service in the City; and

WHEREAS, City desires to provide a regulatory environment for ground transportation in the City that is in the best interests of the City; and

WHEREAS, it is in the best interest of the City to allow all commercial ground transportation providers to offer on-demand service without minimum charge limitations; and

WHEREAS, it is in the best interest of the City to provide for temporary exceptions in the event of emergency, security concerns, and operational needs; and

WHEREAS, City desires to clarify that all ground transportation seals and AVI tags are the property of the Department of Airports; and

WHEREAS, City desires to make certain changes to modernize the language, concepts, and definitions, delete obsolete provisions, and make certain clean-up changes in this ordinance; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. That Chapter 5.71, *Salt Lake City Code*, pertaining to ground transportations requirements be, and the same hereby is, amended to read as follows:

Chapter 5.71

GROUND TRANSPORTATION REQUIREMENTS

Article I. Definitions and General Regulations

5.71.010: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

AIRPORT SHARED RIDE SERVICE: Ground transportation provided by an authorized ground transportation business contracted through the Department of Airports to provide on-demand shared ride service to and from the Salt Lake City International Airport.

AIRPORT SHARED RIDE VEHICLE: Any authorized ground transportation vehicle operating under contract with the Department of Airports to provide airport shared ride service to and from the Salt Lake City International Airport.

APPLICANT: An individual who has submitted an application to the department to obtain a ground transportation vehicle operator's badge pursuant to Article VII of this chapter.

AUTHORIZED GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle, which has a current, valid business license as required by the City and which:

A. Registers the business in accordance with the requirements established by the department, and

B. Is current with all fees or charges imposed by the department and City.

AUTOMOBILE: Any motor vehicle with passenger seating for five (5) persons or less, not including the driver.

BUS: Any licensed motor vehicle operated on the streets and highways for hire on a scheduled or nonscheduled basis with a seating capacity of twenty-five (25) or more passengers, not including the driver.

BUSINESS: A voluntary association legally formed and organized to carry on a business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

BUSINESS LICENSING OFFICE: The division of building services and licensing of Salt Lake City Corporation, or its successor.

CERTIFICATE: A certificate of public convenience and necessity issued by the City.

CIVIL NOTICE: A written notice of a ground transportation violation as provided under this chapter.

COMMENT FORM OR FORM: The form described in Section 5.71.270 of this chapter, or its successor.

COURTESY VEHICLE: Any motor vehicle regularly operated on Salt Lake City streets for transportation of customers and/or baggage without making a specific separate charge to the passenger for such transportation.

DEPARTMENT: The Salt Lake City Department of Airports or such other City department or division as may be designated by the Mayor to have responsibility for the enforcement of this chapter.

DEPARTMENT AUTOMATED VEHICLE IDENTIFICATION (AVI) TAG: An electronic transponder used to identify vehicles and provide the department with vehicle data and billing information.

DEPARTMENT DIRECTOR: The director of the department designated by the Mayor to have responsibility for the enforcement of this chapter or the authorized designee of such director.

DEPARTMENT INSPECTION: An inspection of a ground transportation vehicle by the department to verify that the vehicle meets the standards set by the department director, department rules and regulations, applicable contracts, and applicable City ordinances, including without limitation the exterior and interior of the vehicle and all associated vehicle licensing, safety, and insurance requirements.

DEPARTMENT INSPECTION SEAL: A sticker or seal issued by the department to signify that a ground transportation vehicle has passed the required department inspection. These department inspection seals are non-transferable and no ground transportation vehicle may be operated without such seal.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern commercial ground transportation operations within the City.

FIXED SCHEDULE: Ground transportation service operating on a regular time schedule previously announced as to time of departure and arrival between definitely established and previously announced points along definitely established and previously announced routes regardless of whether passengers or freight are to be carried.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle.

GROUND TRANSPORTATION SERVICE: The transportation of passengers by a ground transportation business.

GROUND TRANSPORTATION VEHICLE: Any motor vehicle used for the transportation of persons using Salt Lake City streets for commercial purposes, regardless of whether a fee or fare is collected, ~~which includes, but is not limited to, any airport shared ride vehicle, automobile, bus, courtesy vehicle, hotel vehicle, limousine, minibus, special transportation vehicle, specialty vehicle, taxicab, van, or trailer being towed by a ground transportation vehicle.~~

HEARING OFFICER: A hearing officer of the Salt Lake City Justice Court.

HOLDER: A person to whom a certificate of public convenience and necessity has been issued.

HOTEL VEHICLE: Any motor vehicle regularly operated by a ground transportation business under contract to or directly by a motel, hotel, or other lodging business, to provide transportation of customers and/or baggage for the contracted establishment for which transportation the customer is charged a separate fee or fare, and which is subject to a contract filed with the department providing for operating the vehicle.

LIMOUSINE: Any vehicle described by its manufacturer or aftermarket manufacturer as a limousine or a luxury vehicle, ~~such as, but not limited to, a Cadillac Escalade, Chevrolet Suburban, Lincoln Town Car, or Mercedes Benz,~~ with a driver furnished, who is dressed in

professional business attire or a chauffeur's uniform. ~~A limousine may be deemed a hotel vehicle if the service provided is prearranged and minimum fare is charged as provided in this chapter.~~

MINIBUS: Any motor vehicle with a passenger seating capacity of ~~six~~thirteen (1~~6~~3) to twenty-four (24) persons, not including the driver.

~~**MODEL YEAR:** The age of a motor vehicle based upon the manufacturer's date of manufacture. The year shall be calculated as beginning January 1 of the model year, regardless of the month of manufacture, purchase, or licensing with the City.~~

NAMED PARTY: The driver, vehicle owner, or authorized ground transportation business named in a civil notice issued by the City.

ON-DEMAND AIRPORT SERVICE OR ON-DEMAND SERVICE: Transportation provided by an authorized ground transportation business which is not scheduled service or prearranged service as defined in this section.

PERSONS WITH DISABILITIES: Those persons who are not acutely ill, who do not require the services of an ambulance, and who need or desire special transportation equipment or accommodation for physical or mental infirmities.

PREARRANGED SERVICE: Transportation provided by an authorized ground transportation business from points within the City to destinations within the City, or beyond, for which the authorized ground transportation business providing such transportation has recorded the name or description of prospective passenger and the date and time of the request for transportation at least thirty (30) minutes prior to the transporting of the passenger by such vehicle and for which records of such transportation may be required for inspection by the department.

SCHEDULED SERVICE: Transportation provided by an authorized ground transportation business on a fixed schedule posted with and approved by the department in advance of such transportation.

SPECIAL TRANSPORTATION VEHICLE: Any motor vehicle for hire, other than an airport shared ride vehicle, ambulance, or taxicab, which vehicle is designed, equipped, and used for the transportation of persons with disabilities.

SPECIALTY VEHICLES: Any vehicles that are unique in their design, or built for a specific purpose, including but are not limited to, special conversion vehicles and classic or collector automobiles, but excluding special transportation vehicles.

STARTER: A person appointed by and representing a ground transportation business who is responsible for managing the coordination of vehicles and passenger transportation for that business.

TAXICAB: A motor vehicle ~~with a seating capacity of five (5) passengers or less, not including the driver, or a van with a passenger seating capacity of six (6) to twelve (12), not including the driver,~~ used in the on-demand, for hire transportation of passengers or baggage over public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another, as provided under Chapter 5.72 of this title, or its successor chapter, and authorized to operate in Salt Lake City by contract with the department.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

TERMINAL OF TRANSPORTATION: A facility or location having the primary purpose of facilitating ground transportation services, such as, but not limited to, the Salt Lake City Intermodal Hub.

TRAILER: A wheeled vehicle designed to be pulled by a motor vehicle for the transportation of freight, luggage, or other items.

VAN: Any licensed motor vehicle other than those designated as a limousine with a passenger seating capacity of six (6) to twelve (12), not including the driver.

VEHICLE OPERATOR'S BADGE or OPERATOR'S BADGE: An identification badge issued by the department to an individual to signify that the individual has met the requirements to operate a ground transportation vehicle.

5.71.020: PURPOSE:

This chapter is enacted to provide for and protect the interests of Salt Lake City residents and visitors using ground transportation services which make use of City streets and other City property, including:

A. To reflect standards of professionalism prevalent in and accepted by the Salt Lake community at large;

B. To enhance the comfort, ease, and safety of the traveling public on Salt Lake City streets;

C. To enhance the City's competitiveness in attracting the traveling public to this City;

D. To increase safety for drivers of ground transportation vehicles, their passengers, and the public;

E. To adequately identify ground transportation vehicles and their drivers to the public in the City;

F. To meet the needs of the public using ground transportation vehicles in the City;

G. To provide for uniform enforcement of standards throughout the City by coordinating the efforts of the departments responsible for enforcement, adjudication, and business licensing of all commercial ground transportation businesses and ground transportation vehicles;

H. To provide that the Mayor designate a department or departments to be responsible for the administration and enforcement of regulations pertaining to all ground transportation businesses, ground transportation vehicles, and ground transportation vehicle drivers in the City; and

I. To provide authority for administration and enforcement of business licensing in connection with ground transportation in the City.

5.71.025: DESIGNATION OF DEPARTMENT:

The Mayor shall designate a City department or departments to be responsible for the oversight and enforcement of all ground transportation businesses, ground transportation vehicles, and ground transportation vehicle drivers within the corporate limits of Salt Lake City. Such department or departments shall be responsible for the administration and enforcement of business licensing in connection with ground transportation in the City.

