

First Reading: December 16, 2014
Second Reading: January 6, 2015

ORDINANCE NO. 12891

AN ORDINANCE TO AMEND PART II, CHATTANOOGA CITY CODE, CHAPTER 35, RELATIVE TO PASSENGER MOTOR VEHICLES FOR HIRE AND TRANSPORTATION NETWORK COMPANIES.

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Part II, Chattanooga City Code, Chapter 35, Articles I, II, III, VI, and VII, are amended by deleting the “Transportation Board” and “Transportation Inspector” and inserting in lieu thereof “Passenger Vehicle For Hire Board,” “PVH Board,” “Passenger Vehicle For Hire Inspector,” and “PVH Inspector” as appropriate for codification.

SECTION 2. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, is amended by deleting the section in its entirety and substituting in lieu thereof the following:

Sec. 35-17. Created; membership; term of office and compensation of members; votes required for action of the board.

There is hereby created a Passenger Vehicle For Hire Board (hereafter either “Passenger Vehicle For Hire Board” or “PVH Board.” The PVH Board shall consist of seven (7) members: Four (4) to be appointed by the Mayor; One (1) to be appointed by representatives from Districts 1, 2, and 3; One (1) to be appointed by representatives from Districts 4, 5, and 6; and One (1) to be appointed by representatives from Districts 7, 8, and 9. The terms of the members shall be three (3) years as designated at the time of appointment and until their successors are appointed. Whenever a vacancy occurs, the vacancy shall be filled for the unexpired term in the same manner as the original appointment. No person shall serve on the Board for more than two (2) consecutive complete terms. The four (4) current members of the PVH Board with unexpired terms shall continue to serve until their terms expire.

SECTION 3. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article II, Division 1, Section 35-21, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-21. Duties of chief of police and Transportation Department.

The chief of police and the Transportation Department shall advise the PVH Board when requested concerning those matters of public safety and proper traffic control.

SECTION 4. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Part II, Chattanooga City Code, Chapter 35, Article III, Section 35-22, is amended by adding the following definitions:

“Dispatch” means to operate a scheduling service in which requests for vehicles for hire are received by phone, in person, by the internet, or by any other voice, data or electronic communication, and vehicles for hire are scheduled or routed by relating information from the service to the vehicle for hire by radio or data device including, but not limited to, a device capable for any voice, data or electronic communication including cell phone, smart phone app, telephone land line, social media, e-mail, text message, radio, and sending a passenger vehicle for hire to transport a passenger by an authorized PVH Driver.

“Hailing a vehicle for hire” means to signal a request for immediate transportation service by a passenger using a raised hand gesture wanting to be picked up for transportation. No vehicle for hire, other than a taxicab, may service a hailing passenger request. Hailing request for a vehicle for hire does not apply to requests made for transportation by services operating only on pre-approved routes.

“Person” means any individual, partnership, corporation, association or public or private organization of any character.

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.

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

Vehicle for hire: Any person, firm, partnership, association or corporation engaged, as principal or agent, in the selling, offering for sale, negotiation for, soliciting by advertisement or otherwise, arranging as an intermediary or otherwise, or that holds such person or firm out as one who sells, provides, furnishes or arranges for, transportation for any person or persons over the streets, roads and public highways of the City of Chattanooga for a fare, donation, for free, or any fees or any form of remuneration or upon a share-expense plan or for fixed compensation, either in private or for hire motor vehicles or in the private motor vehicles of persons not motor carriers or contract haulers, an operator under an interstate permit or contract hauler's permit permitting the transportation of passengers over such highways between the points for which such transportation is sold or provided. Vehicle for hire does not apply to the transportation of children to and from school, the Chattanooga Area Regional Transit Authority, or courtesy vehicles. Vehicle for hire for purposes of regulation under this Chapter does not include any motor vehicle to the extent that such motor vehicle is regulated in a particular area by the Tennessee Department of Safety. Vehicles for hire include pedal carriages and rickshaws as modes of transportation-for-hire within entertainment, dining, scenic and/or historic areas of the center city and the use of electric personal assistive mobility devices or segways (EPAMDs) to transport passengers for hire.

SECTION 5. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-23, is amended adding deleting Subsection (13) and inserting the following appropriated designated Subsections:

- (16) Each vehicle for hire shall be equipped with the same number of operable seat belts as was installed on the vehicle at the time of its manufacture;
- (17) All taxis shall pass an annual Hamilton County emissions test and submit verification of the test results to the PVH Inspector or Board.

SECTION 6. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Subsection 35-24(a), is amended deleting said Subsection in its entirety and inserting in lieu thereof the following:

- (a) Each taxi shall bear on the outside of each front door, in painted letters, decal or other appropriate signage not less than four (4) inches nor more than six (6) inches in height, the name of the company and, in addition, may bear an identifying monogram or insignia. No vehicle covered by the terms of this article shall be licensed whose color scheme, identifying design, monogram or insignia to be used thereon shall in the opinion of the PVH Board conflict with or imitate any color scheme, identifying design, monogram or insignia used by a vehicle already operating under this article in such manner as to be misleading or tend to deceive or defraud the public. If, after a certificate of public convenience and necessity has been issued for a vehicle for hire under this article, the color

scheme, identifying design, monogram or insignia thereof is changed so as to be, in the opinion of the PVH Board, in conflict with or imitate any color scheme, identifying design, monogram or insignia used by any other person, owner or operator, in such manner as to be misleading or tend to deceive the public, the certificate of or certificate covering such taxicabs shall be suspended or revoked.

