



MEMORANDUM

To: Mayor Laurel Prussing and Urbana City Council Members

From: Beth Beaty, Administrative Services Manager

Date: August 24, 2015

Re: Transportation Network Company Services

Introduction:

A transportation network company (TNC) uses computer software to connect passengers with TNC drivers. Uber and Lyft are examples of TNCs. Although the City currently regulates vehicles for hire in Urbana City Code Chapter 26, the current regulations do not anticipate some of the unique characteristics of TNCs. The proposed ordinance, attached as **Exhibit A**, would amend Chapter 26 to include regulations for TNCs.

In 2014, the State of Illinois passed the Transportation Network Providers Act (Public Act 098-1173) regulating TNCs. In 2015, an amendment was signed into law (Public Act 99-56) stating that a unit of local government may not regulate TNCs, TNC drivers, or TNC services in a manner that is less restrictive than the regulation by the State under this Act. For a complete version of the Act, please refer to **Exhibit B** (see attached).

Background and Facts:

The cities of Urbana and Champaign jointly license vehicles for hire. In September 2014, staff from Urbana and Champaign met with representatives from Uber. At the time, Uber expressed a sincere desire to operate in our communities and a willingness to comply with any local regulation. After our initial meeting, both cities agreed to continue meeting in order to determine how best to regulate Uber.

Over the next several months, staff from Urbana and Champaign worked together on proposed changes to amend our respective City Codes to jointly license and regulate TNCs. In March 2015, discussions halted between both cities after the Champaign City Council held a Study Session and afterwards decided not to regulate TNCs at the local level. They are satisfied with allowing the State to regulate TNC services.

Uber is operating in our community. In March of this year, the City Attorney received a letter from Uber informing the City that Uber had launched services in Urbana the previous month.

Feedback:

At the Champaign Study Session back in March 2015, vehicle for hire business owners were invited to attend and address Champaign's City Council in regards to TNC services. Several business owners spoke out against TNCs. Those who addressed Council felt it would be unfair to require vehicle for hire businesses and drivers to pay licensing fees, as well as adhere to local regulations, if TNCs were not required to do the same.

In Urbana, we just completed license renewals for vehicle for hire businesses and drivers. To date, we have licensed 45 businesses and 109 drivers this year. During the time that everyone was coming into the office to relicense, at least half of the business owners and a quarter of the drivers, inquired about when the City would be requiring TNCs and drivers to license. Their remarks mirrored the comments made at Champaign's Study Session.

Options and their Consequences:

Option 1 – Council decides not to regulate TNC services at the local level.

- Advantages
 - Administrative, support and enforcement staff's time will be free to work on all other assignments.
 - Urbana and Champaign remain consistent by allowing the State to regulate TNCs.
- Disadvantages
 - The City will have no method to address any issues that may result from an incident with a TNC.
 - Existing regulation for vehicle for hire companies may create an unfair market for all other transportation service providers in the area (e.g. taxicabs and limousines).
 - Public safety may be a concern, since the City will not be involved in background checks for TNC drivers or vehicle inspections on TNC vehicles.
 - There is no designated department or agency in charge of enforcing TNCs.

Option 2 – Council decides to regulate TNC services at the local level by amending Chapter 26, as outlined in **Exhibit A**.

- Advantages
 - The City will have a method to address any issues that may result from an incident involving a TNC.
 - Vehicles for Hire and TNCs will work on a more level playing field in the local market.
 - The public will have access to select another safe and reliable transportation service here locally.
- Disadvantages
 - Administrative, support and enforcement staff would require additional time to become familiar with new regulations.
 - TNC licensing requirements would take up more staff time to accommodate company and driver licensing requirements.
 - Only Urbana would regulate TNC services in this area.