5.71.030: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

A. To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter.

B. The Mayor shall adopt procedures applicable to the establishment of department rules and regulations that provide for:

1. Public notice of any proposed rule that will affect operation of any ground transportation business;
2. An opportunity for public comment on proposed rules before they take effect, and
3. The basis for any proposed rule.

5.71.040: EXEMPTIONS FROM REQUIREMENTS OF THIS CHAPTER:

A. The provisions of this chapter shall not apply to vehicles licensed by a governmental agency or operated by a university or school district, the Utah Transit Authority, an ambulance service, and others as may be designated in department rules and regulations.

B. Sections 5.71.095, 5.71.150, 5.71.180, 5.71.190 and 5.71.240 shall not apply to busses and motor coaches, and bus and motor coach drivers, regulated by the U.S. Department of Transportation.

C. If any provision of this chapter is preempted by federal law, such provision shall not apply.

5.71.050: BUSINESS LICENSE AND REGISTRATION REQUIRED:

A. It is a violation for any person to operate a ground transportation business without, prior to commencement of the business, completing the following:

1. Obtaining a business license,
2. Registering such business with the department, and
3. Paying all applicable fees associated with the licensing or permitting of such business, its vehicles, and its employees.

B. Business license fees for ground transportation companies shall be calculated to include the cost of administering and enforcing the provisions of this title.

5.71.060: GROUND TRANSPORTATION SERVICE:

~~A.~~ All Authorized ground transportation businesses may provide on demand service, scheduled service, or prearranged service within the City, except as provided in Salt Lake City Code section 16.60.097.

~~B. Only airport shared ride vehicles, courtesy vehicles, hotel vehicles, and taxicabs may provide on-demand service within the City, except that:~~

~~1. Limousines may provide prearranged service only upon charging a minimum fare of thirty dollars (\$30.00) per trip; and~~

~~2. Hotel vehicles may provide on-demand service only to and from any railroad station, bus station, airport, or similar terminal of public transportation and any hotel, motel, or other lodging business with whom they hold a current contract for transportation services. Proof of the existence of such contract shall be maintained in each hotel vehicle and shall be subject to inspection on demand.~~

~~——— 3. The Department Director may waive these restrictions if it is determined that circumstances in the City exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension of this limitation is in the best interests of the City to address such circumstances.~~

~~C. Subsection B of this section notwithstanding, hotel vehicles may transport motel or hotel patrons on demand to and from locations other than a terminal of public transportation as follows:~~

~~1. To and from a convention center during a convention within the City involving five thousand (5,000) or more participants, or~~

~~2. To and from other locations providing such transport involves four (4) or more persons riding together to and from the same destination and with the consent of the motel or hotel manager on duty.~~

~~5.71.065: EXISTING HOLDERS' CERTIFICATES:~~

~~A. Holders of existing certificates at the effective date hereof shall retain such certificates, allowing them to operate the same number of vehicles as they are presently authorized to operate, without any hearing, the public convenience and necessity having heretofore been demonstrated, until such certificate expires as provided in this section.~~

~~B. Except as provided in Section 5.76.130 of this title, pertaining to special transportation vehicles, existing certificates issued by the City shall expire no sooner than one hundred eighty (180) days from the effective date of this ordinance. The City may elect, in the City's sole discretion, to continue the expiration date up to an additional one hundred eighty (180) days. Upon expiration, a pro rata refund of that portion of the certificate fee shall be given to those persons whose certificates have expired prior to the portion of the year remaining at the time of expiration.~~

~~C. No certificate shall continue in operation prior to the expiration as set forth in Section 5.72.165 of this title unless the holder thereof has paid the annual business regulatory fees each year for each vehicle authorized under a certificate. Such fees shall be in addition to any other fees or charges established by proper authority and applicable to the holder of the vehicle or vehicles under the holder's operation and control.~~

~~———D. No certificate issued in accordance with this chapter, or its successor, shall be construed to be either a franchise or irrevocable.~~

Article II. Driver Standards

5.71.070: DRIVER AND STARTER APPEARANCE:

The drivers of ground transportation vehicles and starters representing ground transportation businesses within the City shall adhere to the standards of appearance established by department rules and regulations while operating such vehicles, or while representing ground transportation businesses, in order to meet the interests of the City in such transportation.

5.71.080: DRIVER CONDUCT:

The drivers of ground transportation vehicles and starters representing ground transportation businesses within the City shall adhere to the standards of conduct established by department rules and regulations while operating such vehicles or while representing ground transportation businesses in order to meet the interests of the City in such transportation.

5.71.090: UNAUTHORIZED SOLICITATION OF BUSINESS:

No person may solicit for business at any terminal of transportation except in locations and in accordance with department rules and regulations.

5.71.095: ANNUAL DRIVER APPLICATION RENEWAL:

A driver may not be required to renew a driver application more than once every two (2) years and shall not be required to provide fingerprints for a background investigation more than one (1) time except:

- A. In the case of an emergency,
- B. As may be otherwise required by a state or federal law, regulation, or directive; or
- C. As the department director may determine, to achieve consistency with a state or federal law, regulation, or directive.

Article III. Smoking

5.71.100: SMOKING RESTRICTIONS:

Passengers and drivers in ground transportation vehicles may only smoke in such vehicles as set forth in the Utah Code.

Article IV. Vehicle Standards

5.71.120: VEHICLE TITLE RESTRICTIONS~~AGE~~ AND CONDITION:

A. No vehicle shall be authorized by the city to operate as a ground transportation vehicle if the vehicle has a salvage/branded title.

B. A specialty vehicle shall be exempted from the foregoing salvage/branded title restrictions if the vehicle meets:

1. Safety standards set forth in the vehicle safety inspection manual promulgated by the Utah Department of Public Safety pursuant to Utah administrative rule 714-158-8, or its successor, and
2. Exterior and interior appearance standards set forth in section 5.71.125 of this chapter and department rules and regulations. (Ord. 84-12, 2012)

5.71.125: VEHICLE APPEARANCE STANDARDS:

A. All ground transportation vehicles shall meet the following vehicle exterior appearance standards:

1. All vehicles shall be maintained as required by any state law or city ordinance or statute, whether or not a part of this chapter.
2. Vehicle exteriors shall be clean except during the first twenty four (24) hours following a snow, rain, or dust storm in Salt Lake or surrounding counties.
3. Vehicles, including bumpers and body molding, shall be free of all exterior damage except for dents no larger than six inches (6”) in diameter and rust spots no larger than one inch (1”) in diameter. Bumpers shall be straight and aligned, as designed by the

vehicle manufacturer.

4. Windshields shall be free of cracks and chips larger than six inches (6”) in diameter or length. All other glass and mirrors shall be free of cracks and chips larger than one inch (1”) in diameter or length.

5. Exterior paint shall be maintained in good condition and repair, with no faded, oxidized, or nonmatching paint. Signs, graphics, door handles, antennas, and other equipment used for the ease and convenience of drivers and passengers shall be maintained in a good and operable condition.

6. Exterior tires, brakes, exhaust pipes, lights, wipers, turn signals, horns and other safety equipment shall be maintained in a good and operable condition.

7. Wheels shall have wheel covers, or be equipped with custom wheels.

8. All fluid leaks shall be repaired immediately.

B. All ground transportation vehicles shall meet the following vehicle interior appearance standards:

1. Vehicle interiors shall be clean and sanitary, and free of dirt, oil, litter, or other similar material, or offensive odors.

2. Seats and other interior surfaces shall be in good repair and free of tears and sharp objects. Dashboard covers may be used, but shall be professionally manufactured.

3. Trunks and luggage storage compartments shall at all times be maintained free of oil, dirt, debris, and personal property except for property used by the driver in connection with operating a ground transportation vehicle.

4. All equipment in the interior of the vehicle used for the ease and convenience of drivers and passengers, including, but not limited to, doors, windows, carpets, door and window handles, ashtrays, heaters, air conditioners, and radios, shall be maintained in a good and operable condition.

5. Ashtrays shall be emptied after use and washed each day.

6. Seat belts shall be provided for the driver and for each passenger as required by law for such vehicle. Seat belts and all other safety equipment inside the vehicle, including child safety restraint devices or seats, shall be maintained in a good and operable condition as may be required by Utah and federal law.

5.71.130: CONFLICTING OR MISLEADING DESIGNS AND ADVERTISING

PROHIBITED:

A. No vehicle shall be authorized to operate whose color scheme, identifying design, monogram, or insignia, in the opinion of the department director, conflicts with or imitates any color scheme, identifying design, monogram, or insignia used on a vehicle or vehicles already operating under this chapter, in such a manner as to be misleading or tending to deceive or defraud the public or which improperly conveys the nature or the type of the ground transportation service offered.

B. No ground transportation business shall advertise or hold itself out as being licensed by the City under this chapter when in fact no such license has been issued or has been revoked or terminated.

Article V. Insurance and Inspections

5.71.140: INSURANCE REQUIRED:

A. Every ground transportation business shall maintain continuous vehicle insurance, when the vehicle is operational, at the minimum levels of coverage set forth by the Federal Motor Carrier Safety Administration, 49 CFR 387.33, or by the Utah Department of Transportation, or by the United States Department of Transportation, whichever levels are higher. Proof of insurance shall be required when a vehicle is initially inspected by the department, and may be verified upon the City's receipt of a complaint, negative comment form, or at the time of an on-street, unscheduled ground transportation vehicle inspection.

