



2017 Proposed Transportation Network Company (“TNC”) Ordinance (17-010-O)

**A BRIEF HIGHLIGHT OF KEY
PROVISIONS & COMPARISON WITH
EXISTING TAXI REGULATIONS.**

TNC Ordinance – Key Provisions

- ▶ **Stringent Driver Requirements - Driving Record - Criminal Background Checks**
- ▶ **Minimum Vehicle Standards/Inspections**
- ▶ **Insurance (State Law)**
- ▶ **City Audit Authority**
- ▶ **Complaint Investigation - License Suspension – Revocation**
- ▶ **Anti-discrimination policy**
- ▶ **Zero Tolerance Policy (Drug/Alcohol)**

Driver Requirements: Driving Record – Criminal Background Checks

- ▶ TNC conducts local and national criminal background check, multi-state driving record, sex offender registry
- ▶ Must be at least 19. No driver endorsed if:
 - More than 3 moving violations or 1 major violation (reckless driving, revoked license) w/in past 3 years;
 - DUI conviction, fraud, sex offense, acts of theft, violence or terror, use of vehicle for felony w/in past 7 years;
 - Sex offender
 - No driver's license, vehicle reg., auto insurance.

Vehicle Standards/Inspections

- ▶ Model 10 years or less, 150,000 miles or less;
- ▶ Distinctive trade dress;
- ▶ Clean, sanitary, free from damage, dents, defects/rust.
- ▶ Comply w/ all state and federal statutory requirements.
- ▶ Annual Inspection:
 - ASE-certified mechanic;
 - Inspection requirements/reports approved by DPD;
 - Frozen out of application for any “out-of-service” defects.

Insurance (Governed by MN Law - TNC Financial Responsibility, Minn. Stat. 65B.472)

- ▶ State law defines “TNC,” “TNC Driver,” “personal vehicle,” “prearranged ride,” and TNC “digital network”;
- ▶ (1) Driver engaged in “prearranged ride”:
 - \$1.5 million for death, injury, property damage, uninsured/underinsured coverage, state minimums.
- ▶ (2) Driver logged onto app, but no passenger:
 - \$100k injury to 2 or more; \$50k injury to 1; \$30k property; state minimum uninsured/underinsured.
- ▶ (3) Driver using as personal vehicle: State minimum ins.
- ▶ TNC must insure coverage; proof ins. carried at all times.

TNC Records/City Audit

- ▶ For minimum of 3 years, TNC must keep record of:
 - Inspection reports;
 - Driver or service complaints;
 - Trip records;
 - Insurance coverage;
- ▶ City can audit at any time.
- ▶ TNC must provide w/in 10 days records relating to specific complaints, investigations.

Enforcement

▶ Complaint Investigation (Sec. 47-68):

- CAO may direct TNC to investigate whether specific driver complaints or service-related issues can be resolved by immediately freezing drivers out of app;
- Complaint resolution report due w/in 10 days.

▶ TNC License Suspension/Revocation (Sec. 47-67):

- Hearing upon 5 days' notice of intent to suspend;
- Revocation for cause (any violation); appeal to Council.

▶ All other enforcement mechanisms apply (Sec. 47-69):

- ▶ Criminal citations; administrative actions; public nuisance.

TNC vs. TAXI – Key Differences

TNCs:

- ▶ Operating/Ownership Model
- ▶ Strict background checks
- ▶ Minimum vehicle standards
- ▶ Insurance
- ▶ Anti-discrimination Policy
- ▶ Zero Tolerance Policy
- ▶ Record/keeping, audit
- ▶ Enforcement

Taxis:

- ▶ Operating model/hardware.
- ▶ No background checks
- ▶ Cars 15 yrs or less (vs. 10), no mileage limit
- ▶ Lower insurance (250/500/100k)
- ▶ No anti-discrimination-zero tolerance policies
- ▶ Can accept street hails, use taxi stands.