



## Request for City Council Committee Action from Licenses and Consumer Services

**Date:** April 29, 2014

**To:** Council Member Lisa Goodman, Chair  
Community Development and Regulatory Services  
Committee

**Subject:** Ordinance Amendments for Taxicabs and Transportation  
Network Companies

**Recommendation:** That the Community Development and Regulatory  
Services Committee approve amending Chapter 341 of  
the Minneapolis Code of Ordinances related to Taxicabs;  
adding Chapter 343 to the Minneapolis Code of  
Ordinances related to Transportation Network Companies  
to license and regulate Transportation Network  
Companies in Minneapolis; adding an annual license fee,  
a para-transit surcharge fee, and an inspection fee to the  
License Fee Schedule; and adding violation fines to the  
Administrative Fine Schedule.

**Previous Directives:** None

### Department Information

Prepared by: Grant Wilson, Manager of Business Licenses, 673-3902

Approved by:

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Cathy Polasky, Director of Economic Policy and Development

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Grant Wilson, Manager of Business Licenses

Presenters in Committee: Grant Wilson

### Financial Impact

- No financial impact. The fees imposed by the proposed amendment have been established to provide cost recovery for staff management of the activity.

## **Community Impact**

- Neighborhood Notification: Public hearing notices were electronically sent to all taxi driver, taxi vehicle and taxi service company license holders; neighborhood organizations; business associations; and posted on the Business Licenses' website.
- City Goals: A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here.

## **Supporting Information**

Rapidly changing technology advances offer unimagined opportunities for entrepreneurs and the latest development to impact cities is the emerging for hire passenger service by transportation network companies (TNC). A smart phone enabled application (app) links a private citizen to a TNC endorsed driver who is operating his/her private vehicle. With fluctuating fares and fees, riders are transported to their requested destination. Public policy issues focus on the emerging definition of vehicles-for-hire as well as the regulations necessary to ensure safety, accountability, and equal opportunities for consumers.

Minneapolis regulates many varieties of vehicles-for-hire: taxicabs, pedicabs, and commercial pedal cars, for example. The state of Minnesota regulates limousines, black car services, and commercial busses. Local ordinances and state statutes provide strict definitions, vehicle inspection standards, safety requirements, proper insurance coverage, and minimum driver qualifications for each of these categories. Finally, standards are established and enforced to ensure universal accessibility and penalties for unlicensed operators.

Cities and states across the country are being forced to take action to regulate the transportation network companies as they have chosen to enter markets, including the Minneapolis market, without authority and have launched operations in violation of established laws that regulate small vehicle for hire transportation services. There are significant questions and concerns with respect to the insurance policies that are needed to serve the public interest during mishaps involving TNC vehicles.

City of Minneapolis staff from the Division of Licenses and Consumer Services along with regulatory staff from the City of St. Paul and the Metropolitan Airports Commission formed a regional task force over a year ago with a goal of synchronizing and streamlining taxicab regulations. Each of these jurisdictions has an elected policy maker to provide guidance to the team. This regional team has been studying the issues of transportation network companies for several months, met with TNC companies and traditional taxicab representatives, and prepared a model ordinance that could be used in all local jurisdictions.

The concept of this model ordinance is to require the least amount of regulation for the industry while ensuring that the public health and safety interests of the community are met. It is likely that the concepts used in this ordinance for TNC services can be also used to lighten the regulations for traditional taxicab services. The model ordinance contains the following highlighted provisions:

- Transportation Network Companies will be the license holder for all activity associated with their license application.
- TNC drivers will not be required to obtain an individual TNC driver license or a TNC vehicle license. The drivers and vehicles will be backgrounded and inspected by the TNC companies, and upon approval, will be then endorsed.
- License inspection staff will perform inspections and audits to ensure that the TNC services are adhering to the requirements of this chapter.

Currently, TNCs are not providing services to persons who need to be transported in a vehicle that can accommodate a rider in a wheelchair or other similar special service needs. The license fee schedule should be amended to require that TNC licensees pay an annual surcharge that can be used to provide incentives to other licensed para-transit providers.

Two requirements of this chapter have been intentionally left vague. These include the location and by whom the vehicle inspections will be conducted, and who will provide the vehicle driver training. The current ordinance language states that these two functions will be approved by the License Official. This allows for several options such as having the vehicle inspections conducted by a neutral government inspection center, private licensed repair garages, or at a facility operated by a TNC. A similar option exists with respect to TNC driver training programs.

The final consideration includes determining license fees which are best calculated on a cost recovery formula. Implementation includes creating application materials, writing enforcement policies and standard operating procedures and then managing compliance audits and enforcement.

Unlike taxicabs where we charge license fees for every driver, vehicle, and company, the current proposal will charge one fee for the company regardless of the number of vehicles and drivers they have. A comparison of fee structures from other jurisdictions includes the following:

California	\$ 25,000
Chicago	\$ 35,000
Colorado	\$107,000 for the first municipal license; \$71,000 for three municipal licenses; \$53,000 for four municipal license; and if a municipality has five or more TNC company licenses, the rate will be determined and split equally among the companies.
Seattle	\$ 50,000

Staff recommends that the license fee for TNC licensees be established at a level that initially provides for the hiring of one license inspector. This inspector can oversee the implementation of the program, process the initial applications, and conduct audits and enforcement as required by the program.