B. Taxicabs and other authorized ground transportation vehicles with a seating capacity of seven (7) passengers or less, including the driver, shall carry minimum coverage in the amounts required for vehicles with a seating capacity of fifteen (15) or less as set forth in Section 49 CFR 387.33. The exception for taxicab service set forth in Section 49 CFR 387.27 shall not apply to this Subsection B.

C. Each ground transportation business shall send a copy of any notice of cancellation or reduction of insurance coverage to the department immediately upon such cancellation or reduction.

D. Salt Lake City Corporation shall be named as an additional insured in all insurance contracts.

5.71.150: INSPECTIONS:

A. All authorized ground transportation vehicles shall be registered with the department and at all times shall meet or exceed standards established by the department rules and regulations in order to meet the interests of Salt Lake City.

B. No vehicle may operate as a ground transportation vehicle within the City without first having been inspected by the department and found to be meeting all requirements of the

department inspection as established by department rules and regulations for the category of vehicle being inspected. ~~Notwithstanding the foregoing, a ground transportation company that purchases a new ground transportation vehicle may, in lieu of an inspection of such vehicle:~~

~~1. Certify to the department that the vehicle is new and conforms to the standards and requirements established by this section and department rules and regulations, and~~

~~2. Provide proof of insurance as provided in Subsection 5.71.140A.~~

~~3. Installation of an AVI and taximeter shall be subject to inspection by the department.~~

C. Vehicles meeting the requirements of the department inspection shall have a unique department inspection seal affixed to the rear of the vehicle signifying that the vehicle has passed the department inspection and may be operated as a ground transportation vehicle. The department seal is non-transferable and no vehicle may be used as a ground transportation vehicle without the department inspection seal in place.

D. Department Seals are the sole property of the Department and must be returned to the Department upon demand or at the time a vehicle is sold or retired from service.

~~E~~. All ground transportation vehicles meeting the requirements of the department inspection shall be issued a department automated vehicle identification (AVI) tag, which the department shall install on the vehicle. These tags are non-transferable and may not be removed or modified without authorization from the department.

F. Department AVI Tags are the sole property of the Department and must be returned to the Department upon demand or at the time a vehicle is sold or retired from service.

~~G~~. The department may perform vehicle inspections at any time any ground transportation vehicle is operating within the corporate limits of the City in order to administer and enforce applicable vehicle standards.

[HF](#). No ground transportation vehicle may be operated within the City unless it is maintained to the standards and requirements established by department rules and regulations, including without limitation department inspection requirements.

5.71.160: TEMPORARY OPERATIONS:

A ground transportation business that operates on a limited or temporary basis within the City may petition the department director for a waiver from some of the requirements of this chapter. However, no ground transportation business may operate without paying otherwise applicable fees. Consideration of such waiver may include the following:

A. The business is based outside of a thirty-five (35) mile radius of the City and the business provides limited services within the City;

B. The business does not pick up passengers within the City and provides transportation only into the City; and

C. Any specific ground transportation vehicle that will be used for operations within the City no more than five (5) calendar days per year.

Article VI. Special Transportation Businesses

5.71.170: SPECIAL TRANSPORTATION VEHICLES AND OPERATORS:

A. It is a violation for any person who owns or controls a special transportation business to allow a special transportation vehicle to be operated without, prior to commencement of the business, completing the following:

1. Obtaining a business license;
2. Registering such business with the department;
3. Paying all applicable fees associated with the licensing or permitting of such business, its vehicles and its employees; and

4. Providing the department with certification from the State of Utah that the vehicle meets all State requirements and was found to be in a safe condition for the transportation of persons with disabilities and had all such equipment as may be required by state law including, but not limited to, the following:

a. Doorways wide enough to accommodate a wheelchair;

b. Ramps or lifting devices for elevating persons with disabilities from the curb or sidewalk into the special transportation vehicle, which ramps and lifting devices shall be stored inside the special transportation vehicle while it is moving;

c. Adequate means of securing persons with disabilities safely to the inside of the special transportation vehicle and safety belts for all passengers;

d. A door, in addition to those provided in such vehicles for normal ingress and egress, located at the rear thereof, to be used as a method of escape in case of an emergency; and

e. A fire extinguisher, and first aid equipment and supplies, as prescribed and amended from time to time by state law.

B. In addition to meeting all other department rules and regulations applicable to ground transportation vehicles and businesses, owners and operators of special transportation vehicles shall comply with the following:

1. No special transportation vehicle shall be equipped with a siren or be permitted to operate as an emergency vehicle.

2. Special transportation vehicles shall be kept in a clean and sanitary condition, according to applicable rules and regulations promulgated by the State.

3. All special transportation vehicle operators shall obtain and maintain certification training in first aid, CPR, and AED as taught by an American Heart Association certified instructor.

5.71.175: EXISTING HOLDERS' CERTIFICATES FOR SPECIAL TRANSPORTATION VEHICLES:

A. Holders of existing certificates for special transportation vehicles shall retain such certificates, as set forth in Section 5.76.130 of this title, allowing them to operate the same number of vehicles as they are authorized to operate on the effective date of this ordinance, without any hearing, the public convenience and necessity have heretofore been demonstrated.

B. No certificate shall continue in operation unless the holder thereof has paid the annual business regulatory fees each year for each vehicle authorized under a certificate. Such fees shall be in addition to any other fees or charges established by proper authority and applicable to the holder of the vehicle or vehicles under the holder's operation and control.

Article VII. Vehicle Operator's Badge

5.71.180: VEHICLE OPERATOR'S BADGE REQUIRED:

It is a violation for any person to operate a ground transportation vehicle upon the streets of the City without having first obtained and having then in force a valid ground transportation vehicle operator's badge issued by the department under department rules and regulations.

~~1.~~ All Department issued Ground Transportation Vehicle Operators badges are the sole property of the Department and must be surrendered upon demand of a police officer, any authorized agent of the department, or any other person authorized by the Mayor to enforce the provisions of this chapter.

5.71.190: PERMITTING NON-BADGED OPERATOR TO DRIVE:

It is a violation for any person who owns or controls a ground transportation vehicle to permit it to be driven, and no ground transportation vehicle authorized by the department shall be so driven at any time, unless the ground transportation vehicle is operated by a driver who has then in force a valid ground transportation vehicle operator's badge issued by the department.

5.71.240: DISPLAY OF OPERATOR'S BADGE:

Every person issued a vehicle operator's badge shall display the badge above the waist, on front side of the outermost garment so as to be in plain view and not covered while such person is operating a ground transportation vehicle. Every such person shall exhibit such badge upon demand by any police officer, any authorized agent of the department, or any other person authorized by the Mayor to enforce the provisions of this chapter.

Article VIII. Payment For Furnishing Of Passengers

5.71.250: PAYMENT:

It shall be a violation for any person operating a ground transportation vehicle, business, driver, independent contractor, employee, or other person to pay, or offer to pay, any remuneration to another person, specifically including persons employed at a lodging business and vehicle dispatchers, for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. It shall be a violation for any person, specifically including persons employed at a lodging business and vehicle dispatchers, to receive or request any remuneration from any person for the furnishing of passengers and/or baggage to be transported by a ground transportation vehicle. Nothing herein shall prohibit hotels and motels from contracting or invoicing for, and being paid, or making payment for, the transportation of customers and/or baggage, which payment may include a portion thereof being distributed by the hotel or motel to a bell staff, door staff, or concierge as a gratuity.

Article IX. Ground Transportation Discussion Group

5.71.255: PURPOSE:

The Mayor shall convene a ground transportation discussion group, committee, or forum to meet informally on a quarterly basis until June 3, 2014 for the purpose of providing advice on the following:

- A. Identifying ground transportation problems and potential solutions;
- B. Identifying items within the ordinances or regulations that appear to be unclear or confusing;
- C. Suggesting improvements to the program for consideration by the City;
- D. Discussing issues of concern to those in attendance;
- E. Identifying barriers to quality transportation service; and
- F. Considering whether the group recommends that a formal city board be established with the Mayor formally appointing an advisory board with the advise and consent of the City Council to address ground transportation issues in Salt Lake City and considering the number and make up of the board and its affiliation to or its independence of other city boards, commissions and committees. (Ord. 84-12, 2012: 84-10,2010)

5.71.258: PARTICIPANTS:

A. Invitations to participate in the discussion group, committee, or forum should include, but not be limited to, representatives of the:

- 1. Hotel industry,
- 2. Hospitality industry,
- 3. Taxi cab industry,
- 4. Shuttle industry,

5. Hotel contract vehicle industry,
6. Utah Transit Authority,
7. Tourism and convention industries,
8. Specialty transportation industries,
9. Wasatch Front Regional Council mobility coordinator,
10. Salt Lake City Accessibility Services Advisory Council or City ADA

Coordinator, and

11. A mechanic familiar with vehicles in commercial ground transportation fleets.

B. Individuals or representative of key transportation user groups including, but not limited to low income, elderly, and persons with physical limitations shall also be invited to participate.

Article X. Enforcement and Civil Penalties

5.71.260: DEPARTMENT AUTHORITY:

A. The department shall enforce the provisions of this chapter and govern the conduct of companies and drivers operating under this chapter.