Enforcement:

Enforcement of TNC businesses and drivers will be handled in the same manner as vehicle for hire businesses and drivers. Both the business and driver must license annually each year, submit all applicable documentation, pay all fees associated with the licensing process and provide scheduled inspection, registration and insurance information throughout the licensing year. Failure to do so may result in late fees and/or suspension or revocation of the license.

Fiscal Impact:

Staff reviewed the costs associated with licensing TNC businesses and drivers and estimated the cost at about \$14,500 annually, including staff time and benefits. The fees would offset the personnel costs involved with licensing related activities. This would allow staff to restore some of the hours that were cut from an administrative position in the Finance Department in FY2016 budget reductions. Without restoring approximately 7.5 hours per week of the 20 that were cut, it would be extremely difficult to manage the additional workload. A budget amendment to accommodate a change in personnel costs would be presented to Council at a later date.

Lastly, the proposed fees for a TNC driver are consistent with the current fees for a vehicle for hire driver. Although the proposed TNC business license fee is set at a much higher amount than the vehicle for hire business license fee, it is in an effort to keep the TNC driver's license fee at the same cost, as a vehicle for hire driver's license fee.

Recommendation:

Staff recommends approval of the attached ordinance amending Urbana City Code Chapter 26.

ORDINANCE NO. 2015-08-091

AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 26

(Transportation network company services - 2015)

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

WHEREAS, Section 5/11-42-6 of the Illinois Municipal Code (65 ILCS 5/11-42-6) provides that the corporate authorities of each municipality may license, tax, and regulate hackmen, draymen, omnibus drivers, carters, cabmen, porters, expressmen, and all others pursuing like occupations and may prescribe their compensation; and

WHEREAS, the City Council heretofore has enacted Urbana City Code Chapter 26 to regulate vehicles for hire and the drivers of such vehicles within the City for the protection of the public health, safety, and welfare; and

WHEREAS, recent innovations in technology now allow persons seeking for-hire transportation to use wireless networks or the internet to find the location of a potential driver, obtain information about the driver, and arrange for transportation with that driver for an agreed price; and

WHEREAS, transportation network companies ("TNCs") have captured a growing share of the traditional vehicle for hire market by using digital networks or software application services to connect passengers to affiliated drivers; and

WHEREAS, TNCs have been successful and popular with the public throughout the nation, and at least one TNC has started operating within the City; and

WHEREAS, the City Council welcomes and encourages new businesses that offer pioneering solutions to the transportation needs of the City's population; and

WHEREAS, the City Council finds that a need exists to regulate the activities of TNCs and their drivers within the City, as provided herein, to protect the health, safety, and welfare of TNC drivers, riders, and the general public; and;

WHEREAS, the City Council strongly supports the area's existing vehicle for hire businesses and intends in this Ordinance to establish regulations that are fair and appropriate for all transportation providers regulated by the City; and

WHEREAS, the City Council finds that the best interests of the City are served by requiring all persons operating TNCs in the City to provide safe,

clean, reliable, and consistent transportation services to the riding public;
and

WHEREAS, the City Council finds that the City may regulate such activities pursuant to the City's home rule authority and the Transportation Network Providers Act, 625 ILCS 57/1 *et seq.*, which Act took effect on June 1, 2015; and

WHEREAS, Public Act 99-56, adopted by the 99th Illinois General Assembly, amended the Transportation Network Providers Act, *inter alia*, to prevent a unit of local government from regulating TNCs, TNC drivers, or TNC services in a manner that is less restrictive than the regulation by the State under such Act, effective on July 16, 2015; and

WHEREAS, the City Council heretofore has enacted Urbana City Code Section 14-7 to establish a schedule of fees for the various licenses, permits, fines, and other fees required under the Code; and

WHEREAS, the City Council further finds that the best interests of the City are served by making limited amendments to the schedule of fees, pursuant to Urbana City Code Section 14-7(b), as provided herein.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1. Urbana City Code Chapter 26, "Vehicles for Hire," is hereby amended by the addition thereto of a new article to be known and designated as Article III, "Transportation Network Company Services," and as amended shall read as set forth in Exhibit "A," which is attached hereto and incorporated herein by reference.