A full time License Inspector will be able to manage the expected three or four initial licensees as we anticipate that it will take about 45-50 hours per month to assist and monitor each company. Committing approximately 540 hours/year for

each company at the cost of one inspector, we will recoup our costs by charging \$35,000 per licensee as calculated below:

Hourly Rate	\$27.25
Factor for Active Time	0.80
"Working" Rate (27.25/8)*	\$34.06
Indirect Multiplier	2.00
Fully loaded hourly rate	\$68.13
Hours per month	45.00
Hours per year	540.00
<b>Annual Cost (540 x \$68.13)</b>	<b>\$ 36,787.50</b>

**Recommendation**

That the Community Development and Regulatory Services Committee approve amending Chapter 341, adding Chapter 343 to the Minneapolis Code of Ordinances to license and regulate Transportation Network Companies in Minneapolis, and adding the following to the License Fee Schedule and the Administrative Fine Schedule.

<b>License Fee Schedule</b>	
<b>License Type</b>	<b>Fee</b>
Transportation Network Company	\$35,000.00
Transportation Network Company Wheelchair Surcharge	\$10,000.00
Transportation Network Company Vehicle Inspection (per vehicle if done by the city)	\$135.00

<b>Administrative Fine Schedule</b>		
<b>Description of Violation</b>	<b>Code Citation</b>	<b>Fine</b>
Operate a TNC without a license	343.20	\$1000.00
Allow an unauthorized driver to operate	343.20(b)	\$500.00
Allow TNC driver to operate unauthorized vehicle	343.80	\$500.00
Operate as a TNC driver without authorization	343.120	\$250.00
Operate as a TNC driver in unauthorized vehicle	343.150(5)	\$250.00
Operate as a TNC driver w/o prearrangement	343.150(6)(e)	\$250.00

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**AN ORDINANCE  
of the  
CITY OF  
MINNEAPOLIS**

**By: Frey**

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**Amending Title 13, Chapter 341 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations: Taxicabs.**

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 341.10 of the above-entitled ordinance be amended to read as follows:

**341.10. Definitions.** Whenever used in this chapter the following words shall mean:

*Central business district:* The geographic area bounded by and including the Mississippi River southeasterly to Interstate 35; Interstate 35 southerly to Interstate 94; Interstate 94 westerly and northerly to Glenwood Avenue; Glenwood Avenue easterly to North Ninth Street; North Ninth Street northerly to Second Avenue North, and Second Avenue North to the Mississippi River.

*Committee:* The committee of the city council to which responsibility for licensing and consumer services may be assigned.

*Compensation:* Shall mean remuneration or anything of economic value that is provided, promised, or donated primarily in exchange for services rendered. This includes, but is not limited to voluntary donations, fee-sharing between a taxicab or transportation network company and an affiliated driver, and passenger, advertisement of a taxicab service company or transportation network company services.

*E-hail:* The use of any electronic device in any manner, including email, text message, push notification or application for the booking of, or request for, immediate or prearranged transportation services.

*Licensing official:* The licensing official designated by the director of community planning and economic development, who supervises the licensing and consumer services functions of the city.

*Limousine:* A luxury passenger automobile with a seating capacity for not more than twelve (12) people, excluding the driver, which does not have a meter, and has a chassis and wheelbase that has been stretched, or is a sedan that the manufacturer promotes as a luxury automobile. A limousine does not include a bus, a pickup truck, station wagon, taxicab, truck, van, multipurpose vehicle, or sport utility vehicle.

*Limousine service:* A service that is for-hire, is provided in a limousine, is not provided on a regular route, provides only prearranged pickup and charges more than a taxicab for a comparable trip.

*Motor carrier of passengers:* A person engaged in the for-hire transportation of passengers in vehicles designed to transport eight (8) or more persons, including the driver.

*Passenger:* An individual being transported for compensation in a taxicab or TNC vehicle.

*Rideshare:* The traveling of two or more persons by any mode of private passenger vehicle, including, but not limited to, carpooling, vanpooling, or bus pooling to any location incidental to another purpose of the driver for which compensation is neither accepted, collected, encouraged, promoted, or requested, and for which the primary purpose of the driver cannot be profit or revenue based.

*Service company:* The company, association, group or organization which, for each group of taxicab owners operating under a common color scheme or trade name, provides common services and facilities such as ~~radio~~ dispatching, E-hail services, color rights, advertising, telephone listings, maintenance, insurance, credit accounts, driver assignments, credit or debit card transaction processing, fare or compensation collection, and record keeping.

*Seven-county metropolitan area:* The counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, within the State of Minnesota.

*Taxicab:* Any motor vehicle, except a limousine, or licensed transportation network company endorsed vehicle, or motor carrier of passengers, ~~regularly~~ engaged in the business of carrying passengers for hire, including any form of compensation, having a seating capacity of seven (7) or fewer persons including the driver and not operated on a fixed route or schedule.