SECTION 7. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-25, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-25. Taximeters.

- (a) All vehicles for hire operated under the authority of this article as a taxi shall be equipped with taximeters fastened in front of the passengers, visible to them at all times day and night. After sundown, the face of the taximeter shall be illuminated. Taximeters required by this Section shall be operated by a device of standard design and construction, operated either from the transmission or from one of the front wheels by a flexible and permanently attached driving mechanism. Each taximeter shall denote when the vehicle is employed and when it is not employed. It shall be the duty of the driver to activate the taximeter into a recording position at the beginning of each trip and to deactivate such taximeter into a non-recording position at the termination of such trip.
- (b) Taximeters shall be subject to inspection from time to time by the PVH Inspector(s). The PVH Inspector or any police officer is hereby authorized, either on complaint of any person or without such complaint, to inspect any meter, and upon discovery of any inaccuracy therein, to notify the person operating such vehicle for hire to cease operation. Thereupon, such vehicle for hire shall be kept off the highways until the taximeter is repaired and in required working condition to the satisfaction of the PVH Inspector and certified by a taximeter company authorized to repair and certify taximeters. The provisions of this section shall not apply to a vehicle for hire that has been approved by the PVH Board to charge a fare or compensation on a contract basis without the use of a taximeter.
- (c) Taximeters shall be inspected, tested, certified and sealed annually by a taximeter company authorized to repair and certify taximeters.
- (d) It shall be unlawful for an unauthorized person to tamper with a taximeter.
- (e) It shall be unlawful to operate a passenger vehicle for hire that requires a taximeter in which the taximeter seal affixed thereto by a licensed taximeter company that has the seal been tampered with, broken or altered in any manner. A driver of a passenger vehicle for hire shall notify the registered owner to the motor vehicle, the holder of the Certificate of Convenience and Necessity and

PVH Inspector by telephone immediately by telephone or other media, and in writing within twenty-four (24) hours upon discovery of any of the following with respect to the following equipment:

- (1) Any material change to a taximeter in a vehicle for hire operated by the driver since the last inspection by the PVH Inspector; and
- (2) Any taximeter seal in the passenger vehicle for hire operated by the driver that has been removed or tampered with.

SECTION 8. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-26 is amended by deleting Subsections (a) (1) and (4) in their entirety and inserting in lieu thereof the following:

- (1) There is hereby established a maximum rate to be charged for taxicab service. The maximum charge for actuating the meter shall be no greater than two dollars and fifty cents (\$2.50). The maximum charge for each one-tenth (0.10) of a mile thereafter shall be no greater than twenty cents (\$0.20). The rate shall be subject to a performance review by the Office of the Mayor.
- (4) There will be an additional charge for waiting time which shall be up to a maximum of forty cents (\$0.40) for each one (1) minute of waiting.

SECTION 9. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-33, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-33. Cruising.

No driver or chauffeur of a vehicle for hire shall cruise in search of passengers, except in such areas and at such times as shall be designated by the PVH Board or Transportation Department. Such areas and times shall only be designated when the PVH Board finds that a vehicle for hire would not congest traffic or be dangerous to pedestrians and other vehicles.

SECTION 10. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-41, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-41. Duty to render service; central place of business required.

- (a) All persons engaged in the business of operating a passenger vehicle for hire as a taxi under the provisions of this Chapter shall render an overall service to the public desiring to use vehicles for hire. Vehicles for hire shall answer all calls received for service within the corporate limits of the City as soon as they can do so and if such services cannot be rendered within a reasonable time, the vehicle for hire shall notify the prospective passenger(s) how long it will take to before such call can be answered. Any holders of certificates of public convenience and necessity or privilege authorized by the PVH Board who shall refuse to accept a call for service shall be deemed a violator of the requirements of this Chapter and certificates of public convenience and necessity or privilege may be suspended or revoked.
- (b) Holders of certificates of public convenience and necessity shall maintain a central place of business. The central place of business may be used for the purpose of receiving and dispatching calls.

SECTION 11. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-45, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-45. Proof of financial responsibility of vehicles for hire required.

- (a) All vehicle for hire companies shall be required to show proof of liability insurance or a certificate of self-insurance issued pursuant to T.C.A. § 55-12-111 to the PVH Board for each motor vehicle engaged in the business of transporting passengers for hire and operated under their franchise. The holder of a certificate of public convenience and necessity shall immediately notify the PVH Inspector by telephone or other media, and in writing within twenty-four (24) hours if a liability insurance policy is canceled or terminated on a passenger vehicle for hire. A passenger vehicle for hire shall not be operated while the insurance is terminated or cancelled.
- (b) The insurance required by this section shall cover each vehicle for hire operated under their certificate of public convenience and necessity.
- (c) Failure to maintain the insurance required by this section shall be grounds for revocation of a holder's certificate.
- (d) All vehicles for hire must meet the insurance requirement of this section even if the privilege for a vehicle for hire is not in use or has been suspended by this board. If a vehicle for hire becomes inoperable for any reason other than suspension of the privilege and is not being used in the business of transporting

passengers for hire, including during the period of a Temporary Medical Exception as set forth in Section 35-59(c), the certificate holder shall notify the PVH Inspector in writing that the vehicle is inoperable and/or not in use and insurance will no longer be required after such written notice is given. The certificate holder shall keep an accurate list of all privileges for vehicles operating under the certificate holder's franchise or umbrella.

