

Memorandum



DATE June 10, 2016

TO Honorable Members of the Quality of Life & Environment Committee: Sandy Greyson (Chair),
Tiffinni A. Young (Vice Chair), Rickey D. Callahan, Mark Clayton, Philip T. Kingston, B. Adam McGough

SUBJECT Proposed Amendments to Chapter 47A – Transportation for Hire

This briefing memorandum provides an update on the regulation of transportation for hire and provides recommended changes to Chapter 47A.

The current Chapter 47A went into effect on April 30, 2015, redefining transportation for hire services as any ride for compensation, including motorized and non-motorized vehicles. It encouraged market competition by allowing new business models to operate, streamlined the permitting process and reduced fees. Different modes of transportation for hire companies can now compete directly against each other and consumers have a choice of what type of service to use. The regulations focus on issues that are important to the City, including:

- Driver qualification
- Vehicle safety and appearance
- Insurance
- Consumer choice
- Quality service

In order to provide transportation for hire service in Dallas, an operating authority, driver permit and vehicle permit are required under this ordinance. A driver permit and vehicle permit may be used under any or several operating authorities, as long as the operating authorities are valid and their insurance is in compliance with Chapter 47A.

At the same time, process improvements such as providing an online application for permits, distributing permits electronically, and using multiple outside vendors for vehicle inspection (currently 68 inspection sites), insurance, background and driving record checks have reduced the fees and the response time to process permit applications. Allowing newer business models to operate in Dallas and standardizing the regulation for all types of business models has increased the availability of transportation for hire services for Dallas customers. Following the introduction of this new ordinance, the total number of permits issued increased from 11,108 to 45,631 in the last year.

Proposed Amendments to Chapter 47A – Transportation for Hire
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The following proposed amendments to Chapter 47A are intended to further clarify and streamline regulations:

Potential Amendments	Staff Comments/Concerns
Prohibit ownership or control of vehicle inspection stations by a permitted TFH operating authority	Transportation-for-Hire companies with operating authorities have partnerships, agreements, or ownership in vehicle inspection stations in the city of Dallas.
Synchronize vehicle inspection due date with vehicle registration due dates	Allows for a vehicle inspection and state registration to be performed at the same location.
Require operating authorities that track vehicle location and availability electronically to provide real-time vehicle location and availability information to ground transportation tracking system	Real time information will provide the exact time, place, and event for Love Field Ground Transportation to determine fees and transportation-for-hire availability.
Clarify exception for DART vehicles	Transportation-for-Hire companies have paratransit contracts/agreements with DART to transfer Medicare/Medicaid patients to medical facilities.
Clarify exception for shuttles regulated by the state or federal governments	A clear distinction does not exist to regulate or not regulate transportation-for-hire companies that are regulated by state and federal authorities.
Clarify that an operating authority applicant must show that an insurance company has bound itself to provide the required insurance	Insurance companies submit information that they will cover an operating authority company but that doesn't necessarily mean they have bound themselves to provide the required insurance for the ordinance.
Clarify that an operating authority's insurer notifies the city in advance if there is a reduction in coverage	Eliminates transportation-for-hire companies from reducing coverage within a year while maintaining the same insurance policy until its expiration date.
Streamline 31 point inspection process	Reduction in time to conduct an inspection and eliminates loading a vehicle onto a lift.

An ordinance with these recommended changes will be presented for consideration in August, 2016.

Proposed Amendments to Chapter 47A – Transportation for Hire
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Please contact me if you have any questions or need additional information.



Joey Zapata
Assistant City Manager

c: Honorable Mayor and members of the City Council
A.C. Gonzalez, City Manager
Christopher D. Bowers, Interim City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Eric D. Campbell, Assistant City Manager
Mark McDaniel, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
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