

VEHICLES FOR HIRE

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Purpose

The purpose of this chapter is to provide for and promote the safety and welfare of the general public by regulating vehicles for hire within the city of Salem, as authorized by ORS 221.485 and ORS 221.495. Nothing contained in this chapter is intended or shall be construed to create any liability on the part of the City or its employees for any injury or damage related to any provisions of this chapter, or by reason or in consequence of any act or omission in connection with the implementation or enforcement of this chapter on the part of the City or its employees.

Definitions

As used in this Chapter:

- A. "City" means the City of Salem, Oregon.
- B. "License" means the license issued by the City to a Taxi Company or TNC authorizing the company to engage in vehicle for hire services within the City.
- C. "Driver" means any individual natural person who operates a vehicle for hire within the City.
- D. "Person" means and includes any individual natural person, partnership, corporation, unincorporated association, or other entity.

- E. “Vehicle for hire” means any vehicle used for the ground transportation of passengers for compensation within the City, including taxis and Transportation Network Company (“TNC”) vehicles, as well as animal-drawn vehicles and vehicles powered by humans, including but not limited to vehicles such as pedi-cabs. The following motor vehicles are excluded from the definition of vehicle for hire and are exempt from this Chapter:
1. School buses operated to transport students;
 2. Vehicles used by nonprofit transportation providers solely for elderly or handicapped persons;
 3. Vehicles used to provide courtesy transportation at no charge to and from parking lots, hotels, rental offices, retirement homes, and the like;
 4. Vehicles used to provide Ambulance Service.
- F. “Taxi Company” means any person or entity operating one or more vehicles for hire, other than as a driver, regardless of the legal form of the entity and regardless of whether the taxis so operated are owned by the company, or leased, or owned by individual members of an entity. Taxi Companies do not include TNCs.
- G. “Transportation Network Company” or “TNC” means a company or other entity that exclusively uses an Internet-enabled platform or application to connect passengers with TNC drivers.

License, Application and Fees

- A. The City may issue a License to a Taxi Company or TNC if the company certifies on a form acceptable to the City that it is in compliance with all requirements of this chapter, including but not limited to driver and insurance requirements, operating standards, and any other requirements of the code or the City, and actually meets all applicable standards and requirements.
- B. The City may include conditions, restrictions, or special provisions in the License related to routes, times of operation, or lighting if necessitated by the vehicles or operations of the Taxi Company or TNC. The City may waive or lessen the requirements of this chapter if the type of vehicles or operations of a Taxi Company or TNC render the requirements unreasonable or unnecessary, in the sole discretion of the City.
- C. The License issued under this chapter is valid for one year. Any renewal must be approved by the City prior to the expiration date in order for the Taxi Company or TNC to continue providing vehicle for hire services within the City.

- D. The application fee shall be based on the number of drivers operating for the Taxi Company or TNC at the time of the application, and shall be intended to account for the City's costs in administering the requirements of this chapter. The fee amounts shall be set by City Council resolution.
- E. The application fee shall be paid to the City at the time of submitting both initial and renewal License applications.
- F. All Taxi Companies and TNCs must comply with applicable federal, state and local law.

Driver Requirements

- A. All drivers shall be at least 21 years of age and shall possess a valid driver's license, proof of motor vehicle registration, and proof of current automobile liability insurance that meets the requirements of this chapter and state law.
- B. Every Taxi Company or TNC shall maintain accurate, current records for all drivers employed by, contracting with, or affiliated with the company, including all drivers accessing a company's digital network to operate in the City. The records shall include the driver's name, date of birth, address, social security number, criminal background check results, driver's license information, motor vehicle registration, and automobile insurance. These records will be made available to the City in compliance with [Audit section].
- C. Prior to permitting a person to operate as a driver, and annually thereafter, the Taxi Company or TNC shall conduct, or have a qualified third party conduct, a criminal background check. The criminal background check shall include a search of no less than seven years of history, unless prohibited by law, in which case the duration of the search shall be the maximum number of years permitted by law. The criminal background check shall include local, state, and national criminal history databases and all accessible sex offender registries. Any person who is on a sex offender registry or has a record of a felony conviction within the previous seven years may not act as a driver. A record of a conviction of any of the following within the previous seven years will also disqualify a person from acting as a driver: crimes involving driving under the influence of alcohol or controlled substances, sexual offenses, or crimes involving physical harm or attempted physical harm to a person. The company or its agent shall maintain records of a criminal background checks for a period of at least two years. For purposes of this section, the term "conviction" includes convictions, bail forfeitures, and other final adverse findings.
- D. A Taxi Company or TNC must revoke a driver's authority to operate as a driver for their company and inform the City if it finds at any time that the standards set forth in this

section are no longer being met by the driver. The company shall only reinstate a driver upon a finding by the company that all standards are again being met by the driver.

Insurance Requirements

A. For all required insurance, Taxi Companies and TNCs shall provide certificates of insurance naming the City, its officers, agents, and employees as additional insured parties and give at least 30 calendar days' notice to the City before a policy is canceled, expires, or has any reduction in coverage.

B. Insurance requirements of this section shall be satisfied by insurance issued by a licensed insurer or an eligible surplus lines insurer in the State of Oregon.

C. The insurance limits for both TNCs and Taxi Companies are subject to statutory changes as to maximum limits of liability imposed on municipalities of the State of Oregon during the permit's term, or other statutory changes.

D. The adequacy of insurance coverage is subject to the review and approval of the City.

E. Every Taxi Company and TNC shall maintain continuous, uninterrupted coverage for the duration of the License and any operations in the City. Any lapse in insurance coverage, even if it is later backdated by the insurance company, is a violation of this chapter.

