

## **Ordinance**

**Amending Chapter 57 of the Corpus Christi Code of Ordinances to establish Article VI. - Transportation Network Companies; and providing for severance, publication, penalty, and an effective date**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CORPUS CHRISTI, TEXAS THAT:**

**SECTION 1.** Chapter 57 of the Corpus Christi Code of Ordinances is amended by adding Article VI – TRANSPORTATION NETWORK COMPANIES, as follows:

### **ARTICLE VI. - TRANSPORTATION NETWORK COMPANIES**

#### **Sec. 57--281. - Scope.**

The provisions of this chapter shall not apply to transportation which qualifies as ridesharing.

#### **Sec. 57-282. - Definitions.**

*Compensation* means any money, thing of value, payment, consideration, reward, tip, donation, gratuity, or profit paid to, accepted, or received by the driver or owner of any vehicle providing transportation for a person; whether paid upon solicitation, demand or contract, or voluntarily, or intended as a gratuity or donation. Reimbursement for the following is not compensation:

- (1) Tolls;
- (2) Vehicle operating costs in an amount that is equal to or less than the most current privately-owned vehicle mileage reimbursement rates established by the U.S. General Services Administration; and
- (3) Parking costs at the shared destination.

*Operation of a transportation network vehicle or operating a transportation network vehicle* means 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 company'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 company's dispatch records show that the vehicle is dispatched; or when the driver has accepted a dispatch and is enroute to provide transportation network service to a passenger.

*Permit* means a transportation network company permit.

*Ridesharing*, when describing conduct, means the travelling of two or more persons by any mode of private passenger vehicle, including, but not limited to, carpooling, vanpooling, buspooling, to any location incidental to another purpose of the driver, for which compensation is not accepted, collected, encouraged, promoted, or requested.

*Transportation network permittee or permittee* means the holder of, or a person that is required to hold, a current valid transportation network company permit issued pursuant to this chapter.

*Transportation network driver* means an individual affiliated with a transportation network company transporting passengers for compensation using a transportation network vehicle.

*Transportation network company or TNC* means a person that offers or provides a transportation network service.

*Transportation network service or service* means a prearranged transportation service offered or provided for compensation using an internet-enabled application or digital platform to send or transmit an electronic, radio or telephonic communication through the use of a portable or handheld device, monitor, smartphone, or other electronic device or unit that indicates the location of the passenger which information is then relayed by electronic, radio, or data communication of any type to a transportation network driver operating a transportation network vehicle.

*Transportation network vehicle* means any private passenger motor vehicle used to provide transportation network services. Specifically excluded from this definition are:

- (1) Vehicles used in connection with any phase of a funeral or funeral service;
- (2) Taxicabs, pedicabs, sightseeing and charter vehicles, limousines, and shuttles, permitted and licensed by the city; and
- (3) Vehicles operating under a contract with the city.

*Vehicle for hire driver's permit* means a current and valid vehicle for hire driver's permit issued pursuant to division 5 of article II of this chapter.

#### **Sec. 57-283. - Transportation network company permit required.**

- (a) No person shall operate a transportation network company in the city without a permit issued pursuant to this article.
- (b) It shall be unlawful for any TNC permitted, licensed, or authorized by another jurisdiction to initiate transportation network service within the corporate boundaries of the city without a permit issued pursuant to this article; provided however, a transportation network vehicle operated by a driver affiliated with a TNC permitted, licensed, or authorized by or in another jurisdiction may come into the city to discharge a passenger whose trip originated outside of the city.

#### **Sec. 57-284. - Transportation network company permit fee.**

- (a) The fee imposed for a permit issued pursuant to this article shall be in an amount equal to 2% of the annual gross receipts for the operation of each transportation network vehicle operated by each permittee.