SECTION 12. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-48, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-48. Public hearing.

Upon the filing of an application for a certificate of public convenience and necessity and/or a request for additional privileges, the PVH Board shall fix a time and place for a public hearing thereon, to be not less than thirty (30) days after receipt of the application or request. Notice of such hearing shall be given to the applicant and to all persons to whom certificates of public convenience and necessity have been theretofore issued. Due notice shall be given the general public by posting a notice of such hearing in the morning and evening newspapers at least seven (7) days prior to the public hearing. Any person may file with the PVH Board a memorandum in support of or opposition to the issuance of a certificate of public convenience or a request for additional vehicle for hire permits. The PVH Board may call special meetings for the consideration of new certificates of public convenience and necessity and/or applications for new vehicle for hire permits. The PVH Board shall adopt procedures to govern the consideration of such applications.

SECTION 13. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-49, is amended by deleting said Section in its entirety and inserting in lieu thereof the following:

Sec. 35-49. Issuance.

- (a) If the PVH Board finds that further vehicle for hire service in Chattanooga is required for the public's convenience and necessity and that the applicant is fit, willing and able to perform such public transportation and to conform to the provisions of this article, the PVH Board shall issue a certificate, stating the name and address of the applicant, the number of vehicles authorized upon such certificate and the date of issuance; otherwise, the application shall be denied. Provided that should the application be incomplete, the PVH Board shall not issue a certificate of public convenience and necessity until any omissions are cured. Any material misrepresentation in the application shall be a basis for denial of a certificate of public convenience and necessity. If the applicant or any owner of the business having a ten percent (10%) or greater financial interest in the

business has been convicted of two (2) or more felonies within ten (10) years of the date of the application, the certificate shall be denied. If the applicant or any owner of the business having a ten percent (10%) or greater financial interest in the business has been convicted of a felony within ten (10) years, the certificate may be denied.

- (b) In making the above findings, the PVH Board shall take into consideration the numbers of vehicles for hire already in operation, whether existing transportation is adequate to meet the public need, the probable effect of increased service on local traffic conditions and the character, experience and responsibility of the applicant.
- (c) The PVH Board may place a cap on the number of privileges that may be authorized to operate under a Certificate of Public Convenience and Necessity. Permits for a vehicle for hire under this Chapter which are not regularly used shall not be renewed.
- (d) A certificate holder shall have thirty (30) days from the date a vehicle for hire is approved to make such vehicle for hire operational. Applicants shall have ninety (90) days following the approval of a certificate of public convenience and necessity to obtain and have inspected all vehicles for hire authorized by the PVH Board. If a vehicle for hire shall not be operated for sixty (60) or more days, the privilege for that vehicle for hire shall be revoked by the PVH Board unless the certificate holder notifies the PVH Board and obtains a replacement vehicle that is inspected and approved by the PVH Board Inspector or the PVH Board approves additional time with adequate justification.
- (e) The action of the PVH Board in issuing or denying such a certificate shall be final, except as it may be subject to review at law.

SECTION 14. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, is amended by adding the following new appropriately designated Section:

Sec 35-45.1 Immobilization and Impoundment of unauthorized passenger vehicles for hire.

- (a) A motor vehicle that is operated as a passenger vehicle for hire without a privilege or certificate of public convenience and necessity as required by this Chapter is subject to being ticketed, immobilized, or impounded all in accordance with the remedies established in this Chapter.
- (b) The PVH Inspector or police officer that orders the impoundment of a motor vehicle based upon its use in violation of this Chapter shall, within three (3) business days of impoundment a motor vehicle, issue notice to the registered owner of the motor vehicle that the motor vehicle has been impounded by the

PVH Inspector. The registered owner, or his agent, of the motor vehicle shall have a hearing before the PVH Board or in City Court within to request that the motor vehicle be released. If the registered owner of the motor vehicle waives their right to a hearing in writing within ten (10) days of the issuance of the notice by the PVH Inspector, the motor vehicle shall be deemed abandoned to have been and maybe disposed of as contemplated by law.

- (c) At each hearing requested pursuant to this section, the PVH Inspector shall have the burden of proving by a preponderance of the evidence that the impounded motor vehicle was used as a passenger vehicle for hire in violation of this Chapter.
- (d) If the determination of the PVH Board or City Court is favorable to the registered owner of the motor vehicle, the PVH Board or City Court shall order the release of the motor vehicle.
- (e) If the determination of the PVH Board or City Court is adverse to the registered owner of the motor vehicle, the PVH Board or City Court shall require the PVH Inspector to proceed to dispose of the motor vehicle subject to judicial review.
- (f) An appeal from the City Court or PVH Board's determination may be made to a court of competent jurisdiction as provided by law. If the court finds that the impoundment was not justified, the PVH Board and Inspector shall release the motor vehicle to the registered owner or registered owner's authorized representative.

SECTION 15. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article II, Division 1, Section 35-54, is amended by deleting Subsection (b) in its entirety and substituting in lieu thereof the following:

- (b) No person shall operate as a vehicle for hire or operate a motor vehicle to transport passengers for hire upon the streets, roads and public highways of Chattanooga, and no person who owns or controls a motor vehicle engaged in the business of transporting passengers for hire shall permit such motor vehicle to be so driven and no motor vehicle licensed by the PVH Board shall be so driven at any time for hire, unless the driver or chauffeur of such motor vehicle shall first obtain and shall have then in force a driver's permit issued under the provisions of this division or a chauffeurs' license.