B. With the approval of the Mayor and upon notice to the City Council the Department Director may waive or temporarily impose restrictions not addressed in this Ordinance or Department Rules and Regulations if it is determined that circumstances in the City exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension or modification of ordinances is in the best interests of the City to address such circumstances.

5.71.270: COMMENT FORM:

Any person may complain of any violation of this chapter or comment on any ground transportation business or vehicle, or any driver of a ground transportation vehicle operating within the corporate limits of Salt Lake City, by filing a comment form with the department on forms that the department may require ground transportation businesses to print and provide in their vehicles and which may be found on the City's website and within department rules and regulations.

5.71.280: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION VIOLATION:

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of such provision by the ground transportation business under whose authority such driver or owner was operating at the time of the violation.

5.71.290: RECORD KEEPING:

The City shall create a file for each driver and for each authorized ground transportation business at the time any document is submitted for application or filing. The City shall maintain any document placed in such files for a period as required by law.

5.71.300: CIVIL PENALTIES AND ENFORCEMENT:

A. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violation of any provision of this title, department rules and regulations, or other applicable law.

B. The department may revoke, suspend, or deny renewal of an operator's badge, department automated vehicle identification tag or department inspection seal for violations of any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension, or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement and the ground transportation appeal committee determines that reinstatement is appropriate.

C. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation, or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag or department inspection seal.

D. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

CODE	AMOUNT OF PENALTY	VIOLATION
ARTICLE I		
GENERAL REGULATIONS		
5.71.050	\$1000.00	Business license required
5.71.060 (B)	\$500.00	Violation of passenger transport
ARTICLE II		
DRIVERS STANDARDS		

5.71.070	\$100.00	Driver's appearance
5.71.080	\$300.00	Driver's conduct
5.71.090	\$300.00	Unauthorized solicitation of business
ARTICLE III		
SMOKING		
5.71.100	\$300.00	Smoking in vehicles
ARTICLE IV		
VEHICLE STANDARDS		
5.71.30	\$1000.00	Misleading design prohibited
ARTICLE V		
INSURANCE AND INSPECTIONS		
5.71.140	\$1000.00	Insurance required
5.71.150 (A,B,C)	\$1000.00	Vehicle inspection and seal required
5.71.150 (ED)	\$500.00	Automated vehicle identification tag required
5.71.150 (HF)	\$500.00	Failure to maintain vehicle inspection standards
ARTICLE VI		
SPECIAL TRANSPORTATION BUSINESSES		
5.71.170 (A,B,C,D)	\$1000.00	License and registration requirements
5.71.170 (E)	\$1000.00	Emergency vehicle equipment prohibited
5.71.170 (F)	\$1000.00	Clean and sanitary condition of vehicle
5.71.170 (G)	\$1000.00	First aid certification required
ARTICLE VII		
VEHICLE OPERATORS BADGE		
5.71.180	\$1000.00	Operator's badge required
5.71.190	\$1000.00	Permitting non-badged operator
5.71.240	\$100.00	Display of badge

ARTICLE VIII		
PAYMENT FOR FURNISHING OF PASSENGERS		
5.71.250	\$300.00	Payment for passenger

5.71.310: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND

TRANSPORTATION VIOLATION:

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials or approvals of a business license, operators' badge, department automated vehicle identification tags and department inspection seal shall be heard by the Salt Lake City Justice Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense. Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one (1) or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as the officer shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;
2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or
3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

5.71.320: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by the ground transportation appeal committee in accordance with the provisions of this chapter. If a preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2014.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2014
Published: _____

APPROVED AS TO FORM

Date: _____

SALT LAKE CITY ORDINANCE

No. _____ of 2014

(Taxicab requirements)

An ordinance amending Chapter 5.72, *Salt Lake City Code*, pertaining to taxicab regulation

WHEREAS, the City Council intends to amend Chapter 5.71, *Salt Lake City Code*, regarding ground transportation regulation; and

WHEREAS, the City Council has determined this ordinance corresponds with and supports amendments to Chapter 5.71; and

WHEREAS, it is in the best interest of the City to have the flexibility to award on-demand taxicab contracts to the appropriate number of companies the City believes the market can support; and

WHEREAS, it is in the best interest of the City to have the flexibility to adjust taxicab fleet size to market conditions; and

WHEREAS City has determined it is in the best interest of the City to allow taxicab companies to petition the City for rate adjustments every three (3) months; and

WHEREAS, City desires to make certain changes to modernize the language, concepts, and definitions, delete obsolete provisions, and make certain clean-up changes in this ordinance; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah as follows:

SECTION 1. That Chapter 5.72, *Salt Lake City Code*, pertaining to taxicabs, be, and the same hereby is, amended to read as follows:

Chapter 5.72

TAXICABS

Article I. Definitions and General Regulations

5.72.005: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

BUSINESS: A voluntary association legally formed and organized to carry on a Business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

CERTIFICATE: A certificate of public convenience and necessity issued by the City.

CITY: The governmental institution and landmass contained within the boundaries of Salt Lake City, Utah.

CIVIL NOTICE: A written notice of a ground transportation violation as provided under this chapter.

CLEARED: That condition of a taximeter when it is inoperative with respect to all fare registration and all cumulative fare and extras charges have been set to zero dollars (\$0).

CONCESSIONAIRE: A person or entity with whom the Department of Airports has contracted to provide taxicab services.

DEPARTMENT: The Salt Lake City Department of Airports or such other City department or division as may be designated by the Mayor to have responsibility for the enforcement of this chapter.

DEPARTMENT DIRECTOR: The director of the department designated by the Mayor to have responsibility for the enforcement of this chapter or the authorized designee of such director.

DEPARTMENT CONTRACT: A valid, existing, and current contract negotiated and approved by the department for providing taxicab or other services within the corporate boundaries of Salt Lake City, including the airport.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern ground transportation service and businesses within the City.

EXTRAS: Charges to be paid by a customer or passenger in addition to the fare.

FACE: That side of a taximeter upon which passenger or customer charges for hire of a taxicab are indicated.

FARE: That portion of the charge for hire of a taxicab which is automatically calculated by the taximeter through the operation of the mileage and time mechanism.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

HAIL A TAXICAB: The act of a person to call out for, or to signal for, an in-service taxicab that is not already engaged in transport of passengers to respond to the person's location for hiring and transport of persons or property.

HIRED: The button on the face of a taximeter, which when activated places the taximeter in operation, signifying the start of a billing process for the person(s) engaging the use of the taxicab.

~~**HOLDER:** A person to whom a certificate of public convenience and necessity has been issued.~~

IN-SERVICE: A taxicab that is in use on the streets of the City, with a driver, and available for the transportation of passengers for hire.

~~OPEN STAND:~~ ~~A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.~~

PERSON: An individual, a corporation or other legal entity, a partnership, and any incorporated association.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

TAXICAB: A motor vehicle with a seating capacity of five (5) passengers or less, not including the driver, or a van with a passenger seating capacity of six (6) to twelve (12), not including the driver, used in the on demand, for hire transportation of passengers or baggage over the public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another and authorized to operate in Salt Lake City by contract with the department.

TAXIMETER: A meter instrument or electronic device attached to a taxicab which measures mileage by the distance driven and the waiting time upon which the fare is based, and which automatically calculates, at a predetermined rate or rates, and registers, the charge for hire of a taxicab.

WAITING TIME: The time when a taxicab is not in motion, from the time of hiring by a passenger to the time of discharge of passenger(s).

5.72.105: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

A. To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter.

B. The Mayor shall adopt procedures applicable to the establishment of department rules and regulations that provide for:

1. Public notice of any proposed rule that will affect operation of any ground transportation business;
2. An opportunity for public comment on proposed rules before they take effect, and
3. The basis for any such proposed rule.

Article II. Authority To Operate

5.72.125: COMPLIANCE RESPONSIBILITY:

A. All persons shall comply with and operate under requirements of applicable law, including without limitation Federal, State, County and City laws and ordinances, including but not limited to, Chapters 5.72, 5.71, and 16.60 of the Salt Lake City Code, and department rules and regulations.

B. A concessionaire shall not be relieved of any responsibility for compliance with the provisions of this chapter, whether the concessionaire leases or rents taxicabs to drivers, or whether the concessionaire pays salary, wages, or any other form of compensation.

5.72.155: DEPARTMENT CONTRACT REQUIRED FOR OPERATION:

A. No person shall operate or permit a taxicab owned or controlled by such person to be operated as a vehicle for hire upon the streets of Salt Lake City unless such person is authorized to do so under a department contract.

B. No person may operate a taxicab business in the City unless the person is authorized to do so under a department contract. Nothing in the department contract shall relieve a concessionaire of the requirements of applicable laws, including but not limited to Titles 5.71, 5.72, and 16.60 of the Salt Lake City Code, and department rules and regulations.

C. The term "operate for hire upon the streets of Salt Lake City" means and shall include the soliciting or picking up of a passenger or passengers within the corporate limits of the City, whether the destination is within or outside of the corporate limits of the City. For the purpose of this section, the term "operate for hire upon the streets of Salt Lake City" shall not include the transporting, by a taxicab properly licensed in a jurisdiction outside the corporate limits of the City, of a passenger or passengers for hire where a trip originates with the passenger or passengers being picked up outside of the corporate limits of the City and where the destination is either within or beyond the City corporate limits.