- (b) The fee provided in subsection (a) of this section shall be paid to the city on a quarterly basis on or before the 10<sup>th</sup> day following the close of the calendar month for which the quarterly payment is calculated.
- (c) The initial payment shall cover the period beginning from the date the permit was issued to the permittee. Upon the submission of each quarterly payment, the permittee shall file with the taxicab inspector a financial report itemizing the components of the permittee's gross receipts for the payment period. All permittees shall utilize any forms promulgated by the taxicab inspector for the submission of the required financial reports and shall submit the financial reports in accordance with any instructions, rules, or regulations promulgated by the taxicab inspector.
- (d) Upon 10 days' notice to the permittee, the taxicab inspector shall have the right to inspect the permittee's records the taxicab inspector deems necessary and appropriate to determine that the permittee is in compliance with the requirements of this section.
- (e) The fees established in this section shall be payable in addition to any other applicable fees imposed by this Code or other ordinances of the city.

**Sec. 57-285. - Transportation network permit term.**

- (a) Permits shall be issued for a term of 1 year. Permittees desiring to have reissuance of their permit shall, at least 30 days prior to the expiration of the permit, file with the taxicab inspector a written application for a renewal of their permit. Except as otherwise expressly stated, renewals shall be subject to the same requirements set forth in this article for issuance of new permits.
- (b) A permit is specific to the permittee to whom it is issued and may not be transferred or otherwise assigned. Any change of ownership, partnership interests, corporate officer or director as shown on the permit application shall render a permit void, unless an application for an amendment is filed within ten days following the effective date of the change. The taxicab inspector shall promulgate procedures for the processing of amendments and may suspend the permit pending the completion of the processing if any additional person who has acquired an interest in the business is determined to have been convicted of an offense listed in section 57-29 (1)(d) of this Code.
- (c) Each permit is nonexclusive, and no limits or restrictions shall exist upon the number of transportation network vehicles that may be operated provided that each must be operated pursuant to a permit and in accordance with all applicable requirements of this article.

**Sec. 57-286. - Transportation network company permit—Application.**

- (a) An application for a permit shall be submitted on forms to be furnished by the taxicab inspector, and the applicant shall furnish the following information with each

application, which shall be sworn to before a notary public or conform to minimum state law requirements for unsworn declarations:

- (1) The name and form of business under which the service will be operated (If a partnership or corporation, a copy of the partnership agreement or articles of incorporation must be attached.);
  - (2) The name, phone number, mailing address, and street address (if different from the mailing address) of the applicant's agent for service of legal process (which information the applicant shall keep current);
  - (3) A schedule showing the model, manufacturer model year date, type, make, vehicle identification number, license plate number, and mileage of each motor vehicle, and a statement as to the legal ownership of each vehicle proposed to be placed into operation as a transportation network vehicle;
  - (4) Proof of current coverage of insurance as required in section 57-288 of this Code;
  - (5) A general description of the means and methodology used to charge passengers for vehicle for hire transportation services rendered;
  - (6) The proposed schedule of fares, rates, or other compensation to be charged by the applicant; and
  - (7) Any additional information as requested by the taxicab inspector.
- (b) If the applicant is a partnership or association, the partners or associates, or if the applicant is a corporation, each person who is either an officer or director shall be required to join in filing the application and all of the herein set forth provisions and requirements applicable to individual applicants shall apply to and be required of each such partner, associate, officer or director. Failure of any of the persons heretofore mentioned to meet such requirements shall be grounds to deny the application of the partnership, association or corporation.

**Sec. 57-287. - Transportation network company permit—Qualifications for permit.**

- (a) The taxicab inspector shall initially review each application for the issuance or amendment of a permit to determine whether the application is complete. If not, he shall return the application to the applicant with a statement of deficiencies.
- (b) The taxicab inspector shall review complete applications to determine whether the applicant has met all applicable requirements of this chapter and Code. In determining whether an applicant is qualified for a permit, or the renewal thereof, the taxicab inspector shall take into consideration whether:
  - (1) The application was filed with no material inaccuracies or omissions, provided that if the application as originally filed was substantially complete and in proper form, the taxicab inspector shall allow an applicant a reasonable opportunity to correct any minor inaccuracies or omissions if that can be accomplished without delaying the processing of applications;