SECTION 16. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, Article III, Division 1, Section 35-67 is amended by deleting said Section in its entirety and substituting in lieu thereof the following:

- (a) The PVH inspector may cause immediate suspension or revocation of a license, inspection sticker, or driver's permit issued pursuant to this Article under the following circumstances:
- (1) For violation(s) of any federal, state, or local law which would constitute grounds for denial of a driver's permit;
 - (2) For a driver's failure or refusal to comply with the requirements of this Chapter or related regulations or refusal to cooperate with reasonable requests made by an inspector investigating complaints or conducting the semiannual or periodic random inspections pursuant to the operating procedures of the PVH Board in the performance of his or her duties; or
 - (3) For serious violations of applicable ordinances or regulations when such action is deemed warranted by the PVH inspector for reasons of public health or safety. At the time of such action, the driver and/or certificate holder and/or privilege against whom such action is being taken shall be notified in writing of the manner in which a hearing on the matter may be requested.
 - (4) The suspension or revocation notice shall state that the driver may appeal the suspension or revocation to the PVH Board. The PVH Board may affirm, modify or reverse the PVH Inspector's suspension or revocation.
- (b) A privilege or certificate to provide ground transportation service may be suspended, revoked, or have an administrative penalty assessed against it for the following:
- (1) Failure to provide the accurate and complete information required on the annual or renewal application;
 - (2) Failure to have in force the state-issued certificate of authorization to operate a ground transportation service in the City;
 - (3) Failure to have in force the required liability insurance, indemnity bond or plan of self-insurance;
 - (4) Failure to pay any City tax, license fee, or any other type fee and/or tax required by law;
 - (5) Failure to satisfy any administrative sanctions or penalties imposed by the PVH Board; or
 - (6) Substantive or repetitive disregard of any City ordinances and applicable statutes and rules and regulations that specify certificate holders responsibilities and/or obligations.

- (c) All administrative orders of revocation, suspension, or administrative penalties shall be imposed and signed by the PVH Inspector.
- (d) A driver's permit is the property of the City, and when said permit is suspended or revoked, the driver shall immediately surrender the permit to the PVH Board or Inspector. Upon the request of the PVH Board, the certificate holder shall assist the PVH Board in gaining possession of a suspended or revoked driver's permit.
- (e) Point System.
 - (1) Each violation or penalty is assigned a certain number of points, according to the seriousness of the offense. The purpose of this point system is to establish a criterion whereby the discretion allowed in determining the penalty cannot be exercised arbitrarily, each permit, privilege and/or certificate holder will know or can determine his or her "point" status at any given time.
 - (2) After notice and a hearing before the PVH Board, points, convictions/violations for federal, state, and local laws suspensions or revocation shall be assessed or invoked based upon convictions and whether the conviction or violation are based on an administrative hearing, court of competent jurisdiction within the State of Tennessee or any other jurisdiction. Information regarding convictions may be secured from any official sources or records available to public or Departmental inspections. Upon the accumulation of twelve (12) points by any driver, privilege or certificate holder within a period of two (2) years, the PVH Board shall suspend the driver's permit or certificate for a period of six (6) months for the first such accumulation of twelve (12) points, one (1) year for the second such accumulation of twelve (12) points, and two (2) years for any subsequent accumulation of twelve (12) points within the two (2) year period.
 - (3) No person's rights under this Chapter will be suspended without first being given an opportunity to appeal the matter, unless the appeal rights have been voluntarily waived by the driver or certificate holder.

Administrative Warning = 1 Point
One Day Suspension = 3 Points
Two Days Suspension = 6 Points
Three Days Suspension = 9 Points
Four Days Suspension = 12 Points

- (4) The PVH Board may suspend or revoke a drivers' permit, privilege to operate a passenger vehicle for hire if the Board finds that it is necessary

to protect the health, morals, comfort, safety, convenience or welfare of the inhabitants of the city.

- (f) Each day of continued violation shall be considered a separate offense.
- (g) Each assessment of points shall expire two (2) years after such assessment. In no event shall points which have expired be used to calculate a driver or certificate holder's total points.

SECTION 17. BE IT FURTHER ORDAINED That Part II, Chattanooga City Code, Chapter 35, is amended by creating a new Article VIII appropriately codified as follows:

Sec. 35-283. Definitions

License means a transportation network “application” company license.

Inspector means the Passenger Vehicle for Hire Inspector assigned to the Chattanooga Police Department.

Transportation Network Application Company (“TNC”) shall mean a company operating in the City of Chattanooga that uses a digital network or software application to connect a passenger to Transportation Network Services provided by a Transportation Network Operator.

Transportation Network Operator (“TNC Operator”) shall mean an individual who operates a motor vehicle that is:

- (a) Owned, leased, or otherwise authorized for use by the individual;
- (b) Not licensed as a public vehicle-for-hire under Art. III et seq. of this Code of Ordinances; and
- (c) Used to provide Transportation Network Services.

