

## ORDINANCE 1398

### AN ORDINANCE AMENDING CITY OF VERMILLION CODE OF ORDINANCES TITLE XI, CHAPTER 114, SECTIONS 114.01 THROUGH 114.05, 114.08 AND 114.10 AMENDING THE REGULATIONS GOVERNING TRANSPORTATION NETWORK DRIVERS AND COMPANIES

**BE IT ORDAINED**, by the Governing Body of the City of Vermillion, South Dakota that sections 114.01 to 114.10 shall be amended to read as follows:

#### § 114.01 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**Digital Network.** Any online-enabled application, software, website, or system offered or utilized by a TNC-or taxicabs that enables the prearrangement of rides with a driver.

**Driver.** One who actually engages in driving a vehicle for hire.

**Operator.** A person, organization, company, or other entity engaged in operating a vehicle for hire business.

**Prearranged ride.** The provision of transportation by a driver to a rider, beginning when a driver accepts a rider's request for a ride through a digital network controlled by a TNC, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the TNC personal vehicle.

**Taxicab.** A motor vehicle for carrying passengers for hire, along nonprescribed routes, with a seating capacity of nine or less persons. The term taxicab shall not include funeral cars, ambulances, limousines, buses, wheelchair transport vehicles, paratransit, and stretcher transport.

**TNC.** Transportation Network Company entity that uses a digital network to connect passengers to TNC services and the drivers that use their TNC personal vehicle to provide vehicle-for-hire services. The TNC does not manage, own, or lease the personal vehicles of the drivers.

**TNC Driver.** A person who receives connections to TNC riders and related services from a TNC in exchange for payment of a fee to the TNC and who uses a TNC personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by TNC in return for compensation or payment of a fee.

**TNC Personal Vehicle.** A vehicle that is used by a TNC driver to provide a prearranged ride and is owned, leased, or otherwise authorized for use by the TNC driver.

**TNC Rider.** A person who uses a TNC's digital network to connect with a TNC driver who provides a prearranged ride to the person in the driver's TNC personal vehicle between points chosen by the

person.

**Vehicle for Hire.** Means any vehicle licensed under this chapter as taxicab or TNC personal vehicle.

**Wheelchair Transport Vehicles, Paratransit, and Stretcher Transport.** Means a motor vehicle-for-hire which carries wheelchairs, conducts paratransit, and transports stretcher passengers and their accompanying guests or care givers, with a seating capacity for 12 persons or less, not including the driver, not traveling any definite or prescribed route, operated by a driver, and carrying or accepting wheelchair, paratransit, or stretcher passengers and their accompanying guests or care givers, but shall not include licensed ambulance services. Such vehicles shall be equipped with straps to secure wheelchairs and stretchers and in the case of stretchers arranged so that the head of the passenger is visible to the driver.

#### **§ 114.02 LICENSE/APPLICATION REQUIRED TO OPERATE/AFFILIATE WITH A BUSINESS.**

(A) No person shall engage in the business of operating a taxicab(s) or vehicle-for-hire, upon the streets, without a license as required herein.

(B) Every person desiring a license to operate a taxicab business in the city shall make application in writing to the governing body. The application shall include the following information:

(1) Name of the taxicab or vehicle-for-hire service, the operator, and owner(s) of the taxicab vehicle(s).

(2) Description of the taxicab(s) vehicle(s) by make, model, VIN number, and license plate number, vehicle registration, name of owner(s) of the licensed vehicle, and a completed vehicle inspection form for each vehicle.

(3) Statement of previous experience in the business, if the applicant has not been licensed by the city previously.

(C) No person shall engage in the business of being a TNC affiliated driver, upon the streets, without an application as required herein.

(D) Every person desiring to be a TNC affiliated driver in the City shall make an application in writing to the City Manager. The application shall include the following information:

(1) Name of Transportation Network Company, TNC Driver, their TNC affiliation, and TNC recognized and approved Personal Vehicle(s).