*Taxicab driver:* A person who operates a taxicab vehicle in accordance with this chapter.

*Taxicab driver's license:* A license granted in accordance with Article III of this chapter.

*Taxicab service:* The service of providing chauffeured taxicab vehicles for hire, including any form of compensation, for the transportation of passengers, excluding those services provided by a licensed TNC.

*Taxicab vehicle license:* A license granted in accordance with Article IV of this chapter.

*Taximeter:* An instrument or device attached to a vehicle and designed to measure mechanically the distance traveled by such vehicle, to record the time said vehicle travels or is in waiting and to indicate upon such record the fare to be charged.

*TNC:* Shall mean transportation network company.

*Transportation network service:* Is a prearranged transportation service offered or provided for compensation using an Internet-enabled application or digital platform to connect potential passengers with transportation network drivers. The term transportation network

service does not include a ridesharing arrangement as that term is defined in Minnesota Statute Chapter 169.011 subd. 65.

Trade dress: Shall mean the unique visual element associated with a transportation network company that is attached to a vehicle affiliated with a TNC so the public and passengers can identify the vehicle as being associated with that particular TNC. Trade dresses are mandatory and must be approved by the Director.

Transportation network company (TNC): Shall mean a person or entity affiliated with TNC drivers that provides application dispatch services via one unique application dispatch system to connect TNC drivers with passengers for the transport of passengers for compensation and meeting the licensing requirements specified in chapter 343 of this code.

Transportation network company (TNC) driver: Shall mean a for-hire driver affiliated with and endorsed to accept dispatched trips from a transportation network company, while operating either a for-hire vehicle or taxicab licensed under this chapter ("TNC licensed driver") or a personal vehicle with a TNC vehicle endorsement ("TNC endorsed driver"). For purposes of this chapter, at any time while a driver is active on the TNC dispatch system, the driver is considered a TNC driver.

Transportation network company (TNC) endorsed driver: Shall mean a for-hire driver affiliated with and accepting dispatched trips from a licensed transportation network company, while operating a personal vehicle with a TNC vehicle endorsement.

Transportation network company (TNC) vehicle: Shall mean a vehicle privately owned by the driver, endorsed by the TNC, and authorized to provide for hire services within their network.

Transportation network company (TNC) vehicle endorsement: Shall mean an endorsement for a personal vehicle that allows the endorsed TNC driver to use the endorsed vehicle to affiliate with a transportation network company to provide for hire transportation to passengers via an application dispatch system. The endorsement demonstrates that the vehicle has met the minimum operating requirements as set forth in Chapter 343 of this code.

Wheelchair accessible taxicab: A motor vehicle for hire, including any form of compensation, of a distinctive color or colors operated at rates per mile or upon a waiting-time basis, or both, which is a minivan or similar vehicle specially adapted for wheelchair users, which is also equipped with a taximeter, and which prioritizes requests for service from wheelchair users for purposes of transportation over and along the public streets, not over a defined route but, as to the route and destination, in accordance with and under the direction of the passenger or person hiring such vehicle.

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**AN ORDINANCE  
of the  
CITY OF  
MINNEAPOLIS**

**By: Frey**

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**Amending Title 13 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations, by adding a new Chapter 343 relating to Transportation Network Companies.**

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 343 to read as follows:

**CHAPTER 343. TRANSPORTATION NETWORK COMPANIES**

**343.10. Definitions.** Whenever used in this chapter the following words shall mean:

**Active on the TNC dispatch system** includes but is not limited to: when the driver is logged onto the transportation network company (TNC) application dispatch system showing that the driver is available to pick up passengers; when a passenger is in the vehicle; when TNC dispatch records show the vehicle is dispatched; or when the driver has accepted a dispatch and is enroute to provide transportation services to a passenger.

**Compensation:** Remuneration or anything of economic value that is provided, promised, or donated primarily in exchange for services rendered. This includes, but is not limited to voluntary donations, fee-sharing between a taxicab or transportation network company and an affiliated driver, and passenger, advertisement of a taxicab service company or transportation network company services.

**Department:** The city's Department of Licenses and Consumer Services.

**License:** A transportation network company license.

**License Official:** The city's Director of Community Planning and Economic Development or their designee.

**Licensee or transportation network licensee:** The holder of, or a person that is required to hold, a transportation network company license issued pursuant to this chapter.

**Operation of a transportation network vehicle or operating a transportation network vehicle:** Offering, making available, or using a transportation network vehicle to provide a transportation network service, including any time when a driver is logged onto the transportation network provider's Internet-enabled application or digital platform showing that the driver is available to pick up passengers; when a passenger is in the vehicle; when the

provider's dispatch records show that the vehicle is dispatched; or when the driver has accepted a dispatch and is enroute to provide a transportation network service to a passenger.

**Passenger:** An individual being transported for compensation in an authorized TNC vehicle.

**Place of business in the City of Minneapolis:** A location within twelve (12) miles of Minneapolis City Hall where (1) the city may send, and the licensee shall accept, notices of hearing or other notices from the city; and (2) the licensee maintains its business records relating to its license.