5.72.165: CONTRACT-BASED SYSTEM FOR PROVISION OF TAXI SERVICES:

A. The City hereby adopts a contract-based system for provision of taxicab services. Only taxicab providers selected pursuant to a competitive request for proposals (RFP) process and who have entered into a department contract, as defined in Section 5.72.005, may operate taxicab services upon Salt Lake City streets.

B. —1. The Mayor shall determine the number of ~~Following the RFP procedure, at least two (2) and not more than four (4)~~ taxicab businesses that shall be awarded a department contract.

~~C. —2.~~ The Mayor shall determine the total number of taxicabs authorized to operate in the City under all such contracts ~~shall be at least two hundred (200) and not more than two hundred sixty-eight (268).~~

~~B. Existing certificates of public convenience and necessity issued by the City for taxicab services shall expire no sooner than one hundred eighty (180) days from the effective date of this ordinance. The City may elect, in the City's sole discretion, to continue the expiration date up to an additional one hundred eighty (180) days. Upon expiration, a pro rata refund of that portion of the certificate fee shall be given to those persons whose certificates have expired prior to the portion of the year remaining at the time of expiration.~~

~~5.72.170 FEES:~~

~~———No certificate shall continue in operation prior to the expiration as set forth in Section 5.72.165 unless the holder thereof has paid the annual business regulatory fee as set forth in Section 5.04.070 of this title, or its successor section, each year for each vehicle authorized under a certificate. Such fees shall be in addition to any other fees or charges established by proper authority and applicable to the holder of the vehicle or vehicles under the holder's operation and control.~~

~~5.72.175 EXISTING HOLDERS' CERTIFICATES:~~

~~———All holders of existing taxicab certificates on the effective date of this ordinance shall retain such certificates, allowing them to operate the same number of vehicles as they are presently authorized to operate, without the hearing provided in this article, the public convenience and necessity having heretofore been demonstrated, until such certificate expires as provided in Section 5.72.165B of this chapter.~~

~~5.72.185: CERTIFICATE NOT A FRANCHISE AND NOT IRREVOCABLE:~~

~~—No certificate issued in accordance with this chapter, or its successor section, shall be construed to be either a franchise or irrevocable.~~

5.72.205: MANDATORY ADA ACCESSIBLE VEHICLE:

At least five (5) percent of the vehicle fleet of each taxicab concessionaire shall be available and equipped, consistent with requirements of the Americans with Disabilities Act (ADA), for the use and convenience of persons with disabilities.

Article III. Taximeters

5.72.305: TAXIMETER REQUIRED

- A. All taxicabs shall be equipped with taximeters approved by the department.
- B. It is a violation for any person to operate or to allow to be operated any taxicab without an operative taximeter.
- C. All taximeters shall be mounted in locations approved by the department.
- D. All taximeters shall be tested and sealed by the department every six (6) months; and after a rate change. and no taximeter may be used without such seal being in place.
- E. Nothing that could shield or conceal the indications and metered fare of the taximeter from passengers may be placed so as to block the face of the taximeter.
- F. Taximeters shall have illuminated faces so as to provide visible indications of the meters status and fare to the passenger in low light or after sundown.
- G. Upon the completion of the service by the taxicab, it shall be the duty of the driver to call the attention of the passenger to the amount registered and to clear the taximeter of all fare indications so as to start at zero dollars (\$0) upon the next fare.
- H. Except as otherwise provided herein, it is a violation for any driver of a taxicab or taxicab business to charge a fare other than as calculated by the taximeter.

I. It is a violation for any driver of a taxicab or taxicab business to charge any extra that is not approved by the department, calculated by the taximeter, and which is not applicable to the current fare.

J. A top light shall be installed on every licensed taxicab. The top light shall be illuminated when a taxicab is available for hire and shall not be illuminated when the taximeter is placed into hire.

5.72.355: TAXIMETER INSPECTIONS; RECORD KEEPING:

A. The department shall keep a record of the identification of every taxicab meter number and date of inspection thereof in its office.

B. The department shall inspect, test, and seal every operational taximeter at least every six (6) months. Additionally, the department may inspect and test any taximeter upon receipt of a complaint regarding the operations or accuracy of a taximeter.

C. In the event a change in rates is made, the taximeter shall be adjusted to the new rates, and the taximeter of every taxicab in which a meter has been installed shall be immediately inspected, tested, and sealed by the department. A fee to recover costs of the meter inspection shall be charged by the department for each meter reprogrammed and sealed.

D. No taximeter which is inaccurate in registration in excess of one and one-half percent ($1\frac{1}{2}\%$) shall be allowed to operate in any taxicab, and when an inaccuracy is discovered, such taxicab involved shall immediately cease operation and be kept out of operation until the meter is repaired and in proper working condition.

E. No owner, driver or business shall perform or permit or allow any alterations to a taxicab that will affect the taximeter pulse setting without said taximeter being inspected and recertified by the department. Said alterations shall include, but are not limited to, transmission

replacement or remanufacturing, differential replacement or remanufacturing, speedometer cable replacement, speed sensor replacement, repair or replacement of the taxicab's onboard computer, or change of tire size on the drive axle.

Article IV. Rates

5.72.405: RATES:

A. The rates charged by a ground transportation company for taxicab service shall be set by the City Council. The department shall review submittals by taxicab companies for taxicab rates and the department director shall recommend to the City Council the rate structure and extras allowed to be charged for taxicab service.

1. Unless otherwise provided for in a department contract, each taxicab business may file with the department periodically, but no more often than every three (3)~~six (6)~~ months, a statement regarding the adequacy of the existing maximum rates. Said statement shall state whether, in the opinion of the person submitting the statement, the existing maximum rates are at an appropriate level, or whether such rates should be increased or decreased. If the statement indicates existing rates should be increased, the person submitting the statement shall supplement the statement with documentation in support of such increase, such as evidence of increased operating costs, insurance costs, costs of living, fares charged for competing ground transportation services, and any other relevant information.

2. Upon receipt of a statement regarding the adequacy of existing rates, the department director may authorize a temporary increase in rates, not to exceed six (6) months, to account for increased operating costs, insurance costs, costs of living, fares

charged for competing ground transportation services, or other factors documented in a rate statement.

3. If the department director authorizes a temporary rate increase, the statement and other information justifying the increase shall be submitted to the City Council for review and consideration of a permanent rate increase.

B. Every taxicab shall have printed on the outside of the cab, in a conspicuous place and of sufficient size, legibility, and in such manner as to be plainly visible to all prospective passengers, all rates and extras in effect for such taxicab. All such rates and extras shall also be posted on the inside of the taxicab in such a manner as to be plainly visible to all passengers.

C. No taxicab or taxicab business shall charge any fee or payment for the use of a taxicab within the City without the prior approval of the City Council or department director, as provided in this chapter.

D. The driver of any taxicab shall render to every passenger a receipt for the amount charged, on which shall be the name of the taxicab business, taxicab number, the date and time the fare was initiated and completed, the miles charged, extras added to the fare, and the total amount of meter reading or charges.

Article V. Service Regulations

5.72.455: GENERAL SERVICE REQUIREMENTS:

A. Taxicab companies shall maintain all service requirements set forth in a department contract and other requirements as provided by applicable law and department rules and regulations.

B. Taxicab services shall be available twenty-four (24) hours per day, seven (7) days per week.

C. Unless otherwise provided in a department contract, it is a violation for any taxicab business to refuse to accept a call for service to or from any point within the corporate limits of the City at any time when such business has available taxicabs, and it is a violation for any business to fail or refuse to provide all or any service required by this title.

D. Any driver employed to carry a passenger to a definite point shall take the most direct or expeditious route possible that will carry the passenger safely and expeditiously to his or her destination, unless otherwise directed by the passenger.

E. The Mayor or the Mayor's designee is authorized to establish Taxiopen stands in such place or places upon the streets of the City as the Mayor deems necessary for the use of taxicabs operated in the City. The Mayor shall not create an Taxiopen stand without taking into consideration the need for such stands by the taxicab industry, the convenience to the general public, and the recommendation of the City traffic engineer. The Mayor shall not create an Taxiopen stand where such stand would tend to create a traffic hazard.

F. TaxiOpen stands shall be used only by taxicab drivers and their boarding passengers, who shall use them on a first come, first served basis. The driver shall enter the open stand from the rear and shall advance forward as the taxicabs exit. Drivers shall stay within ten feet (10') of their taxicabs. Nothing in this chapter shall be construed to prevent a passenger from boarding the cab of his or her choice that is parked at any position in an Taxiopen stand. The Mayor or the Mayor's designee shall prescribe the maximum number of cabs that shall occupy such Taxiopen stands.

G. Private or other vehicles for hire, and persons not waiting for or boarding taxicabs shall not occupy any space upon the streets that has been established as an Taxiopen stand during any times specified by the Mayor or the Mayor's designee for use by taxicabs.

H. The driver of any taxicab shall remain in the driver's compartment or immediately adjacent to his or her vehicle at all times when such vehicle is upon the public street, except that, when necessary, a driver may be absent from his or her taxicab for not more than twenty (20) consecutive minutes; and provided further, that nothing herein contained shall be held to prohibit any driver from alighting to the street or sidewalk for the purpose of assisting passengers into or out of such vehicle or to load their baggage into the taxicab.