F. Both Taxi Companies and TNCs shall secure and maintain commercial general liability insurance with limits of not less than \$1 million per occurrence and \$2 million aggregate for claims arising out of, but not limited to, bodily injury and property damage incurred in the course of operating in the City.

G. Taxi Companies operating any motor vehicles shall secure and maintain commercial automobile liability insurance covering those vehicles, with a combined single limit of not less than \$1 million per occurrence for claims arising out of, but not limited to, bodily injury and property damage incurred in the course of operating in the City.

H. TNC Service Periods Defined:

1. Period 1: The TNC Driver has logged into the App or is otherwise connected to the TNC's digital network, but has not yet accepted a request for a ride from a passenger. For example, the App is open and the driver is waiting for a match.
2. Period 2: A passenger match has been accepted, but the passenger is not yet

picked up (for example, the driver is on the way to pick up the passenger).

3. Period 3: The passenger is in the vehicle.

I. Upon City request or as part of an application, TNCs shall provide proof of current valid insurance for City approval covering all affiliated TNC Drivers and vehicles for hire operating for such company and satisfying the minimum requirements of Periods 1, 2, and 3.

J. All TNCs shall maintain and provide the City with proof of the following automobile liability coverages:

1. Primary insurance coverage during Period 1 with minimum liability limits of \$50,000 per person for death and injury, \$100,000 per incident for death and injury, and \$25,000 for property damage, plus any other state compulsory coverage.
2. Primary insurance coverage during Periods 2 and 3 with minimum liability limits of \$1 million in combined single limit coverage for death, personal injury and property damage per incident; and \$1 million in combined single limit under/uninsured motorist coverage for death, personal injury and property damage per incident.
3. The required automobile liability insurance shall specifically recognize the driver's provision of TNC and vehicle for hire services and shall comply with the laws of the State of Oregon and/or other applicable governing bodies.

K. TNC drivers shall be responsible for maintaining all personal automobile liability insurance required by State law.

Operational Requirements

- A. TNCs shall maintain records of all trips made by all drivers for at least one year from the date of the trip. The data may be aggregated and/or anonymized, and shall include, at minimum, the locations by ZIP code of trip origination and destination, vehicle miles traveled, trip origination and completion times, trip duration, and passenger wait times from a driver's acceptance of a request to passenger pick-up. The City may require a TNC to enter a data sharing agreement in order to receive a License.
- B. All vehicles operating for a TNC or Taxi Company shall be clearly marked as such and, for vehicles operating for a Taxi Company, shall include the company name, phone number, and a vehicle identification number in plain sight. Vehicles operated solely for TNC services shall be clearly marked as operating for the TNC, although any vehicle marking requirements imposed by a TNC may apply. The TNC's software application

or website shall display for the passenger the make, model, and license plate number of the TNC vehicle.

- C. TNC drivers may not accept street hails, and may only accept rides prearranged through a TNC's digital network.
- D. Taxi Companies and TNCs shall implement and maintain at all times a zero tolerance policy on the use of drugs or alcohol applicable to all drivers employed by or affiliated with the company while providing vehicle for hire services. Companies shall provide notice of the zero tolerance policy on their website and/or have it clearly displayed in each vehicle. The notice must include contact information to report a complaint about a driver for possible violation of policy. A company shall immediately suspend a driver upon receipt of a passenger complaint alleging a violation of the zero tolerance policy, for at least the duration of the investigation of the complaint.
- E. Taxi Companies and TNCs must provide reasonable accommodations to passengers with disabilities, including passengers accompanied by a service animal, passengers with hearing and visual impairments, and passengers with mobility devices, and must comply with all applicable requirements of the Americans with Disabilities Act.

Audit

For the sole purpose of reviewing compliance with this Code, the City may audit Taxi Company and TNC records up to twice per calendar year. The audit shall occur at a time and location designated by the City. Notwithstanding the foregoing, the City may require a company to produce records related to an investigation of a specific allegation of a violation of this Code or other applicable law, or to evaluate a complaint. Production of records for an investigation or to evaluate a complaint does not count toward the twice-per-year auditing limit. A Taxi Company or TNC may designate any records required to be provided under this section as confidential. Records designated as confidential may not be disclosed to a third party without prior written consent of the Taxi Company or TNC, unless required by court order or under Oregon public records law.

Revocation, Suspension and Penalties

- A. In addition to any other enforcement options provided by the Code, the City may suspend, revoke, or refuse to issue a License if the Taxi Company or TNC has violated the provisions of this Code. A violation includes any failure to meet or maintain any of the requirements or qualifications set forth in this Code, including the procedures and requirements for obtaining and maintaining a License, as well as the making of any materially false statement or representation. The decision to suspend, revoke or refuse to issue a License may be appealed to the Salem Hearings Officer, which will conduct a

hearing where the company and the City may present evidence and argument. The company shall have the burden of proving it has complied with all requirements of this Code necessary to obtain or maintain the License. The decision of the City Council on the appeal shall be the final decision of the City.

- B. A violation of this chapter is an infraction.

Enforcement

The City has the administrative authority to implement and enforce this Chapter, including adoption of rules, regulations, or policies. This provision shall not be construed to abrogate or limit the jurisdiction or authority of the Police Department or any law enforcement agency.

Effective Date

Any Vehicle for Hire Agency License that is current as of the effective date of this ordinance, shall remain valid, until January 1, 2018, unless the License holder wishes to apply for a new license under this chapter.