

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: An Ordinance Updating the Public Passenger Vehicle Code

Meeting Date: February 9, 2015
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 5
Staff Contact: Laura Hammond
Contact Telephone Number: 541-682-6021

ISSUE STATEMENT

The City Council is scheduled to take action on proposed changes to the City's Public Passenger Vehicle code (3.345). The purpose of the proposed changes is to update the code to acknowledge the emergence of new technologies and business models while also ensuring all Public Passenger Vehicles operating in Eugene meet community safety standards.

BACKGROUND

Eugene City Code 3.345 provides licensing regulations for Public Passenger Vehicle (PPV) Services. The code provides a definition of PPVs, establishes the licensing requirement, screening requirements, fare-charging requirements and requires adoption of Administrative Rules. Most of the details of the City's PPV regulations are found in the Administrative Rules. The rules describe the driver application process, insurance requirements, and vehicle requirements. The Administrative Rules have been updated as new types of PPVs have begun operating in Eugene. The City Code was last amended in 1992. Since that time, new technologies for managing the provision of PPV services have evolved including smartphone application-based models.

The proposed changes to Subsection (6) of EC 3.345 allow fare calculations using smart phone applications. While this change removes code-based obstacles for businesses like Uber and Lyft it would also apply to existing PPV companies that may want to add this type of technology to their current services.

Additionally, code amendments are proposed that would clearly require businesses like Uber and Lyft to obtain a PPV license from the City of Eugene to operate. Even though staff firmly believes that the City's current Public Passenger Vehicle code provisions require companies like Uber and Lyft to obtain a Public Passenger Vehicle Company license, because staff now knows that Uber is asserting that the City's license requirement does not apply to it, the proposed changes to Subsections (1)-(5) of EC 3.345 *explicitly* require companies that connect, or attempt to connect, a prospective passenger to a vehicle for hire by providing a digital or software application scheduling platform or service, such as Uber, to obtain a license. Recently, in other communities Uber has taken advantage of a loophole in code provisions similar to EC 3.345 that Uber believes allows it to operate without a license so long as the passenger is not charged a fare. To prevent

Uber from trying such a tactic in Eugene, Staff will be proposing to Council a few, small code amendments that would close this loophole and prevent Uber from unlawfully operating without a license regardless of whether an Uber passenger is charged a fare.

A public hearing on the proposed code changes was held by the City Council on January 20, 2015. Thirty-one people presented testimony at the hearing for council consideration. Themes from the testimony included:

- the role of licensing and driver certification in ensuring public safety and insurance requirements;
- ensuring a level playing field, equal requirements for public passenger vehicle services;
- enforcement of current regulations;
- potential benefits of ride services like Uber including the possibility of reducing impaired driving and reducing personal vehicle trips;
- the speed and efficiency of ride services like Uber; and
- the importance of transportation options and the accessibility of those options in the community.

The proposed ordinance is included as Attachment A. An immediate effective date has been added to the proposed ordinance. If the ordinance passes with six votes or more the ordinance will go into effect immediately. If the ordinance passes with less than six votes the ordinance will go into effect in 30 days.

If the proposed change to the code moves forward and is adopted, updates to the Administrative Rules (R-3.345) would also be considered in order to better align the rules with new service models. Existing rules which ensure public health and safety, including insurance requirements, vehicle safety and maintenance requirements, and criminal background and driving record checks would remain in place. For example, the rules currently require:

- Commercial General Liability insurance of \$1,500,000 and General Aggregate insurance of \$2,000,000 as required by Oregon Statute;
- Vehicle inspections conducted by a certified mechanic every six months;
- Safety equipment including operable seat belts and fire extinguisher;
- Criminal history and driving records checked annually.

RELATED CITY POLICIES

Eugene Code Chapter 3, Section 3.345 –Licensing Regulations Public Passenger Vehicle Services

COUNCIL OPTIONS

1. Approve the code changes and adopt the ordinance as attached
2. Modify the code changes and adopt a modified ordinance
3. Take no action

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Option 1, the Eugene City Council approve the changes to the Public

Passenger Code and adopt the ordinance as attached.

SUGGESTED MOTION

Move to adopt Council Bill 5136, updating the Public Passenger Vehicle code.

ATTACHMENTS

A. Proposed Ordinance

FOR MORE INFORMATION

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