I. No driver shall permit more persons to be carried in a taxicab as passengers than the rated seating capacity rated by the vehicle manufacturer of his or her taxicab, Child seating shall be in accordance with Utah and federal law.

J. After a taxicab has been hired by a passenger or group of passengers, no driver shall permit any other person to occupy or ride in the taxicab without the consent of the original passenger or group.

K. No driver shall solicit passengers for a taxicab except when sitting in the driver's compartment of such taxicab, while standing within ten feet (10') of such taxicab, or at any authorized [Taxiopen](#) stand.

L. No driver shall refuse or neglect to convey any reasonably orderly person or persons, or their luggage upon request, unless previously engaged or unable or forbidden by the provisions of this chapter to do so. No driver shall refuse to transport a service animal accompanying a person or persons in the passenger compartment of the taxicab.

M. Any person may hail a taxicab for service within the City, except that in locations of an [Taxiopen](#) stand for taxicabs the person should proceed to the taxicab that is “headset” at the stand for service. However, nothing shall prohibit the person from hiring the taxicab of the person’s choice.

5.72.505: REQUIREMENT TO PROVIDE SERVICE TO HAILING PUBLIC:

It is a violation for any taxicab driver to pass by or refuse service to a person hailing a taxicab for service unless the taxicab being hailed is already in route to a dispatched fare, is already hired or is not in service.

5.72.530: ADVERTISING MATERIAL ON CABS PERMITTED:

In accordance with an applicable department contract, it shall be permitted for any person owning or operating a taxicab to allow advertising matter to be affixed to or installed in or on such taxicabs.

Article VIII. Enforcement and Penalties

5.72.705: DEPARTMENT AUTHORITY:

The department shall enforce the provisions of this chapter and govern the conduct of companies and drivers operating under this chapter. With the approval of the Mayor and upon notice to the City Council, the Department Director may waive or temporarily impose restrictions not addressed in this Chapter or Department Rules and Regulations if it is determined that circumstances in the City exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension or modification of ordinances is in the best interests of the City to address such circumstances.

5.72.805: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION VIOLATION:

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any concessionaire, driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of such provision by the ground transportation business or concessionaire under whose authority such driver or owner was operating at the time of the violation.

5.72.855: CIVIL PENALTIES AND ENFORCEMENT:

A. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violations of any provision of this title, department rules and regulations, or other applicable law.

B. The department may revoke, suspend, or deny renewal of an operator's badge, department automated vehicle identification tag or department inspection seal for violations of any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension, or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement and the ground transportation appeal committee determines that reinstatement is appropriate.

C. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag and department inspection seal.

D. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

ARTICLE II. AUTHORITY TO OPERATE		
5.72.155 (A,B)	\$1000.00	Authority to operate Taxicabs
5.72.205	\$1000.00	ADA vehicle service required
ARTICLE III. TAXIMETERS		
5.72.305 (A,B,D)	\$1000.00	Certified meter required
5.72.305 (G)	\$300.00	Clearing of metered Fare
5.72.305 (C,E,F,J)	\$100.00	Location, visibility & top light requirement
5.72.305 (H,I)	\$500.00	Passenger Fares
5.72.355 (D,E)	\$1000.00	Accuracy in calculation of Fares
ARTICLE IV RATES		
5.72.405 (C,E)	\$100.00	Posting of rates and receipt required <u>Rates</u>
5.72.405 (D)	\$1000.00	Charge of approved Fares only
ARTICLE V SERVICE REGULATIONS		
5.72.455 (A,B, C,G,I,L,H,K)	\$500.00	Violation of service requirements
5.72.455 (E,D,I,J)	\$300.00	Violation of service requirements
5.72.455 (E,F,G,H,J,K)	\$100.00	Violation of service requirements
5.72.505	\$500.00	Service to Hailing Person

5.72.890: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND

TRANSPORTATION VIOLATION:

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials, or approvals of a business license, operators' badge, department automated vehicle identification tags and department inspection seal shall be heard by the Salt Lake City Justice

Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense.

Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one (1) or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as he or she shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;

2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or

3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

5.72.900: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, such party may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by

the ground transportation appeal committee in accordance with the provisions of this chapter. If a preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2014.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2014
Published: _____

APPROVED AS TO FORM

Date: _____

SALT LAKE CITY ORDINANCE
No. _____ of 2010

(Motor vehicle operation at the Salt Lake City International Airport)

An ordinance amending Chapters 16.60 *Salt Lake City Code*, pertaining to motor vehicle operation at the Salt Lake City International Airport, to correspond with changes made in Chapters 5.71 and 5.72, *Salt Lake City Code*.

WHEREAS, the City Council has amended Chapters 5.71 and 5.72, *Salt Lake City Code*, pertaining to ground transportation and taxicabs; and

WHEREAS, the City Council has determined this ordinance corresponds with and supports amendments to Chapters 5.71 and 5.72, *Salt Lake City Code*; and

WHEREAS, after a duly noticed public hearing before the City Council, the Council has determined this ordinance is in the best interest of the City.

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah as follows:

SECTION 1. That Chapter 16.60, *Salt Lake City Code*, pertaining to motor vehicle operation at the Salt Lake City International Airport, be, and the same hereby is, amended to read as follows:

Chapter 16.60

MOTOR VEHICLE OPERATION

Article I. General Regulations

16.60.001: AUTHORITY TO ESTABLISH RULES AND REGULATIONS:

To the extent authorized by the provisions of this chapter and consistent with other applicable provisions of this code, the department director, under guidance and direction from the Mayor, may enter into contracts deemed necessary or desirable and may establish rules and regulations necessary to administer the provisions of this chapter and any security or operating requirements applicable to the Salt Lake City International Airport.

16.60.005: EXEMPTIONS FROM REQUIREMENTS OF THIS CHAPTER:

Vehicles licensed and operated by a government agency, a university or school district, the Utah Transit Authority, an ambulance service, and others, as may be designated in department rules and regulations, and others, as may be designated by the director, are exempt from the requirements of this chapter.

16.60.010: COMPLIANCE WITH STATE AND OTHER REGULATIONS:

A. No person shall operate a motor vehicle on the airport except in strict compliance with applicable laws of the state, City ordinances, and department rules and regulations.

B. No person or owner shall drive, or permit to be driven, stopped or parked on any street, parking lot, alleyway or driveway within the airport, any vehicle which is required under the laws of the state to be inspected and registered unless such vehicle has been inspected and registered, and has attached thereto in proper position a valid and unexpired certificate of inspection as required by the laws of the state.

C. All vehicles operated on airport property, including ramp areas, shall be maintained in a safe operating condition.

16.60.020: DRIVING ON LOADING AREAS; RESTRICTIONS:

A. Any motorized vehicle being used on the ramp as a service vehicle shall display the department-issued identification sticker. Each such vehicle shall also bear company identification visible from fifty feet (50') on both sides of the vehicle.

B. No person or vehicle is permitted in, on, or around any secured area, such as, but not limited to, any hangar, landing field, runway, apron or taxi strip, without prior permission from the department director.

C. Automobiles, trucks and other equipment (including airport maintenance and emergency vehicles) being driven on any landing area, runway, taxi strip, or apron shall display a standard checkered flag or flashing amber or red light, as appropriate, if operated during the nighttime, or, when applicable, be marked in accordance with Federal Aviation Administration regulations or as directed by the department director, and shall not be operated without prior permission of the control tower.

16.60.030: VEHICLE RAMP OPERATIONS:

A. Speed Limits: Motor vehicles shall be operated on established streets and roadways within the airport in strict compliance with speed limits posted on traffic signs. They shall also be maintained and operated in conformity with all motor vehicle regulations and laws of the state and City. Motor vehicles being operated on any passenger loading ramp, aircraft parking ramp, or in any area immediately adjacent to the terminals or hangars, shall be driven cautiously and at a safe and reasonable speed, but not to exceed twenty (20) miles per hour.

B. Use of Ramp Roadways: Vehicles shall only be operated within the limits of the designated painted roadways on the air operations areas, except as required to perform aircraft servicing and airfield inspections.

C. Traffic Markings on Paved Surfaces: Vehicle operators shall observe all traffic markings painted on pavement surfaces of the aircraft operations area.

D. Yield Right-of-Way To Aircraft: All vehicles shall yield right-of-way to any aircraft when the aircraft is under tow or has its engines operating. No vehicle shall proceed past such aircraft until the vehicle's progress will not impede the aircraft's movement. This section does not preclude the establishment of agreements to the contrary between the City and the Federal Aviation Administration.

16.60.040: COMMON CARRIERS:

No common carrier, vehicle for hire, or ground transportation vehicle shall load or unload passengers at the airport at any place or in any manner other than that designated by the department director.

16.60.050: ACCIDENTS TO BE REPORTED:

Any person involved in an accident resulting in personal injury or damage to property on the airport shall report such accident promptly to the office of the department director.

16.60.060: PROHIBITED VEHICLES AND ANIMALS:

No go-cart, motorbike, bicycle, house trailer, or similar vehicle, or horse, shall be permitted on any landing area, ramp, taxiway, or hangar area without approval of the department director, except for bicycles that are secured and delivered to an aircraft for transport, or motorcycles used for surface transportation in a hangar area.