**Transportation network driver:** An individual affiliated with a transportation network company, authorized to transport passengers for compensation using an authorized transportation network company vehicle which is owned and registered to the driver.

**Prearranged transportation service:** A transportation service that is offered and accepted through a licensee's Internet-enabled application or digital platform before the transportation commences.

**Rideshare:** The traveling of two (2) or more persons by any mode of private passenger vehicle, including, but not limited to, carpooling, vanpooling, or bus pooling to any location incidental to another purpose of the driver for which compensation is neither accepted, collected, encouraged, promoted, or requested, and for which the primary purpose of the driver cannot be profit or revenue based.

**TNC:** Transportation network company

**Trade dress:** The unique visual element associated with a transportation network company that is attached to a vehicle affiliated with a TNC so the public and passengers can identify the vehicle as being associated with that particular TNC. Trade dresses are mandatory and must be approved by the Director.

**Transportation network company (TNC):** A person or entities affiliated with TNC drivers that provide application dispatch services via one unique application dispatch system to connect TNC drivers with passengers for the transport of passengers for compensation and meeting the licensing requirements of Section 341.900 and any other requirements under this chapter.

**Transportation network company (TNC) endorsed driver:** A for-hire driver affiliated with and accepting dispatched trips from a licensed transportation network company, while operating a personal vehicle he or she owns with a TNC vehicle endorsement. A TNC endorsed driver is someone who has been screened and approved by a licensed TNC company and meets the requirements of this chapter.

**Transportation network company (TNC) representative:** The person or persons that a transportation network company has authorized to:

- (1) File applications, rates and charges on behalf of the TNC;
- (2) Receive and accept all correspondence and notices from the City pertaining to the TNC, or to affiliated drivers operating within the TNC; and

- (3) Forward any correspondence, notices and/or legal process received by the TNC and intended for an affiliated driver operating within the TNC.

**Transportation network company (TNC) endorsed vehicle:** A privately owned vehicle endorsed by the affiliated TNC and authorized to provide for hire services within their network. A TNC endorsed vehicle has been inspected, and approved by a licensed TNC company representative, and meets the requirements of this chapter.

**Transportation network company (TNC) vehicle endorsement** means an endorsement for a personal vehicle that allows an endorsed TNC driver to use the endorsed vehicle to affiliate with a transportation network company to provide for hire transportation to passengers via an application dispatch system. The endorsement demonstrates that the vehicle has met the minimum operating requirements as set forth in this chapter.

**Transportation network service:** A prearranged transportation service offered or provided for compensation using an Internet-enabled application or digital platform to connect potential passengers with transportation network drivers. The term transportation network service does not include a ridesharing arrangement as that term is defined in Minnesota Statute Chapter 169.011 subd.(65).

**Wheelchair accessible transportation network vehicle:** A transportation network vehicle that a person in a wheelchair may enter and exit independently or with assistance while seated in a wheelchair. A wheelchair accessible transportation network vehicle shall safely secure and restrain the wheelchair, and shall comply with all applicable standards provided by law for wheelchair accessible vehicles.

**343.20 Transportation network company license required.** (a) No person shall engage in a transportation network service in the city without a transportation network company license issued pursuant to this Chapter.

(b) No vehicle shall be used as a transportation network vehicle in the city except by an endorsed driver affiliated with a transportation network company licensed pursuant to this chapter. Said vehicle shall at all times be in compliance with this chapter when it is being used by a driver active on the TNC network.

(c) A transportation network vehicle operated by a driver affiliated with a TNC not licensed by the City of Minneapolis may come into the city to discharge passengers whose trip originated outside of the city.

**343.30 Transportation network company license fee and license term.** (a) The annual fee for the issuance or renewal of a transportation network company license shall be as is listed in the license fee schedule. The license fee shall be paid as a precondition to issuance or renewal of the license.

(b) Except for the initial license period, a transportation network provider license shall be issued or renewed for a one-year license term starting on February 1<sup>st</sup> of each year.

(c) A transportation network company license is non-transferable.

**343.40 Transportation network company license application.** Application for the issuance or renewal of a transportation network company license shall be made in writing to the department

on a form provided by the department and signed and sworn to by the applicant or, if the applicant is a corporation, limited liability company, or partnership, by its authorized agent. Each application, in addition to any other information that the License Official may reasonably require in connection with issuance or renewal of a license, shall contain at a minimum:

(1) If the license applicant is an individual:

- a. The individual's full name, social security number, residence address, business address, business e-mail address and business telephone number;
- b. Proof that the applicant is at least 18 years of age;

(2) If the license applicant is a corporation:

- a. The corporate name, business address and telephone number of the applicant;
- b. The date and state of incorporation;
- c. The full names, titles, date of birth, residence addresses, e-mail addresses and residence telephone numbers of its corporate officers, and of those stockholders who own 25 percent or more of its voting shares, and of its authorized agent;
- d. Proof that all corporate officers are at least 18 years of age; and
- e. Proof that the corporation is in good standing under the laws of the State of Minnesota.