(2) Description of recognized and approved TNC personal vehicle(s) by make, model, VIN number, and license number, state license number, name of owner of the licensed personal vehicle, and a completed vehicle inspection form for the personal vehicle as required in 114.04(B)(2).

(3) Statement of previous experience in the business, if the applicant has not applied with the city previously.

(E) Each recognized and approved TNC personal vehicle and driver must register individually.

(F) Each TNC affiliated driver who wishes to obtain a vehicle-for-hire driver's license must comply with 114.08 qualifications of applicant.

(G) Each TNC affiliated driver must provide sufficient evidence to the City Manager or designee that the driver has successfully passed a TNC's background check.

#### **§ 114.03 BUSINESS LICENSE FEE; EXPIRATION; REVOCATION.**

The taxicab business license fee required shall be set by resolution. The fee is nonrefundable, and shall be purchased yearly to operate a taxicab. The license shall expire on December 31 following its issuance. The license may be revoked, for cause, by the governing body.

#### **§ 114.04 TAXICAB LICENSE; ISSUANCE.**

(A) The governing body shall have discretion to approve or disapprove the taxicab business license application depending on whether the governing body deems the applicant a suitable person to hold the license.

(B) The governing body may issue the license if it is satisfied that the application demonstrates:

(1) The applicant is of good moral character.

(2) The vehicle(s) to be used have been inspected by a certified mechanic to show the taxicab(s) is thoroughly and carefully tested, and found to be in safe condition for transportation of passengers, is in good, clean condition, and is in compliance with all other applicable state and federal motor vehicle laws and standards. All vehicles being used must comply with the City of Vermillion's vehicle-for-hire inspection form.

(3) The applicant has indemnity and public liability insurance covering the operation of each vehicle to protect the operator against liability to passengers and third persons for personal injury suffered or sustained by them as a result of the operation of the vehicle. The policies will be in an amount set by resolution, but in no event less than the provisions prescribed by SDCL 32-40-9 to SDCL 32-40-23 inclusive. The liability insurance required shall be set by resolution.

#### **§ 114.05 DISPLAY OF BUSINESS LICENSE.**

Every driver of any taxicab licensed under this chapter shall exhibit a copy of the taxicab business license in the vehicle and have it available for inspection upon request, or be able to present a digital copy.

#### **§ 114.06 DISPLAY OF RATE CARD.**

(A) Every taxicab vehicle operated under this chapter shall have a rate card stating the fare rates displayed in such a place as to be in full view of all passengers. A current copy of the rate card shall be provided to the Finance Officer. No rates shall be charged other than those displayed on the rate card.

(B) TNC shall present fare calculation method on their digital network.

#### **§ 114.07 LICENSE REQUIRED OF VEHICLE-FOR-HIRE DRIVER(S).**

No person shall drive, or be engaged or employed in the business of driving, upon the public streets of the city, any vehicle-for-hire, without first having procured a license therefor from the City Manager or designee.

#### **§ 114.08 APPLICATION FOR VEHICLE-FOR-HIRE DRIVER'S LICENSE; QUALIFICATIONS OF APPLICANT; APPEAL FROM DECISION.**

(A) Each applicant, with the exception of TNC drivers pursuant to 114.10(F), must submit to, pay for, and provide an initial and annual FBI and DCI fingerprint background check to determine the applicant's suitability. Each new applicant shall make their own arrangements with a law enforcement agency to submit to the fingerprinting process when required. The applicant may be issued a conditional license pending the results of the background check.