Transportation Network Services (“TNS”) shall mean transportation of a passenger between points chosen by the passenger and that is prearranged by a transportation network application company. TNS shall begin when a TNC Operator accepts a request for transportation received through the TNC’s digital network or software application service, continue while the TNC Operator transports the passenger in the TNC Operator’s vehicle, and end when the passenger exits the TNC Operator’s vehicle.

Transportation network vehicle means any vehicle used to provide a transportation network service.

Vehicle age means the age of a vehicle computed by totaling the number of the years from the model year to the calendar year, including both. For example, a vehicle with a model year of 2009 has a vehicle age of 4 years in the 2012 calendar year (2009 + 2010 + 2011 + 2012).

Wheelchair-accessible transportation network vehicle means 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, shall have only side entries for passengers, and shall comply with all applicable standards provided by law for wheelchair-accessible vehicles, including standards specified by applicable ordinances and regulations adopted by the city.

Sec. 35-284. Transportation Network Application Company License – Required.

- (a) No person shall engage in, or provide, Transportation Network Services in the city without a License issued pursuant to this Article.
- (b) No vehicle shall be used as a transportation network vehicle in the city except by a driver affiliated with a TNC licensed pursuant to this chapter.
- (c) It shall be unlawful for any TNC licensed by another jurisdiction to provide a transportation network service within the corporate boundaries of the city, except where the passengers have as their destination the community in which such provider is licensed.

Sec. 35-285. Transportation Network Application Company License – Requirements; Fee.

- (a) In order to qualify for a transportation network provider license, whether upon initial application or upon application for renewal of a License, a TNC shall:
 - (1) Create an application process for a person to apply for registration as a TNC Operator;
 - (2) Maintain a current registry of the TNC Operators;
 - (3) Provide the following information on its website:
 - (A) The TNC's customer service telephone number and electronic mail address;
 - (B) The TNC's zero tolerance policy established under paragraph 4 of this section;
 - (C) The procedure for reporting a complaint about an individual who a passenger suspects violated the zero tolerance policy under paragraph 4 of this section; and

- (D) A complaint electronic mail address for the PVH Board for the City of Chattanooga;
- (4) Establish a zero tolerance policy on the use of drugs or alcohol while TNC Operator is arranging to provide or is providing transportation network services.
- (5) Immediately suspend a TNC Operator upon receiving a passenger complaint alleging that the operator violated the zero tolerance policy. Such suspension shall last the duration of the investigation.
- (6) Conduct an investigation when a passenger alleges that an operator violated the zero tolerance policy required by paragraph 4.
- (7) Require that TNC Operators do not discriminate against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age or sexual orientation/identity.
- (8) Require TNC Operators to comply with all applicable laws relating to accommodation of service animals.
- (9) Maintain records relevant to the requirements of this section for the purposes of enforcement.
- (10) Submit an application for a permit to the PVH Board for the City of Chattanooga that complies with Sec. 35-286.
- (11) A TNC shall not provide personal information about a passenger to a TNC Operator, including a passenger's full name, email address, or telephone number.
- (12) An applicant shall be in compliance with all applicable city, state, and federal law.
- (13) Provide for inspection to the City with the initial application and maintain a commercial liability insurance policy at all times that:
 - (A) Provides coverage of at least \$1,000,000 per incident for accidents involving a TNC Operator from the time the operator accepts a trip request until the completion of a trip, regardless of whether the operator maintains personal insurance adequate to cover any portion of a claim;

- (B) During the time that a TNC Operator is available for service but not providing service, provides additional bodily injury coverage of at least \$50,000 per person and at least \$100,000 per accident, and coverage of at least \$25,000 for property damage per accident, in the event that the Operator's personal insurance policy does not pay; and
 - (C) Provides that written notice shall be given the PVH Board upon any cancellation or termination of the policy.
 - (D) To the extent the State of Tennessee adopts or enacts regulations or legislation with higher amounts of coverage, the TNC shall ensure that it complies with the minimum state requirements.
- (14) Allow passengers to indicate whether they require a wheelchair-accessible vehicle and connect passengers to those services via a weblink, application, or phone number.
 - (15) A TNC is not authorized to dispatch TNC Operators to property owned or controlled by the Chattanooga Metropolitan Airport Authority (“CMAA”) unless CMAA consents pursuant to regulations promulgated by the CMAA.
 - (16) A TNC shall conduct outreach events to community organizations with ADA-compliant vehicles to publicize the TNC’s need for ADA vehicles and drivers with the goal of providing services to all passengers. A TNC shall report back to the City on results annually or upon request of the PVH Board or Inspector.
 - (17) A TNC shall conduct outreach events to underserved communities and report back to the City on results annually or upon request of the PVH Board or Inspector.
 - (18) If a TNC utilizes dynamic or surge pricing through its software application to incentivize drivers in an effort to maximize the supply of available vehicles on the network to match the demand for rides and increase reliability, the software application must:
 - (A) Provide clear and visible indication that dynamic pricing is in effect prior to the passenger requesting a ride;
 - (B) Include a feature that requires riders to confirm that they understand that dynamic pricing will be applied in order for the ride request to be completed;
 - (C) Provide a fare estimator that enables the passenger to estimate the cost under dynamic pricing prior to requesting the ride;

- (D) During periods of abnormal market disruptions, dynamic pricing shall be prohibited; and,
- (E) “abnormal market disruptions” are defined as any change in the ground transportation market, whether actual or imminently threatened, resulting from stress of weather, convulsion of nature, failure or shortage of electric power or other source of energy, strike, civil disorder, war, military action, national or local emergency, or other cause of an abnormal disruption of the market which results in the declaration of a state of emergency by the Mayor, County Mayor, Governor or President.