(3) If the license applicant is a partnership or limited liability company:

- a. The name, business address or principal office address and telephone number of the applicant;
- b. The full names, date of birth, residence addresses, e-mail addresses and residence telephone numbers of the three members who own the highest percentage interests in such partnership or limited liability company;
- c. The general partner of a partnership;
- d. The managing member of a limited liability company;
- e. The applicant's authorized agent, and
- f. Any other member who owns a twenty-five (25) percent or more interest therein;
- g. The full name, address, e-mail address and telephone number of a person authorized to receive notices issued pursuant to this chapter; and
- h. Proof that all persons, partners, managers, managing members and members, as applicable, are at least eighteen (18) years of age.

**343.50 Transportation network provider license, qualifications for license.** (a) In order to qualify for a transportation network company license, whether upon Initial application or upon application for renewal of a license:

- (1) An applicant shall be in compliance with all applicable city, State of Minnesota and federal laws;
- (2) An applicant shall have a place of business within twelve (12) miles of Minneapolis City Hall where records required by this chapter may be viewed and copied;
- (3) With respect to any corporate or limited liability company applicant, the company shall be organized, registered, or qualified to do business under the laws of the State of Minnesota;
- (4) The character and reputation of the applicant or its members, officers or directors, including, if applicable, the disciplinary record of the applicant, or of any officer or director of a corporate applicant, as a city license holder;
- (5) The applicant's ability to provide lawful, safe, suitable and comfortable service and the applicant's ability to engage qualified transportation network company drivers and eligible transportation network company vehicles;
- (6) The applicant's ability to maintain mandated insurance for the payment of personal injury, death, property damage, and other insurable claims;
- (7) The applicant's financial ability to pay all judgments and awards which may be rendered for any cause arising out of the operation of a transportation network provider business;

(b) No applicant is eligible for a license If any transportation network provider license held by the applicant, or by any officer or director of a corporate applicant or partner of a partnership applicant, has been revoked within the previous five years, or if the applicant, or any officer or director of a corporate applicant or partner in a partnership applicant, within the five years immediately preceding the date of his application, has been either convicted, or in custody, under parole or under any other noncustodial supervision resulting from a conviction in a court of any jurisdiction for the commission of any felony or its equivalent under federal or other jurisdictional law.

**343.60 Transportation network provider license, investigation and issuance.** Upon receipt of an application for the issuance or renewal of a transportation network company license, the License Official and the Chief of Police may investigate the application for compliance with all applicable provisions of this Code, including but not limited to, the applicant's compliance or ability to comply with the license qualification requirements specified in this code.

**343.70 Transportation network company license, insurance required.** (a) Every licensee and transportation network driver shall comply with all applicable insurance requirements mandated by federal, state of Minnesota, and city laws, including an obligation to cover no-fault personal injury protection (PIP) to the minimum required of a private passenger automobile in the state of Minnesota.

(b) Each applicant for the Issuance or renewal of a transportation network company license shall provide proof that the applicant has commercial general liability insurance and commercial automobile liability insurance, issued by an Insurer authorized to insure in Minnesota, to secure payment by the applicant of any final judgment or settlement of any claim against the applicant,

the drivers, or employees of the applicant's transportation network provider business resulting from any occurrence arising out of or caused by the operation of a transportation network company vehicle while the driver is active on the TNC dispatch system. Such insurance shall be primary and noncontributory.

(c) Such insurance policies shall provide at least the following minimum coverage:

(1) commercial general liability insurance with limits of not less than one million (\$1,000,000.00) per occurrence, for bodily injury, personal injury, and property damage;

(2) commercial automobile liability insurance with a combined single limit for bodily injury and property damage of one million (\$1,000,000.00) per occurrence, covering liability resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle, including owned, hired, and non-owned vehicles.

(d) The insurance policies required in this section shall be:

(1) available to cover claims as specified in this section regardless of whether a driver maintains insurance adequate to cover any portion of the claim;

(2) disclosed on the licensee's Internet-enabled application and website, and;

(3) maintained in force at all times that the transportation network provider offers or provides transportation network service;

(4) in full force and effect for all TNC vehicles that are active on the TNC dispatch system.

(e) The existence of the insurance required by this section shall be disclosed in the transportation network company's terms of service, and any contractual hold harmless required in the company's Terms of Service will specifically not apply while in operation under the license required by this ordinance.

(f) No transportation network provider license shall be issued unless the applicant first provides certified copies of the insurance policies required in this section to the License Official.

(g) Any TNC driver shall provide to any authorized law enforcement officer or official city inspector, in addition to any applicable insurance, proof of the insurance policies required by this section.

**343.80 Transportation network vehicles ownership and standards.** (a) No licensee shall own, provide financing for the obtaining, leasing, or ownership of, or have a beneficial interest in transportation network vehicles.