16.60.065: PARKING AREAS:

A. Parking areas for motor vehicles shall be set aside for airport employees and the general public. No person shall park a motor vehicle or a trailer in any place on the airport other than those areas designated by the department director or as expressly set forth in this title. No person shall park a vehicle in an area designated as an employee parking lot unless such person has complied with all rules and regulations, and other requirements for employee parking as established by the department.

B. Tenants of T-hangars and shade hangars may park their motor vehicles in their own hangars when the aircraft is being flown or in front of their hangar if they are present. Service or delivery vehicles may park next to a tenant's hangar long enough for delivery. All others shall park in public lots.

C. No person shall park a motor vehicle on the airport in excess of seventy-two (72) consecutive hours unless it is parked in the public parking area or with the authorization of the airport.

D. No person shall park a motor vehicle in an area designated as a public parking lot unless such person pays the authorized rate for such parking lots. A schedule of parking rates shall be available in the airport Office of Finance and Administration.

16.60.067: PARKING VEHICLES:

No person shall park a vehicle on the airport other than in the manner and at locations indicated by posted traffic signs and markings. Each hour a vehicle remains parked in violation of this section shall be a separate offense.

16.60.070: IMPOUNDMENT AUTHORIZED WHEN:

Any vehicle parked in violation of department rules and regulations may be impounded or relocated by a certified peace officer. The owner thereof shall pay for the tow charge, regular parking fees, and other penalties and related charges.

16.60.075: PASSENGER COURTESY CARTS:

A. No person may operate any vehicle inside a City-owned building at the airport without proper authority. The owner of any such authorized vehicle shall install and maintain a speed governor on each such vehicle which will prevent the vehicle from exceeding five (5) miles per hour. Vehicles at all times shall be maintained in a safe operating condition. Any person operating such vehicle shall yield to pedestrians, not pass pedestrians unless there is enough space to leave an eighteen inch (18") clearance between vehicle and pedestrian, and otherwise operate the vehicle in a safe manner.

B. The department director may prohibit the operation of such vehicles at the Airport or limit their use at any time.

Article II. Ground Transportation Businesses

16.60.080: PURPOSE OF ARTICLE II PROVISIONS:

The provisions set out in this article are enacted for the purpose of:

A. Requiring persons who conduct business at the airport by providing ground transportation service to assist the City in defraying the expense of providing certain facilities and services provided for ground transportation vehicles and services using the airport, and to create an equitable assessment of fees for its use; and

B. Requiring such persons to adhere to department rules and regulations regarding the operation of ground transportation vehicles to ensure that such are conducted in a safe, efficient, and cost effective manner for the public benefit.

16.60.090: DEFINITIONS:

The following words and phrases, when used in this chapter, shall have the meanings defined and set forth in this section.

AIRPORT SHARED RIDE SERVICE: Ground transportation provided by an authorized ground transportation business contracted through the Department of Airports to provide on - demand shared ride service to and from the Salt Lake City International Airport.

AIRPORT SHARED RIDE VEHICLE: Any authorized ground transportation vehicle operating under contract with the Department of Airports to provide airport shared ride service.

AUTHORIZED GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle, which has a current, valid business license as required by the City and which:

A. Registers the business in accordance with the requirements established by the department, and

B. Is current with all fees or charges imposed by the Department or City.

AUTOMOBILE: Any motor vehicle with passenger seating for five (5) persons or less not including the driver.

BUS: Any motor vehicle with a seating capacity of twenty-five (25) passengers or more, not including the driver.

BUSINESS: A voluntary association legally formed and organized to carry on a business in Utah in the legal name of the association, including without limitation a corporation, limited liability company, partnership, or sole proprietorship.

CIVIL NOTICE: The written notice of a ground transportation violation.

COURTESY VEHICLE: Any motor vehicle regularly operated on Salt Lake City streets for transportation of customers and/or baggage without making a specific separate charge to the passenger for such transportation.

DEPARTMENT: The Salt Lake City Department of Airports.

DEPARTMENT AUTOMATED VEHICLE IDENTIFICATION (AVI) TAG: An electronic transponder used to identify vehicles and provide the department with vehicle data and billing information.

DEPARTMENT DIRECTOR: The director of the Salt Lake City Department of Airports.

DEPARTMENT INSPECTION SEAL: A sticker or seal issued by the department to signify that a ground transportation vehicle has passed the required department inspection. These department inspection seals are non-transferable and no ground transportation vehicle may be operated without such seal.

DEPARTMENT RULES AND REGULATIONS: Rules and regulations developed and adopted by the department director to govern ground transportation service and businesses at the airport.

FIXED SCHEDULE: Ground transportation service operating on a regular time schedule previously announced as to time of departure and arrival between the airport and definitely established and previously announced points along definitely established and previously announced routes regardless of whether there are passengers or freight to be carried.

GROUND TRANSPORTATION BUSINESS: Any business operating any ground transportation vehicle.

GROUND TRANSPORTATION SERVICE: The transportation of passengers by a ground transportation business.

GROUND TRANSPORTATION APPEAL COMMITTEE: A committee established by the department director to hear and rule on appeals, suspensions, and other matters related to ground transportation in and connected with the City.

GROUND TRANSPORTATION VEHICLE: Any motor vehicle used for the transportation of persons using Salt Lake City streets for commercial purposes regardless of whether a fee or fare is collected ~~_, which includes, but is not limited to, any airport shared ride vehicle, automobile, bus, courtesy vehicle, hotel vehicle, limousine, minibus, special transportation vehicle, specialty vehicle, taxicab, van, or trailer being towed by a ground transportation vehicle.~~

HOTEL VEHICLE: Any motor vehicle regularly operated by a ground transportation business under contract to or directly by a motel, hotel, or other lodging business to provide transportation of customers and/or baggage for the contracted establishment, for which transportation the

customer is charged a separate fee or fare, and which is subject to a contract filed with the department providing for operating the vehicle.

LIMOUSINE: Any vehicle described by its manufacturer or aftermarket manufacturer as a limousine or a luxury vehicle, ~~such as, but not limited to, a Cadillac Escalade, Chevrolet Suburban, Lincoln Town Car, or Mercedes-Benz,~~ with a driver furnished, who is dressed in professional business attire or a chauffeur's uniform. ~~A limousine may be deemed a hotel vehicle if the service provided is prearranged and minimum fare is charged as provided in this chapter.~~

MINIBUS: Any motor vehicle with a seating capacity of ~~sixteen~~ (16) to twenty-four (24) passengers, not including the driver.

ON-DEMAND AIRPORT SERVICE OR ON-DEMAND SERVICE: Transportation provided by an authorized ~~airport~~ ground transportation business which is not scheduled service nor prearranged service from the airport as defined in this section.

PREARRANGED SERVICE FROM THE AIRPORT: Transportation from the airport to points within the corporate limits of Salt Lake City provided by an authorized ground transportation business which is contracted for between such business and the person to be transported, or by an agent of the person, prior to the arrival of the person at the Salt Lake City International Airport. Prearranged service from the airport shall include airport ground transportation contracted for by an airline company on behalf of its own passengers whose regular air travel may have been disrupted in some manner. An agent may include a travel agent, family member, employee, business or meeting planner, but excludes an authorized ground transportation business. Prearranged service to the airport shall be provided on the same basis as permitted under Title 5, Chapter 5.71 of this code.

SCHEDULED SERVICE: Transportation provided by an authorized ground transportation business on a fixed schedule posted with the department in advance of such transportation.

TAXICAB: A motor vehicle ~~with a seating capacity of five (5) passengers or less, not including the driver, or a van with a passenger seating capacity of six (6) to twelve (12), not including the driver,~~ used in the on demand for hire transportation of passengers or baggage over the public streets and not operated over a fixed route or upon a fixed schedule, but which is subject for contract hire by persons desiring special trips from one point to another, as provided under Chapter 5.72 of this title, or its successor chapter, and authorized to operate in Salt Lake City by contract with the department.

TAXI STAND: A public place alongside the curb of a street, or elsewhere in the City, which has been designated by the Mayor or the Mayor's designee as reserved for the use of taxicabs available for hire by passengers, including places otherwise marked as freight zones or other parking restricted zones if designated for use of taxicabs during specified times.

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VAN: Any licensed motor vehicle other than those designated as a limousine with a passenger seating capacity of six (6) to twelve (12), not including the driver

VEHICLE OPERATOR'S BADGE or OPERATOR'S BADGE: An identification badge issued by the department to an individual to signify that the individual has met the requirements to operate a ground transportation vehicle.

16.60.095: BUSINESSES AUTHORIZED TO PROVIDE GROUND

TRANSPORTATION:

It shall be a violation to operate a ground transportation vehicle at the airport, unless such vehicle is part of is an authorized ground transportation business.

16.60.097: GROUND TRANSPORTATION DESTINATIONS:

A. All authorized ground transportation businesses may provide scheduled service or prearranged service from the airport.

B. Only authorized airport shared ride service vehicles, taxicabs, courtesy vehicles, and hotel vehicles may provide on-demand service at the airport [to points within Salt Lake City](#), except that courtesy vehicles and hotel vehicles may provide on-demand service only to and from the hotel, motel, or other lodging business with whom they hold a current contract for transportation services. The department director may waive these restrictions if the director determines that circumstances at the airport exist that create congestion, security concerns, emergency conditions, or other operational problems, and that a temporary suspension of this limitation is in the best interests of the City to address such circumstances.