Sec. 35-286. Transportation Network Application Company – License Application; Process.

- (a) Any business or individual desiring to operate as a TNC within the City of Chattanooga shall file an application with the PVH Board signed, under penalty of perjury, an application on forms provided by the PVH Board. The application shall include the following information:
 - (1) Proof that the company is registered to do business in the State of Tennessee;
 - (2) Proof that the company maintains a registered agent in the State of Tennessee;
 - (3) Proof that the company maintains a website that includes the information required by Section 35-285(a)(3) of this Article;
 - (4) Proof that the company has established a uniform logo, insignia, decal, or trade dress required by Section 35-289 of this Article; and
 - (5) A certification under penalty of perjury that the company has complied with the requirements of this ordinance, including, but not limited to the registration requirements for TNC Operators.
 - (6) Proof of the required insurance under Section 35-285(a)(13) naming the City of Chattanooga PVH Board as an additional named insured.
 - (7) A statement that the TNC is in compliance with all applicable city, state, and federal laws;
 - (8) Documentation of a uniform vehicle safety inspection for each vehicle affiliated with the TNC as required in Section 35-288.
 - (9) Documentation requested by the PVH Board to ensure proper implementation and compliance with the regulations adopted pursuant to this Article.

- (10) An acknowledgement by the TNC that it is subject to pay all penalties imposed by the PVH Board that are either not contested or are upheld after review (revocation of TNC License).
 - (11) The name, address, and phone number of the TNC representative.
 - (12) A statement by the TNC that the TNC will comply with the provisions of Section 35-293 pertaining to audits of the TNC.
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- (b) A TNC license is valid for no more than one (1) year, and the above application and information must be completed for each annual license renewal. Notwithstanding the foregoing, the PVH Board has the discretion to create a renewal form to ensure such compliance after the TNC's first full year operating with a TNC License.
 - (c) The TNC must inform the PVH Board and Inspector in writing within seven (7) days if any of the information provided in the application changes, ceases to be true or is superseded in any way by new information.
 - (d) A registration fee of \$5,000.00 payable to the City of Chattanooga. Thereafter, a TNC shall transmit a \$3,500.00 annual permit fee to the PVH Board in the care of the City Treasurer, due on or before January 15 of each year
 - (e) The operation of a TNC is a privilege, not a right. The TNC's ability to satisfy stated criteria for a TNC License does not create a right to a TNC License. Eligibility for issuance of a License under this chapter shall be a continuing requirement for maintaining such License.
 - (f) The PVH Board shall not issue a License to operate as a TNC if the PVH Board determines that:
 - (1) The applicant fails to submit proof of insurance;
 - (2) The applicant assigns, leases, permits, or otherwise allows others to use its application dispatch system without the express consent of the PVH Board;
 - (3) The applicant affiliates with, and provides application dispatch services to, drivers without a for-hire vehicle driver's, chauffeur's license, or considered TNC Operators;
 - (4) The applicant affiliates with, and provides application dispatch services to drivers operating vehicles without a for-hire vehicle or taxicab license, or a vehicle without a TNC vehicle endorsement;
 - (5) The application has a material misstatement or omission;
 - (6) The application is incomplete; and/or

- (7) Within three (3) years of the date of application, the applicant, or any person employed by the applicant to manage Chattanooga operations, has had a bail forfeiture, conviction or other final adverse finding for crimes of fraud, theft, larceny, extortion, embezzlement, racketeering, Uniform Controlled Substances Act, prostitution, alcohol and/or narcotics where the commission of such crime(s) involved a TNC, vehicle affiliated with a TNC, or TNC driver; and/or
- (8) Has failed to meet one or more operating responsibilities as detailed in Section 35-285;
- (g) If an application for the issuance or renewal of a license is denied, the applicant may within ten (10) days of the mailing of notice of the denial make a written demand upon the PVH Board for a hearing. Upon receipt of a timely written demand for a hearing the PVH Board shall within thirty (30) days conduct a hearing. If at such a hearing the applicant establishes through competent evidence that the denial was based upon incorrect findings the PVH Board shall issue the license. If at such a hearing the denial is found to have been based upon correct findings, the denial shall become final. After entry of a final denial, the applicant shall be ineligible to make a new application for a period of eighteen (18) months.

Sec. 35-287. Transfer of TNC License.

This License may not be transferred without the prior written consent of the PVH Board, provided that a TNC may transfer its license, upon notice to the PVH Board, to (a) an affiliate, or (b) in connection with the sale of all or substantially all of such TNC's equity, business or assets. Prior to such transfer, the proposed transferee must submit written documentation to the PVH Board or Inspector acknowledging their obligation to comply with provisions of this Article and all local, state, and federal requirements.

Sec. 35-288. Transportation Network Company vehicles – Inspections.