(b) In addition to all other applicable legal requirements, it shall be unlawful for any person to operate or cause to be operated any transportation network vehicle unless such vehicle:

(1) has a manufacturer's rated seating capacity of seven (7) persons or less, including the transportation network driver;

(2) has at least four (4) doors and meets applicable Federal Motor Vehicle Safety Standards for vehicles of its size, type and proposed use;

- (3) Is a sedan, or light-duty vehicle. Including a minivan, sport utility vehicle, pickup truck, hatchback or convertible; and
- (4) Is not more than 10 model years of age from the current model year.
- (5) The licensee and the TNC driver shall be jointly and severally liable if the licensee permits the TNC driver to use a vehicle that does not meet the requirements for a transportation network vehicle.

**343.90 Transportation network vehicle inspections.** (a) Prior to using any transportation network vehicle, and annually thereafter, a licensee or a transportation network driver shall have the vehicle inspected at a facility approved by the License Official, and maintain complete documentation of such inspections in the vehicle at all times, and a written copy of such documentation shall be provided to the License Official upon request. To pass such inspection, a transportation network vehicle shall, at a minimum, be rust-free and damage free, and shall pass an inspection of vehicle components outlined by the License Official and identified on the official TNC vehicle inspection sheet. The cost of the vehicle inspection, if such inspection is conducted by a government operated facility, will be those fees listed in the license fee schedule.

(b) The licensee and the TNC driver shall be jointly and severally liable for any violation of this section.

**343.100 Transportation network vehicles, distinctive trade dress.** A transportation network company vehicle shall display, as approved by the License Official, a consistent and distinctive signage or emblem at all times while the driver is active on the TNC dispatch system. The distinctive signage or emblem shall be sufficiently large and color contrasted;

- (1) As to be readable during daylight hours at a distance of at least fifty (50) feet, and;
- (2) Reflective so as to be seen in darkness, and to identify that a particular vehicle is associated with a particular licensee.

Acceptable forms of distinctive signage include, but are not limited to, symbols or signs on vehicle doors, roofs, or grilles. Magnetic or other removable distinctive signage is acceptable. Licensees shall file an illustration of their distinctive trade dress with the License Official.

**343.110 Transportation network vehicles, commercial advertisements prohibited.**

No commercial advertisements, or lighting not installed by the original equipment manufacturer, shall be displayed on the exterior of any transportation network vehicle unless it is a component of the approved trade dress.

**343.120 Transportation network company driver requirements.** (a) No licensee shall engage any person as a transportation network driver unless the person:

- (1) Possess a valid Minnesota or Wisconsin driver's license.
- (2) Be a minimum of eighteen (18) years old.
- (3) Have a demonstrated ability to read, write and speak the English language.

- (4) Be clean in dress and person.
- (5) Possess a current D.O.T. medical card.
- (6) Shall have no felony convictions in the last five (5) years; shall have no non-traffic gross misdemeanor or misdemeanor convictions in the last three (3) years involving the use or threat of use of force, possession or sale of a controlled substance, prostitution, or indecent conduct. The License Official may grant an exception to the above provisions upon evidence that the offense is not related to the occupation of a TNC driver.
- (7) Shall have a driving record meeting the following standards:
  - a. No convictions in the last five (5) years for any of the following offenses involving injury or death; no convictions in the last three (3) years for any of the following offenses not involving injury or death:
    1. Hit and run; driving under the influence of an alcoholic beverage or drug; Reckless or careless driving.
  - b. For original endorsement: No more than three (3) moving violations within the last three (3) years, and no more than two (2) moving violations in the last year.
  - c. For annual endorsement renewal: No more than four (4) moving violations within the last three (3) years and no more than two (2) moving violations in the last year.
- (8) Every new TNC driver applicant shall have at least one year's driving experience as a licensed driver, meeting the standards of this subsection. Such prior driving experience shall be verified by the TNC prior to endorsement as a TNC driver.
- (9) Have a demonstrated knowledge of the geography and street system of the City of Minneapolis and surrounding areas, as well as the location of major attractions within those areas.
- (10) Have a demonstrated knowledge of the provisions of this chapter relating to the conduct of TNC endorsed drivers.
- (11) Shall not have a physical or mental disability that would prevent the TNC driver from safely operating a TNC vehicle and performing the normal duties of an endorsed TNC driver.
- (12) For any driver seeking original TNC endorsement shall have successfully completed the TNC driver training course approved by the License Official.
- (13) Has not had a taxicab or commercial drivers license suspended, revoked or non-renewed by a city or state within the five (5) years immediately preceding his application to be a driver.
- (14) All licensees shall perform a criminal history record check pursuant to the procedures outlined in Minnesota Statute chapter 299C.67 (subd. 2) on each transportation network

driver applicant before endorsing such applicant. All licensees shall also obtain and review each transportation network driver applicant's driving record in all states where the applicant driver has held a driver's license in the past five years, before endorsing such driver.

- (15) One (1) year after the initial date of endorsement a driver, and annually thereafter, each licensee shall verify that the driver is still eligible to be a transportation network company driver by verifying that the driver meets all of the requirements specified in this section, including the driving and criminal background check requirements, and shall keep records of such verification for a period of three years and shall allow such records to be reviewed by law enforcement personnel and the License Official or his designee upon request.
- (16) If a licensee engages an ineligible driver or fails to annually ascertain the eligibility of each driver such licensee engages, the licensee shall be liable for the violation of this section and shall also be jointly and severally liable with the ineligible driver for any violation of this chapter by the ineligible driver.

