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THE CITY OF DAYTONA BEACH

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MEMORANDUM

TO: The City Commission
FROM: Robert Jagger, City Attorney *RS*
DATE: September 11, 2018
RE: City Code, Chapter 102, - Vehicles for Hire

The City regulates “Vehicles for Hire” under Chapter 102, City Code. In 2017, the Florida Legislature adopted Section 627.748, Fla. Stat., which implemented regulatory requirements for Transportation Network Companies (“TNCs”), such as UBER and LYFT. That section expressly reserved to the State all regulatory authority over TNCs, and preempted regulation of TNCs by local government entities. The regulatory preemption, however, allowed for continued regulation by local governments of traditional “for-hire vehicles” such as taxicabs, limousines and shuttles (“Taxicabs”). As a result, the City’s Vehicle for Hire regulations could not lawfully be applied to TNCs, and thus were limited in scope and application to traditional Taxicab services. The differing regulatory standards for TNCs and local Taxicab companies have arguably created an inequitable disparity for these competing transportation service industries. The proposed amendment to Chapter 102, Vehicles for Hire, recognizes the State’s exclusive regulatory authority for TNCs, and revises City’s regulations for the Taxicab industry in a manner that is more consistent with State law TNC requirements.

A summary of the proposed amendment to Chapter 102, Vehicles for Hire, is as follows:

- The definition of “Vehicles for Hire” is revised to exclude TNCs as defined in Section 627.748, Fla. Stat.
- Violations are limited to civil penalties not to exceed \$500, and/or permit suspension by the City subject to appeal to the City’s Special Magistrate. The existing Code provides for potential civil and criminal penalties equivalent to Second Degree Misdemeanor violations.
- In order to provide greater consistency with the State’s TNC regulations, the proposed amendment eliminates the following requirements from the existing Code: City conducted vehicle inspections; City conducted driver background checks; City issued driver permits; driver uniform and dress standards; City established fares; Taxicab meter requirements; and the requirement for a physical office location in the City.
- Taxi operators must comply with the following operational standards: provide and maintain adequate insurance; conduct driver background checks and eliminate drivers with certain unacceptable histories; establish a zero tolerance drug policy; provide clean, sanitary, and safe vehicles; designate a Florida registered agent; maintain individual ride records; conspicuously identify the corporate name, vehicle number, and phone number on exterior doors; post on the vehicle interior the driver’s name and photograph, the fare or fare calculation method, and a notice for provision of comments or complaints to the City; and

delivery of a detailed receipt to the customer upon request. Operators must produce records concerning drivers, rides, fares, and provision of insurance upon request by the City.

- Taxi operators will continue to be required to obtain an annual Operator's Permit. Operators must submit a permit application, or renewal application, with a sworn affidavit indicating compliance with all code requirements including acceptable criminal background checks on drivers and proof of insurance. Denial of a permit application is subject to appeal to the City's Special Magistrate.

The proposed amendment to Chapter 102, Vehicles for Hire, removes certain regulatory requirements for the Taxicab industry to provide some parity with State law regulations for TNCs. Due to differences in delivery of traditional Taxicab services, the proposed amendment to Chapter 102, Vehicles for Hire, will impose certain more stringent operational standards for the Taxicab industry in order to preserve the health, safety, and welfare of citizens who rely on such services for their transportation needs.

cc: City Manager
City Clerk