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FINAL REPORT

TO: The Honorable Lori Boyer, Council President

FROM: Council Member Matt Schellenberg, Chair, Special Committee on Vehicles for Hire

RE: Final Report of the Special Committee on Vehicles for Hire

BACKGROUND: Ordinance 2013-554-E amended Chapter 220 (Vehicles for Hire) by creating a new definition for “Digital Dispatch Services,” and modifying the definitions of “Limousine” and “Pre-Arranged Contractual Carrier.” It also addressed online databases, insurance, inspections, permits, and other applicable items.

Ordinance 2014-665 was introduced on 10/14/14 and was subsequently substituted on 02/17/15 by the Rules Committee with no further action by any other committees. Ordinance 2015-127 was introduced on 02/10/2015, and was subsequently substituted by Council on 03/10/15.

CHARGE:

- 1) Review and assess pending Ordinance 2014-665 and pending Ordinance 2015-127 as substituted.**
- 2) Investigate legislation introduced or planned in the Florida Legislature to determine its potential impact on proposed ordinances related to Vehicles for Hire in Duval County.**

MEMBERS:

- Council Member Matt Schellenberg – Chair
- Council Member Doyle Carter
- Council Member John Crescimbeni
- Council Member Garrett Dennis
- Council Member Bill Gulliford

CONCLUSIONS / RECOMMENDATIONS:

Beginning with **Charge #2** (potential state legislation/regulations): The State Legislature has failed to provide guidance to the cities and counties, and taken no action regulating Transportation Network Companies (TNCs) or “vehicles for hire.” Therefore, it is incumbent upon cities and counties to enact regulations if they so desire. Although not taken up by the Florida Legislature, the potential state legislation that was put forth was thoroughly discussed and analyzed by the Special Committee on Vehicles for Hire.

As to **Charge #1**: After many months of investigation and deliberation, the Committee was not able to come to a consensus regarding best practices/regulations for “vehicles for hire”/TNCs. The Committee did acknowledge however that taxis are unnecessarily burdened with onerous regulations. There are three main aspects to taxi regulations: Inspections, background checks, and insurance.

- **Inspections:** We voted as a Committee to extend taxi vehicle inspections from once every 120 days, to once every year. However, it was discovered by the Committee that the inspections of taxis being completed by city maintenance are vague, subjective, and not in any way a guarantee of vehicle safety. The Committee discussed tightening the inspection requirements, not only for taxis but also TNCs; however the Committee could not come to a consensus. The Committee also discussed allowing both taxis and TNCs to be inspected by any authorized ASE (Automotive Service Excellence) mechanic, but again, the Committee could not come to a consensus.
- **Background Checks:** The Committee voted to change background checks for taxi drivers from once every 5 years to once every year. This is not burdensome as the taxi companies are already completing background checks annually.
- **Insurance:** The Committee suggested that taxis, rather than having blanket insurance policies that provide coverage 24 hours a day, 7 days a week, even when not in service or on call, should reduce coverage to apply only when the taxi is in service. This would provide cost savings to the taxi companies.

Transportation Network Companies (TNCs)/“vehicles for hire” are consumer-driven services that provide convenient, efficient, and cost effective options for Jacksonville’s citizens. These companies allow for an array of price-points and services, from offering rides and picking up/delivering items, to the more cost-effective car pooling, that have proven to be in high demand in our city. In addition to the affordable transportation options, TNCs provide well-paying and flexible jobs for drivers, many of which drive as a way to supplement their regular incomes.

As Chair of the Special Committee on Vehicles for Hire, and after spending over a year reviewing and analyzing all aspects of taxi companies and TNCs, my personal conclusion is that the taxi companies are overregulated, and the TNCs have done a good job at self-regulation and regulation by consumer. For instance, although not required by legislation, Uber and Lyft, two of the largest TNCs, already complete background checks, provide insurance, and require certain

vehicle standards. Both the occupant and the driver for these companies are always graded/reviewed following service. If the driver receives poor reviews, he/she could be barred from driving for that company. If an occupant receives bad reviews, he/she could be barred from using that company for transportation. TNCs do these things as it is in their best interest as service providers that want to maintain good reputations and better compete for market share.

The answer to onerous taxi regulations, which are inhibiting their ability to compete with TNCs, is not to legislative onerous regulations for TNCs. While it may benefit the taxi companies, it would not benefit the consumer, who would lose transportation options and pay higher prices for services. While the taxi companies would like the government to step in and quell their competition, this is not the government's role. The better option would be to reduce regulations on taxi companies and for taxi companies to better adapt and improve their services to meet the changing demands of their target market, accounting for today's technological advancements.

Matt Schellenberg
City Council, District #6