**343.130 Transportation network driver, intoxicating substance policy.** (a) All licensees shall include on its website, mobile application and riders' receipts, a notice or information on the licensee's zero-tolerance policy for intoxicating substances and the methods to report a transportation network company driver whom the rider reasonably suspects was under the influence of drugs or alcohol during the ride. The website and mobile application shall include a phone number or mobile application call function and email address to report the zero-tolerance complaint.

**343.140 Driver identification card.** The licensee shall issue an identification card to drivers that such licensee engages. Such identification card shall have the name of the driver and a photograph attached to the identification card. Any transportation network driver shall wear the identification card at all times while operating a transportation network vehicle and are active on the TNC dispatch system, or this card may be electronically displayed to the passengers mobile device during a TNC ride.

**343.150 Operating regulations.** (a) In addition to all other applicable requirements provided by law, it shall be unlawful for any person:

- (1) Who is under the age of eighteen years to operate a transportation network vehicle;
- (2) To operate a transportation network vehicle while under the influence of alcoholic beverages or controlled substances, other than medication prescribed by a physician, provided that such prescribed medication does not warn that the user not operate machinery while taking the medication;
- (3) To operate, or cause to be operated, a transportation network vehicle in any area where the operation of such vehicle is prohibited by an applicable law;
- (4) To operate a transportation network vehicle within the city while not in possession of a valid driver's license issued by the State of Minnesota or Wisconsin and proof that the driver is the registered owner of the vehicle;
- (5) To operate, or cause to be operated, a transportation network vehicle that does not meet the requirements of Sections 343.80 and 343.90 of this chapter; or

(6) To transport or cause to be transported more than six passengers on any given ride in a vehicle, or to exceed the designed capacity of the vehicle.

(b) No transportation network company driver shall pick up or discharge a passenger on:

(1) Designated taxicab stands, no stopping or standing zones, or other restricted areas as outlined in Chapter 478 of this code.

(c) No person may possess an open beverage alcohol container while such person is operating or being transported by a transportation network company vehicle, nor may any person transport, carry, possess or have any beverage alcohol while being transported by a transportation network company vehicle, except in the original package with the seal unbroken.

(d) No licensee or transportation network company driver shall solicit potential passengers. Transportation network company vehicles may only be used to provide prearranged transportation service. For purposes of this subsection, the term "solicit" means an appeal by words or gestures for immediate patronage of a transportation network vehicle by a licensee or a transportation network driver upon the public way attempting to direct people to a transportation network vehicle that is parked, stopped, standing or moving upon the public way.

(e) No transportation network company driver shall accept or respond to passengers' or potential passengers' requests for service via traditional street hail, including hand gestures and verbal statements.

(f) No transportation network company vehicle shall be unlawfully parked on any public way for a time longer than is reasonably necessary to accept passengers in answer to a prearranged transportation service and no passenger shall be accepted except as provided in subsection (d) of this section.

(g) The Internet-enabled application or digital platform used by a licensee to connect drivers and passengers shall display for a passenger:

(1) the identification card of the transportation network driver;

(2) a picture of the transportation network vehicle the driver is approved to use, including the license plate number of the vehicle; and

(3) the city's 311 service center number the passenger may use to report complaints. In addition, any licensee shall make any information displayed in the licensee's Internet-enabled application or digital platform also available on such licensee's website.

(h) Any licensee shall clearly disclose, on the licensee's on-line enabled application or digital platform and website, that the licensee is a transportation network provider. Additionally, the disclosure shall state that each licensee is required to maintain Insurance policies as specified in Section 343.70 of this chapter.

(i) Any licensee shall provide proof of insurance documents required in Section 343.70 to each transportation network driver before the driver begins providing service and for as long as the driver remains available to provide service.

(j) Any licensee shall provide passengers an opportunity to indicate whether they require a wheelchair-accessible transportation network vehicle. If a licensee cannot provide a wheelchair-accessible transportation network vehicle, it shall direct the request to a licensed provider of such service. A license fee surcharge may be charged to all TNC's that do not provide wheelchair accessible transportation services. This license fee surcharge will be indicated on the license fee schedule.

(k) Any licensee shall have an affirmative duty to respond to requests for service and shall be responsible for the actions of any of its employees, transportation network drivers, or other person that reports to, or acts as an agent of, the licensee, for any failure to respond to a request for service.

(l) Any transportation network driver shall all times carry in the TNC vehicle proof of the insurance policies required in Section 343.70.

(m) Any terms or conditions in the agreement between the licensee and the transportation network driver, or between the licensee and any customer, that would act as a waiver of the licensee's liability to the driver, the customer, or to the public, are declared to be contrary to public policy, null, void and unenforceable.