- (2) The applicant and its principals are in compliance with the criminal history provisions of section 57-29 (1) (d) of this Code;
  - (3) The applicant is in compliance with all applicable city, State of Texas, and federal laws; and
  - (4) The applicant is in compliance with any other applicable requirement of this Code and other laws.
- (c) The taxicab inspector shall issue the permit if all applicable requirements of this chapter and Code have been met. If the taxicab inspector approves the permit, issuance shall be subject to compliance with this article, including, but not limited to, payment of any required fees, inspection of vehicles to be utilized, and submission of proof of insurance. A permit does not entitle the permittee to act as the driver of covered vehicles. A separate vehicle for hire driver's permit is required for that purpose as provided in section 57-290 of this Code.
- (d) Applicants who are determined to be unqualified shall be notified of the grounds asserted for that determination and may make a written demand upon the taxicab inspector for a hearing within ten days of receipt of notice that it is unqualified to receive a permit. The taxicab inspector shall conduct a hearing within 15 business days of receipt of a timely written demand for a hearing. If at such a hearing the applicant establishes through competent evidence that the determination that the applicant was unqualified to receive a permit was based upon incorrect findings, the taxicab inspector shall issue the permit. If at such a hearing the determination was found to have been based upon correct findings, the determination shall become final.

**Sec. 57-288. - Transportation network company permit—Insurance required.**

- (a) Every permittee and transportation network driver shall comply with all applicable insurance requirements mandated by federal, State of Texas, and city laws, including those articulated in Chapter 1954 of the Texas Insurance Code.

**Sec. 57-289. - Service charges and fare rates.**

All permittees shall display their fare rate and provide a fare rate estimator on the website, internet-enabled application, or digital platform used by the permittee to connect drivers and passengers.

**Sec. 57-290. - Transportation network drivers—vehicle for hire driver's permit required.**

It shall be unlawful for any person to operate a transportation network vehicle without a vehicle for hire driver's permit issued pursuant to division 5 of article II of this chapter.

**Sec. 57-291. - Transportation network driver hours of operation; duty to transport within the corporate limits.**

- (a) A transportation network driver shall not drive for more than 12 hours in any consecutive 24-hour period and a permittee shall not permit or cause a transportation network driver to drive a transportation network vehicle more than 12 hours in any consecutive 24-hour period.
- (b) A transportation network driver shall not refuse to transport a person to a requested destination located within the corporate limits of the city.

**Sec. 57-292. - Transportation network vehicles—Vehicle ownership and standards.**

- (a) No person shall operate or cause to be operated any transportation network vehicle in the city unless and until the vehicle meets all the terms and conditions of this article.
- (b) No permittee shall own or lease or provide financing for the ownership or leasing of any transportation network vehicle.
- (c) 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 the vehicle:
  - (1) Has at least 2 doors and meets applicable Federal Motor Vehicle Safety Standards for vehicles of its size, type, and proposed use; and
  - (2) Is a coupe, sedan, or light-duty vehicle, including a van, minivan, sport utility vehicle, pickup truck, hatchback or convertible.
- (d) No vehicle permitted or subject to a certificate of registration and operated as vehicle for hire pursuant to articles II through V of this chapter shall be operated as a transportation network vehicle.
- (e) The permittee and the permittee's driver shall be jointly and severally liable if the permittee causes or permits the transportation network driver to use a vehicle that does not meet the requirements for a transportation network vehicle.

**Sec. 57-293. - Transportation network vehicles—Age and mechanical condition.**

- (a) In addition to the provisions of section 57-294 of this Code, no transportation network driver or permittee shall drive or cause to be driven upon the streets of the city any transportation network vehicle that is more than 7 years old. For purposes of this requirement, a transportation network vehicle will be considered to be 7 years old on July 31st of the 7<sup>th</sup> year following the manufacturer's model year of the

vehicle, regardless of the purchase date or the date it was originally placed into service.