C. All authorized ground transportation businesses may provide on-demand, scheduled service and prearranged service from the airport to destinations outside of the corporate limits of Salt Lake City.

16.60.100: PASSENGER PICK-UP ZONES:

All persons operating a ground transportation vehicle on the premises of the airport shall pick up passengers only in areas as designated by the department director. Ground transportation vehicles may occupy such area only for the period of time established by the department director.

16.60.110: COMMERCIAL CHARGES:

Commercial charges may be imposed by the City for the use of airport facilities and services. Any business located at, or doing business on, the airport shall pay all established fees applicable to such business.

16.60.120: GROUND TRANSPORTATION FEES REQUIRED:

No ground transportation vehicle or business shall use the airport's roadways or facilities without paying required fees established under Section 16.60.110 of this chapter.

16.60.130: PAYMENT OF FEES:

Payment of required fees shall be made in the manner prescribed by the department director consistent with department rules and regulations and applicable provisions of this code.

16.60.140: CITY ORDINANCES APPLICABLE TO AIRPORT:

All applicable ordinances set forth in the Salt Lake City Code, including without limitation Chapters 5.71 and 5.72 of Title 5 or their successors, shall apply to the airport. Pursuant to applicable provisions of this code, the department director may enter into contracts and establish rules and regulations for taxicab operations specific to the airport.

16.60.180: GROUND TRANSPORTATION BOOTHS:

There may be established within the terminal buildings at the airport one (1) or more ground transportation booths for the exclusive use of authorized ground transportation businesses to assist the public to arrange for transportation, including travel reservations and ticket sales. These booths may be made available to businesses in accordance with applicable contracts and/or department rules and regulations.

A. No authorized ground transportation business may solicit passengers at the airport except at a bona fide ground transportation booth established by the department director and operated by the authorized ground transportation business.

B. No person or business including any ground transportation business may contract for passenger meet and greet services on behalf of any ground transportation business without written permission of the department director.

C. In addition to civil penalties, any violation of these solicitation restrictions by any driver or representative of any authorized ground transportation business may result in such driver or business being barred from any further entry to an airport terminal as a driver or authorized ground transportation business employee.

D. No representative of any authorized ground transportation business shall transport baggage or cargo in behalf of a customer to or from the airport without documentation such as baggage claim tickets or transfer documents clearly indicating the authority of such representative to transport such baggage. Said representative shall produce such documentation for inspection upon request by an authorized official of the department.

16.60.190: STAGING AND PARKING OF GROUND TRANSPORTATION VEHICLES:

Any use of a staging area, parking facilities, taxi stands, parking areas, traffic lanes or other areas and facilities used by authorized ground transportation vehicles are subject to department rules and regulations.

16.60.200: SIGNS:

Signs may be posted at the airport by authorized ground transportation businesses if such signs are in accordance with applicable City ordinances, department contracts, department rules and regulations, and have been approved by the department director.

SECTION 2. That Chapter 16.64, *Salt Lake City Code*, pertaining to violations, penalties, and enforcement at the Salt Lake City International Airport be, and the same hereby is, amended to read as follows:

VIOLATION, PENALTY AND ENFORCEMENT

16.60.210: PROHIBITIVE NATURE OF REGULATIONS:

It is a violation for any person to do any act prohibited by law, to fail or refuse to do any act required by law, to operate any vehicle or aircraft in violation of any provisions of this title or department rules and regulations, or to operate any vehicle or aircraft unless such vehicle or aircraft is equipped and maintained as provided in this title or other applicable law.

16.60.220: REMOVAL AUTHORIZED WHEN:

Any person using airport property, operating any vehicle or handling any aircraft in violation of this title or other applicable law, or by refusing to comply therewith, may be removed or ejected from the airport, and may be deprived of the further use of the airport and its facilities for such length of time as may be deemed necessary by the department director to ensure the safeguarding of the same and the public and its interest therein.

16.60.230: VIOLATION; PENALTY:

Any person guilty of violating any provision of this title shall be deemed guilty of a class B misdemeanor, except the violation of certain sections of this Title 16 as set forth in Section 16.64.030 below, which shall constitute civil violations.

16.60.240: ISSUANCE OF A CIVIL NOTICE OF GROUND TRANSPORTATION VIOLATION:

A. Every notice issued under this chapter shall be issued in the form of a written civil notice and shall contain a statement that the named party may appeal the imposition of the penalty and provide information regarding how to appeal.

B. Any driver, vehicle owner, or authorized ground transportation business that violates any provision of this chapter may be named in a civil notice issued by the City. A violation of any provision of this chapter by any driver or vehicle owner shall also constitute a violation of

such provision by the ground transportation business under whose authority such driver or owner was operating at the time of the violation.

16.60.250: CIVIL PENALTIES AND ENFORCEMENT:

A. Any person in violation of this title, department rules and regulations, or other applicable law are subject to civil penalties and any other lawful action as may be taken by the department director to ensure the safe and effective operations of the airport.

B. The City may revoke, suspend, or deny renewal of a City business license to operate a ground transportation business for violation of any provision of this title, department rules and regulations, or other applicable law as provided under Chapter 5.02 of this code.

C. The department may revoke, suspend or deny renewal of an operator's badge, department automated vehicle identification tag, or department inspection seal for violation of any provision of this title, department rules and regulations, or other applicable law. The person or business affected may request, in writing filed with the department, an appeal hearing before the ground transportation appeal committee. Any such revocation, suspension or denial of renewal shall remain in effect until the party against whom such action is taken requests reinstatement, and the ground transportation appeal committee determines that reinstatement is appropriate.

D. If any named party fails to comply with civil penalties imposed under this chapter, such party may be subject to suspension, revocation, or nonrenewal of a City license to operate a ground transportation business, operator's badge, department automated vehicle identification tag and department inspection seal.

E. Civil penalties may be imposed as set forth below. The named party in the civil notice shall be liable for a civil penalty. Any penalty assessed in connection with this section may be in addition to any other penalty that may be imposed by law or department rules and regulations.

F. Violations of the following ordinances shall constitute civil violations and be subject to the following penalties:

CODE	AMOUNT OF PENALTY	VIOLATION
ARTICLE I GENERAL REGULATIONS		
16.60.010	\$500.00	Vehicle operations on airport
16.60.020	\$1000.00	Secured area vehicle operations
16.60.030	\$1000.00	Ramp area vehicle operations
16.60.040	\$200.00	Unauthorized passenger load/unload
16.60.050	\$1000.00	Failure to report accident
16.60.060	\$1000.00	Prohibited vehicle in secure area
16.60.065	\$200.00	Parking area restrictions/failure to pay fees
16.60.067	\$100.00	Parking violation posted signs
16.60.075	\$500.00	Courtesy cart operations
ARTICLE II GROUND TRANSPORTATION BUSINESSES		
16.60.095	\$1000.00	Unauthorized ground transportation vehicle
16.60.097	\$500.00	Unauthorized prearranged/on-demand transport
16.60.100	\$200.00	Unauthorized passenger pick up
16.60.120	\$500.00	Failure to pay fees
16.60.180 (A,B,D)	\$500.00	Unauthorized solicitation or baggage transport
16.60.190	\$100.00	Unauthorized staging/use of grounds and facilities
16.60.200	\$500.00	Unauthorized posting of signs

**16.60.260: ENFORCEMENT PROCEDURES; CIVIL NOTICE OF GROUND
TRANSPORTATION VIOLATION:**

A. Civil notices under this chapter, other than those involving revocations, suspensions, denials or approvals of a business license, operators' badge, department automated vehicle

identification tags and department inspection seals shall be heard by the Salt Lake City Justice Court. Any named party may appear before a hearing officer and present and contest an alleged violation as provided in Title 2, Chapter 2.75 of this code, or its successor.

B. The burden to prove any defense shall be upon the person raising such defense.

Nothing herein shall affect the City's burden to prove each element of the underlying charge by a preponderance of evidence.

C. If the hearing officer finds that no violation of this chapter occurred, or that a violation occurred but one or more of the defenses set forth in this section is applicable, the hearing officer may dismiss the civil notice and release the named party from liability thereunder, or may reduce the penalty associated therewith as he or she shall determine. Such defenses are:

1. The civil notice does not contain the information required by this chapter;
2. Compliance with the subject ordinances would have presented an imminent and irreparable injury to persons or property; or
3. Such other mitigating circumstances as may be approved by the City Attorney's Office.

16.60.270: EXPEDITED APPEAL OF EXCLUSION:

Any named party who is excluded from pursuing commercial activities under this chapter, and has not had a hearing before the ground transportation appeal committee regarding such exclusion as provided for in this chapter, may request an expedited appeal of the action that resulted in such exclusion. Such appeal shall be requested in writing by the party so excluded to the department. The department shall promptly investigate the facts relating to such exclusion. If the evidence indicates such exclusion is improper under this chapter, the department director

may reverse the action that resulted in such exclusion. If the department director does not reverse such action, the action resulting in such exclusion shall be heard and determined by the ground transportation appeal committee in accordance with the provisions of this chapter. If a preponderance of the evidence indicates such exclusion is proper under this chapter the ground transportation hearing committee shall uphold such exclusion.

SECTION 3. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2010.

CHAIRPERSON

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

APPROVED AS TO FORM
Date: _____

Bill No. _____ of 2010
Published: _____