(n) TNC drivers shall not:

(1) Provide false information to or refuse to obey or to comply with any lawful order or direction of the license inspector or any police officer, or traffic-control officer, nor shall any licensee use profane language or otherwise interfere with such officials while in the performance of their duties;

(2) Take a circuitous route to a destination, or any route other than the most direct route, without the express consent of the passenger;

(3) Drop a passenger at a location other than the location requested unless prohibited by law;

(4) Refuse to convey an orderly passenger;

(o) No TNC licensee shall disable, eliminate or otherwise prevent access to the TNC mobile application by the License Official or their designees for purposes of enforcing this chapter.

**343.160 Service charges and fare rates.** Licensees may charge compensation for service based on distance travelled and/or time elapsed during service, or a flat prearranged fare. The TNC application must require that the passenger positively acknowledge on the application device used to summons the TNC driver that they agree to the rate structure being charged for the trip requested. Upon completion of a prearranged ride, a TNC shall transmit to the rider an electronic receipt, either by electronic mail or via text message. The message shall document the point of origin and destination of the ride, the total distance and duration of the ride, the total fare paid including the base fare and any additional charges, and the driver's first name and telephone number.

**343.170 Records and reports.** (a) Every licensee shall keep accurate books and records of account of the licensee's operations at the licensee's place of business in the city for a minimum of three (3) years. Such records shall be submitted for inspection upon the request of the License Official.

(b) Each licensee shall provide the following data to License Official, at such times and in a format and manner prescribed by the License Official:

- (1) The number and percentage of the licensee's customers within the city who requested wheelchair accessible vehicles, and how often the licensee referred such customers to another service provider;
- (2) The number of rides requested and accepted by the licensee's drivers within each zip code within the city; and the number of rides that were requested but not accepted by the licensee within each zip code;
- (3) Information on any of the licensee's drivers who were alleged to have committed a violation of this chapter or their terms of service or who have been suspended or banned from driving for the licensee, including any zero-tolerance complaints and the outcome of the investigation into those complaints;
- (4) Information on any accident or other incident that involved the licensee's driver and that was reported to the licensee, the cause of the incident, and the amount paid, if any, for compensation to any party in each incident. The report will contain information as to the date of the incident, the time of the incident, and the amount that was paid pursuant to the driver's insurance policy, the licensee's insurance policy, or any other source. Also, the report will provide the total number of incidents involving the licensee's driver during the year;
- (5) The average and mean number of hours and miles each of the licensee's drivers spent driving for the licensee; and
- (6) Real-time tracking of the licensee's drivers and vehicles so as to determine whether or not a particular TNC driver was active on the application, enroute to a passenger location, or engaged with a passenger at a specific time and date. If specialized hardware or software is required for real-time tracking, the licensee shall provide the specialized hardware or software to the city.
- (7) Evidence that the TNC has complied with the background check requirements for all endorsed TNC drivers.

**343.180 License suspension or revocation.** (a) The License Official may seek all applicable penalties, including but not limited to fines, license conditions, license suspension, denial, and license revocation in addition to restitution or other equitable relief against any licensee that violates this chapter or any rules or regulations adopted pursuant to this chapter. Before any condition, suspension, revocation, or fine is imposed, or equitable relief is ordered, the licensee shall be notified of the specific charges against him and of his right to a hearing.

(b) Any person whose transportation network company license is revoked or denied under this chapter shall be ineligible to receive another transportation network company license under the same or a different name for a period of five years following revocation or denial.

(c) In addition to the powers authorized in this section, the City Council may suspend, revoke or non-renew a TNC license In accordance with other applicable sections of the Minneapolis Code of Ordinances, Minnesota Statutes, or Federal laws and rules.

**343.190 Violations and penalties.** (a) Any licensee who violates this chapter or any rule or regulation promulgated hereunder shall be subject to an administrative penalty as listed in the administrative fine schedule. Each day that any violation shall continue shall be deemed a separate and distinct offense.

(b) Any person other than a licensee who violates this chapter or any rule or regulation promulgated hereunder shall be subject to an administrative penalty as listed in the administrative fine schedule. Each day that any violation shall continue shall be deemed a separate and distinct offense.

**343.200 Enforcement, rules and regulations.** (a) Upon request, a driver shall display to law enforcement personnel or the License Official, or other person authorized to enforce this chapter, a physical or electronic record of a ride in progress sufficient to establish that it was a prearranged transportation service. To the extent that trip records are contained on electronic devices, drivers are not required to relinquish custody of the devices in order to make the required display.

(b) If a passenger files a complaint against a licensee or driver with the city, in addition to all other powers and remedies provided under this Code, the License Official or authorized staff shall have the right to inspect the licensee's records as necessary to investigate and resolve the complaint to the same extent the License Official and the License Official's authorized staff, and law enforcement personnel is permitted to inspect all other public passenger vehicles.

(c) The License Official is authorized to enforce this chapter, and to adopt rules and regulations for the proper administration and enforcement of this chapter.

(d) Any fees imposed pursuant to rules authorized by this chapter shall be reasonably related to the City's cost of administration, and shall be effective upon approval of the license fee schedule by City Council resolution.