- (b) A transportation network driver or permittee may drive or cause to be driven, a transportation network vehicle for an additional 3 year period beyond the age limitations described in subsection (a), if the transportation network driver or permittee submits the vehicle for inspection each year at a location authorized and identified by the director prior to the expiration of the permit issued authorizing the operation of the transportation network vehicle.

**Sec. 57-294. - Transportation network vehicles—Inspections.**

- (a) Prior to using any transportation network vehicle, and annually thereafter, a permittee or transportation network driver shall have the vehicle inspected at a facility designated by the taxicab inspector, 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 taxicab inspector upon request. The inspection shall be made to determine that the transportation network vehicle is in a reasonably good state of repair, clean, and equipped and being operated in compliance with all requirements of this article. Inspections shall include, but not be limited to, the following items:

- (1) Foot brakes;
- (2) Parking brakes;
- (3) Steering mechanism;
- (4) Windshield;
- (5) Rear window and other glass;
- (6) Windshield wipers;
- (7) Headlights;
- (8) Tail lights;
- (9) Turn indicator lights;
- (10) Stop lights;
- (11) Front seat adjustment mechanism;
- (12) Doors (open, close, lock);
- (13) Horn;
- (14) Speedometer;
- (15) Bumpers;
- (16) Muffler and exhaust system;
- (17) Condition of tires, including tread depth;

- (18)Interior and exterior rear view mirrors;
  - (19)Safety belts for driver and passenger(s); and
  - (20)Heating, ventilation and air-conditioning systems.
- (b) Upon passing the inspection prescribed in subsection (a) of this section, the taxicab inspector shall issue one certification decal for the transportation network vehicle. The certification decal shall be attached and displayed at the place on the transportation network vehicle designated by the taxicab inspector. The permittee and the transportation network driver shall be jointly and severally liable for any violation of this section.

**Sec. 57-295. - Transportation network vehicles—Distinctive signage or emblem.**

- (a) In addition to the certification decal issued pursuant to section 57-294(b) of this Code, a transportation network vehicle shall display, as provided by rule, consistent and distinctive signage at all times while being operated as a transportation network vehicle. The distinctive signage shall be sufficiently large and color contrasted (i) as to be readable at a distance of at least 50 feet, and (ii) to identify a particular vehicle associated with a particular permittee. 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. Permittees shall file an illustration of their distinctive signage with the taxicab inspector for approval.
- (b) A transportation network vehicle shall display a consistent and distinctive emblem at all times while being used to provide vehicle for hire transportation services. The taxicab inspector is authorized to specify, by rule, the manner of display, method of issuance, design and contents of such emblem.

**Sec. 57-296. - Transportation network drivers—Additional operating requirements.**

- (a) In addition to all other applicable requirements provided by law, it shall be unlawful for any person:
- (1) To operate a transportation network vehicle within the city while not in possession of a valid Driver License; or
  - (2) To operate, or cause to be operated, a transportation network vehicle that does not meet all the applicable requirements of this chapter.
- (b) No transportation network driver shall pick up or discharge a passenger on any portion of Corpus Christi International Airport (CCIA) without proper authorization pursuant to chapter 9 of this Code. A transportation network driver carrying a passenger or passengers from CCIA shall pay to the city the airport use fee established from time to time by chapter 9 of this Code. Additionally, no transportation network driver shall pick up or discharge any passenger in any designated taxicab stands or loading zones.