(B) The City Manager or designee shall have discretion to approve or disapprove the application depending on whether the City Manager or designee deems the applicant a suitable person to hold the license. The City Manager or designee may issue the license if the City Manager or designee is satisfied that the applicant has demonstrated that the applicant:

- (1) Is at least 19 years of age;
- (2) Has never been diagnosed with epilepsy, heart problems, sleep apnea, vertigo or any other infirmity that could affect their ability to safely operate a motor vehicle;
- (3) Has not been convicted in the preceding seven years of a felony;
- (4) Has not been convicted or received judgments for more than three moving traffic violations in the preceding three years, or at least one violation involving reckless driving or driving on a suspended or revoked license in the preceding three years;
- (5) Has not been convicted in the preceding seven years of a misdemeanor involving:
  - a. resisting a law enforcement officer;
  - b. dishonesty
  - c. injury to a person;
  - d. operating a motor vehicle while intoxicated;
  - e. operating a motor vehicle in a manner that endangers a person;
  - f. operating a motor vehicle with a suspended or revoked driver license or
  - g. damage to the property of another person;
- (6) Has not been convicted more than once of operating a motor vehicle while

intoxicated in the preceding ten years;

(7) Has not been convicted of using, the possession of, or possession with intent to distribute any controlled drug or substance in the preceding seven years;

(8) Is not a match in the state or national sex offender registry;

(9) Has completed the TNC's local and national background check and driving record check;

(10) Possesses a valid state driver's license; and

(11) Possesses proof of valid vehicle registration and automobile liability for motor vehicles to provide vehicle for hire service.

(C) The applicant may appeal the decision of the City Manager to the Governing Body.

(D) The applicant and/or driver is required to notify the City Manager immediately if there are any changes regarding their ability to meet any of the conditions listed above. Failure to do so may result license revocation and/or nonrenewal.

#### **§ 114.09 FEE FOR VEHICLE-FOR-HIRE DRIVER'S LICENSE; EXPIRATION; REVOCATION.**

The fee for a license required by § 114.07 shall be a nonrefundable amount set by resolution, which shall be paid to the Finance Officer before issuance of the license. The license shall expire on December 31 following issuance. The license may be revoked by the City Manager or designee, for cause, with appeal to by the governing body.

#### **§ 114.10 REGULATIONS FOR TRANSPORTATION NETWORK COMPANIES.**

(A) A TNC driver shall not solicit or accept street hails.

(B) The TNC must provide all transaction options within their digital networks, and cannot receive cash for their services.

(C) The TNC digital network must provide to the customer a photo identification of the driver, a description of the TNC personal vehicle, and TNC personal vehicle's license plate number.

(D) The TNC must maintain records regarding trips of passengers for at least one year from the date the trip was provided. TNC driver must provide individual customer's records at least until the one-year anniversary of the date on which a TNC driver's customer relationship with the TNC has ended. The City may in its sole discretion inspect these records whenever crime or regulatory violation is alleged involving the TNC or the TNC driver. These records are to be maintained confidential to the extent possible.

(E) The TNC must comply with the indemnity and public liability insurance requirements

as established in 114.04(B)(3).

(F) The TNC shall have a third party conduct a City approved local and national criminal background check capable of ensuring compliance with SDCL 32-40-3 through SDCL 32-40-5 for each applicant prior to allowing an individual to accept trip requests.

(G) The TNC shall have a zero tolerance policy for drug and alcohol use by transportation network company drivers as required by SDCL 32-40-5. The TNC shall establish and enforce a zero tolerance policy for drug and alcohol use by TNC drivers during any period when a TNC driver is engaged in, or is logged into the TNC's digital network but is not engaged in, a prearranged ride. The policy shall include provisions for:

- (1) Investigations of alleged policy violations, and
- (2) Suspensions of TNC drivers under investigation.

(H) The TNC must provide a copy of its active South Dakota sales tax license to the City.

Dated at Vermillion, South Dakota this 19<sup>th</sup> day of February, 2019.

THE GOVERNING BODY OF THE CITY  
OF VERMILLION, SOUTH DAKOTA

By John E. Powell  
John E. (Jack) Powell, Mayor

ATTEST:

By Michael D. Carlson  
Michael D. Carlson, Finance Officer



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