Prior to using any transportation network vehicle, and annually thereafter, a TNC Operator shall have the vehicle inspected and maintain complete documentation of such inspections in the vehicle at all times while being used to provide Transportation Network Services, and a written copy of such documentation shall be provided to the PVH Board upon request. To pass such inspection, a transportation network vehicle shall, at a minimum, be rust-free and shall pass the following inspections:

- (a) Foot brakes;
- (b) Emergency brakes;
- (c) Steering mechanism;
- (d) Windshield;
- (e) Rear window and other glass;
- (f) Windshield wipers;
- (g) Headlights;
- (h) Tail lights;

- (i) Turn indicator lights;
- (j) Stop lights;
- (k) Front seat adjustment mechanism;
- (l) Doors (open, close, lock);
- (m) Horn;
- (n) Speedometer;
- (o) Bumpers;
- (p) Muffler and exhaust system;
- (q) Condition of tires, including tread depth;
- (r) Interior and exterior rear view mirrors;
- (s) Safety belts for driver and all transported passengers;
- (t) Drivetrain, including the transmission and universal joints;
- (u) Axles and wheels, including ball joints; and
- (v) If the vehicle is a wheelchair-accessible vehicle, it shall also be inspected for compliance with legally required safety standards.

The TNC and the TNC Operator shall be jointly and severally liable for any violation of this section.

Sec. 35-289. Transportation Network Company vehicles – General Appearance, Distinctive signage and emblem.

- (a) A TNC shall establish a uniform logo, insignia, decal or trade dress for use on a motor vehicle at any time a motor vehicle is providing or arranging to provide transportation network services.
- (b) A transportation network vehicle shall display, as provided by rule, consistent and distinctive signage at all times while being used to provide transportation network services. The distinctive signage shall be sufficiently large and color contrasted (i) as to be readable during daylight hours at a distance of at least fifty (50) feet, and (ii) to identify a particular vehicle 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 signage with the PVH Board.
- (c) A transportation network vehicle shall display a consistent and distinctive emblem at all times while being used to provide transportation network services. The PVH Board is authorized to specify, by rule, the manner of display, method of issuance, design and contents of such emblem. Emblems displayed on wheelchair-accessible transportation network vehicles shall specify or mark that such vehicles are wheelchair-accessible.
- (d) A transportation network vehicle shall have a general appearance free of gross damage (dents larger than six inches in any direction) and that the vehicles have factory-finish grade paint; and

- (e) A transportation network vehicle shall have a general appearance that the transportation network vehicle interior is maintained in a reasonable condition, including door panels, arm rest, floor covering and seats that are free of holes, snags and soiled spots.

Sec. 35-290. Registration of Transportation Network Company – Operator Registration.

- (a) An individual may submit an application to a TNC for registration as a TNC Operator.
- (b) A TNC shall approve or deny an application submitted under subsection (a) of this section.
- (c) Before approving an application submitted under subsection (a) of this section, a TNC shall:
 - (1) Conduct, or have a third party conduct, a local and national criminal background check for each applicant that shall include:
 - (A) Multi-State/Juris Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and
 - (B) National Sex Offender Registry database.
 - (2) Conduct, or have a third party conduct, a driving record check for each applicant.
- (d) A TNC shall not approve an application submitted under subsection (a) of this section and shall permanently disqualify an applicant who:
 - (1) Has had more than three (3) moving violations in the prior three-year period, or a major violation in the prior three-year period (including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license);
 - (2) Has been convicted, within the past seven (7) years, of driving under the influence of drugs or alcohol, or who has been convicted at any time of fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, and/or theft, acts of violence, or acts of terror; and/or
 - (3) Is a match in the National Sex Offender Registry database.

Sec. 35-291. Transportation Network Operators – General Requirements

- (a) A TNC Operator shall:
 - (1) Exclusively accept rides booked through a TNC’s digital platform and shall not solicit or accept street-hails;
 - (2) Use the required logo, insignia, or trade dress required by Section 35-285(a)(5) of this chapter at any time that the Operator uses his or her motor vehicle to provide or is arranging to provide transportation network service;
 - (3) Possess a valid driver's license;
 - (4) Possess proof of registration for the motor vehicle used for transportation network services;
 - (5) Possess proof of motor vehicle insurance for the motor vehicle used for transportation network services in accordance meeting minimum local and state requirements; and
 - (6) Be at least twenty-one (21) years of age.
- (b) If an accident occurs involving a motor vehicle that is being used for transportation network services, including when the TNC Operator is logged into or otherwise using the software application or network, the TNC Operator shall provide proof upon request, to the PVH Board or Inspector that the TNC:
 - (1) The TNC Operator’s individual auto liability insurance meeting the local and state requirements;
 - (2) The TNC’s excess liability coverage; provided, that a TNC Operator shall have twenty-four (24) hours to provide proof of excess liability coverage;
 - (3) Proof that the TNC Operator is logged into or is an active TNC Operator and has access to the TNC’s software application or network. Such proof for this subsection shall include either the driver’s license number or vehicle license plate.
- (c) A TNC Operator shall inform each TNC that has authorized him or her to act as a TNC Operator of any event that may disqualify him or her from continuing to act as a TNC Operator, including any of the following: a change in the registration status of the TNC Operator vehicle; a revocation or suspension of the TNC Operator’s driver’s license; a change in the TNC Operator’s insurance coverage such that the TNC Operator’s insurance would not be in compliance with Section

35-285; a motor vehicle moving violation; and a criminal arrest, conviction, bail forfeiture.

Sec. 35-292. Charges.