- (c) It shall be unlawful for any permittee or transportation network driver to solicit potential passengers for vehicle for hire services at, in or near any passenger depot, hotel, airport, ship or ferry landing, bus stop or station, or upon any sidewalk or street or any other place in the city, or use any words or gestures that could be construed as soliciting a passenger for vehicle for hire transportation services.
- (d) It shall be unlawful for a transportation network driver to accept or respond to passengers' or potential passengers' requests for service via traditional street hail, including hand gestures and verbal statements. It shall be unlawful for a transportation network driver to provide his or her direct phone number or email address to passengers or potential passengers to enable requests for service. A TNC shall immediately notify the taxi inspector and provide any evidence in its possession if it obtains actual knowledge of any violation of this subsection.
- (e) It shall be the duty of each transportation network driver to pull his transportation network vehicle to the curb when loading or unloading passengers.
- (f) The permittee's internet enabled application or digital platform accessed by potential passengers shall display for the potential passenger: (1) a picture of the transportation network driver and (2) a picture of the transportation network vehicle the driver is approved to use, including the license plate number of the driver's transportation network vehicle. In addition, any permittee shall make any information displayed in the permittee's Internet-enabled application or digital platform also available on such permittee's website.
- (g) The permittee shall make available on the mobile application and the receipt provided to the passenger, the contact information for the permittee's customer service liaison, including, but not limited to, the liaison's name, phone number, and e-mail address.
- (h) Any permittee shall clearly disclose, on the permittee's on-line enabled application or digital platform and website, that the permittee is a TNC. Additionally, the disclosure shall state that each permittee is required to maintain insurance policies as specified in section 57-288 of this Code.
- (i) Any transportation network driver shall provide to any authorized law enforcement officer proof of the insurance policies required by this article in case of an accident involving a transportation network vehicle while operating a transportation network vehicle.
- (j) Any permittee shall provide passengers an opportunity to indicate whether they require a wheelchair-accessible vehicle. If a permittee cannot provide a wheelchair-accessible transportation network vehicle, it shall provide the prospective passenger with for hire transportation services in a manner consistent with section 57-137 of this Code.
- (k) Any permittee 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 permittee, for any failure to respond to a request for service.

- (l) All transportation network drivers operating a transportation network vehicle shall at all times: (1) carry proof of the insurance policies required in section 57-288 of this Code covering the vehicle; (2) carry an electronic or paper copy of the agreement or terms of service between the driver and the TNC; and (3) display the certification decal and distinctive signage or emblem required by this article. A transportation network driver shall log onto the transportation network company's internet-enabled application or digital platform showing that the driver is available to pick up passengers immediately upon entering his or her transportation network vehicle with the intent to provide service.
- (m) Upon request a transportation network driver shall display to the taxicab inspector, 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 an electronic device, a transportation network driver is not required to relinquish custody of the device in order to make the required display but must demonstrate to the taxicab inspector or other person authorized to enforce this chapter that the transportation network driver has in his possession proof of that the ride in progress is the result of a prearranged transportation service.
- (n) Any terms or conditions in the agreement between the permittee and transportation network driver, or between the permittee and any passenger, that would act as a waiver of the permittee's liability to the passenger or to the public, are declared to be contrary to public policy, null, void and unenforceable.

**SECTION 2.** If for any reason any section paragraph subdivision clause phrase word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction it shall not affect any other section paragraph subdivision clause phrase word or provision of this ordinance for it is the definite intent of this City Council that every section paragraph subdivision clause phrase word or provision hereof be given full force and effect for its purpose.

**SECTION 3.** Publication shall be made one time in the official publication of the City of Corpus Christi as required by the City Charter of the City of Corpus Christi.

**SECTION 4.** Penalties are as provided in Section 1-6 of the Code of Ordinances.

**SECTION 5.** This ordinance takes effect after official publication

That the foregoing ordinance was read for the first time and passed to its second reading on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

Nelda Martinez	_____	Brian Rosas	_____
Rudy Garza	_____	Lucy Rubio	_____
Chad Magill	_____	Mark Scott	_____
Colleen McIntyre	_____	Carolyn Vaughn	_____
Lillian Riojas	_____		

That the foregoing ordinance was read for the second time and passed finally on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

Nelda Martinez	_____	Brian Rosas	_____
Rudy Garza	_____	Lucy Rubio	_____
Chad Magill	_____	Mark Scott	_____
Colleen McIntyre	_____	Carolyn Vaughn	_____
Lillian Riojas	_____		

PASSED AND APPROVED, this the \_\_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Nelda Martinez  
Mayor