- (a) A TNC may offer service at no-charge, suggest a donation, or charge a fare; provided, that if a fare is charged, a TNC shall disclose the fare calculation method, the applicable rates being charged, and the option for an estimated fare to a passenger before the passenger arranges a trip with the TNC.
- (b) Upon completion of a trip, a TNC shall transmit an electronic receipt to the passenger's electronic mail address or mobile application that lists:
 - (1) The origin and destination of the trip;
 - (2) The total time and distance of the trip; and
 - (3) A breakdown of the total fare paid, if any.

Sec. 35-293. Audit of Transportation Network Companies.

- (a) To ensure public safety, the PVH Board, PVH Inspector or the City's Office of Internal Audit shall no more than on a quarterly basis conduct audits of any TNC authorized to provide passenger vehicle for hire services in the City of Chattanooga. On an annual basis, each TNC authorized under this chapter shall provide to the PVH Board up to one hundred (100) but not less than twenty-five (25) unique identification numbers, each of which has been assigned to an individual TNC Operator associated with the TNC pursuant to the requirements of the Article. The PVH Board may once every month, send to a TNC a list of up to fifteen (15) driver identification numbers and request copies of records held by the TNC for those fifteen (15) TNC Operators. Within three (3) business days of receiving a request seeking records, the TNC shall provide to the PVH Board or PVH Inspector, in an electronic format acceptable to the City, the following records for each of the TNC Operators associated with the driver identification numbers that the PVH Board has identified:
 - (1) Proof that the TNC confirmed that each vehicle passed an inspection in accordance with Section 35-288;
 - (2) Proof that the TNC conducted, or had a third party conduct, the criminal background check and driving record check required pursuant to Section 35-290(c); and
 - (3) Proof that the TNC has confirmed that its associated TNC Operators comply with the requirements of Section 35-291(a)(3)-(6).
- (b) A TNC responding to an audit request may redact any records it produces to the requesting party to protect the privacy and identifying information of the TNC Operator, including the TNC Operator's social security number (other than the last

four digits), drivers' license number and address. Identifying information shall not include the name of the TNC Operator. Notwithstanding the foregoing, any records produced shall be subject to the exemptions provided in the Tennessee Open Records Act.

- (c) If a third party submits a request to the City for records that the PVH Board, PVH Inspector or the City's Office of Internal Audit obtains from a TNC pursuant to this Section, the PVH Board, PVH Inspector or the City's Office of Internal Audit, in its discretion, shall assert applicable exemptions to the request as set forth in the Tennessee Open Records Act and Tennessee Code, in an effort to protect confidential personal, business, and proprietary information, and the PVH Board, PVH Inspector or the City's Office of Internal Audit shall, before the deadline to respond to the third party's request, notify the TNC that it has received a request and inform the TNC of whether it will release the requested record(s).
- (d) Not less than on a quarterly basis, or at the discretion of the PVH Board, as an additional component of the Audit, the TNC shall allow the Chair of the PVH Board or PVH Inspector to visually inspect records that a TNC has received in accordance with Section 35-291(c).

Sec. 35-294. Enforcement.

- (a) Upon submission of the required license permit application in compliance with Section 35-285, the PVH Board shall issue a license to a TNC.
- (b) When it has a reasonable basis to suspect noncompliance with this ordinance the PVH Board shall have the authority to enforce the requirements of this ordinance, including through inspection of relevant safety and consumer protection related records of a TNC to determine whether the TNC is in compliance.
- (c) Failure to adhere to the requirements of this section by a TNC or TNC Operator may result in sanction or revocation of its license by the PVH Board including fines and other penalties, pursuant to its authority.
- (d) Except for the rules and regulations necessary to enforce the provisions of this Article, TNC, TNC Operator, and TNS shall be exempt from regulation by the PVH Board including any rules or regulations requiring a TNC to collect or transmit data or information about a customer or a customer's trip to the PVH Board.
- (e) During the first two (2) years of the effective date of this ordinance, when requested, and no more frequently than on a quarterly basis, the TNC shall allow the PVH Board or PVH Inspector to visually inspect documentation showing the total number of TNC Operators who operate on the TNC's associated platform. After the first two (2) years of the effective date of this ordinance, on a quarterly basis, the TNC shall allow the PVH Board or Inspector to visually inspect the

total number of TNC Operators associated with a TNC who are on the platform not less than twenty (20) hours per week.

- (f) If a third party submits a request to the City for records that the PVH Board, PVH Inspector or the City's Office of Internal Audit obtains from a TNC pursuant to this Section, the PVH Board, PVH Inspector or the City's Office of Internal Audit, in its discretion, shall assert applicable exemptions to the request as set forth in the Tennessee Open Records Act and Tennessee Code, in an effort to protect confidential personal, business, and proprietary information, and (ii) the PVH Board, PVH Inspector or the City's Office of Internal Audit shall, before the deadline to respond to the third party's request, notify the TNC that it has received a request and inform the TNC of whether it will release the requested record(s).

SECTION 18. BE IT FURTHER ORDAINED, That this Ordinance shall be subject to a review by the Council at the end of six (6) months and at the end of one (1) year for further consideration of any additional ordinance amendments after all requested data is gathered.


SECTION 19. BE IT FURTHER ORDAINED, That this Ordinance shall take effect thirty (30) days from and after its passage.

Passed on second and final reading: 01/06/15



CHAIRPERSON

APPROVED: DISAPPROVED:



MAYOR

WAH/KOF/EDR/mem/12-16-14 (Restated Version by PAN/kac 12/16/2014 at 5:20 p.m.)