Section 2. Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," subsection (B), "General," Part 4, "Miscellaneous," Subpart (b), "Vehicles for Hire," is hereby amended and as amended shall read as follows:

(b) Vehicles for Hire and Transportation Network Company Vehicles:

1. Driver's License Annual Fee \$ 45.00
Duplicate License \$ 10.00
Late Licensing Fee.....\$ 25.00
(renewals after June 25th for Vehicles for Hire and after October 25th for Transportation Network Company Vehicles)
2. Vehicle for Hire Business License Annual Fee \$ 240.00
Transportation Network Company Business License Annual Fee . ..\$2,500.00
Duplicate License \$ 10.00
Late Filing Fee.....\$ 50.00
(plus \$10.00 per day after June 25th for Vehicles for Hire and after October 25th for Transportation Network Company Vehicles)
3. Vehicle Registration Fee (per vehicle) \$ 75.00
Replacement Registration (plate/sticker) \$ 15.00
Transfer Vehicle Registration \$ 15.00

4. A late filing fee of fifteen dollars (\$15.00) shall be added for each day that certificate of vehicle inspection, certificate of insurance or state vehicle registration is filed after stated due date.

Section 3. After payment is made to the City of Champaign of any sums due pursuant to the Intergovernmental Agreement for Taxicab Licensing between the Cities of Urbana and Champaign, the Finance Director is hereby directed to pay the City of Urbana's share of any and all revenues resulting from the imposition and collection of fees and fines under Urbana City Code Chapter 26 into the City treasury and to allocate said revenue to the personnel costs of administering Chapter 26.

Section 4. Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 5. This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

Section 6. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect thirty (30) calendar days from and after such publication.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Exhibit A

Chapter 26 - VEHICLES FOR HIRE

ARTICLE I. - IN GENERAL

ARTICLE II. - VEHICLES FOR HIRE

ARTICLE III. - TRANSPORTATION NETWORK COMPANY SERVICES

State Law reference — Transportation Network Providers Act, 625 ILCS 57/1 *et seq.*

DIVISION 1. - GENERALLY

Sec. 26-101. - Definitions.

The following words and phrases, when used in this article, shall have the meanings respectively ascribed to them in this article, unless the context otherwise requires.

Driver shall mean the person in actual physical control of a vehicle used to provide transportation network company service.

Operator shall mean any person owning or operating a transportation network company vehicle.

Surge charge shall mean a fee added by a transportation network company for periods of high transportation volume or any other charge that applies to the requested ride and increases the fare.

Transportation network company (TNC) shall mean an entity licensed pursuant to this chapter and operating in the city that uses a digital network or software application service to connect passengers to transportation network company service provided by transportation network company drivers. A TNC is not deemed to own, control, operate, or manage the vehicles used by TNC drivers and is not a taxicab association or a vehicle for hire owner.

Transportation network company service shall mean transportation of a passenger between points chosen by the passenger and prearranged with the TNC driver through the use of a TNC digital network or software application. TNC service shall begin when a TNC driver accepts a request for transportation received through the TNC's digital network or software application service, shall continue while the TNC driver transports the passenger in the TNC driver's vehicle, and shall end when the passenger exits the TNC driver's vehicle. TNC service is not taxicab, vehicle for hire, or street hail service.

Sec. 26-102. - Applicability.

- (a) The provisions of this article shall apply to all TNC vehicles that transport passengers from one (1) location to another location within the city limits. For purposes of enforcement, a business license for a TNC vehicle in any other jurisdiction shall permit the license holder either to pick up or to drop off passengers but not to transport passengers from one (1) location to another location within the city limits.

- (b) These provisions shall not apply to: (1) vehicles operated as school buses or in a "ridesharing arrangement" as defined by the Illinois Vehicle Code, as amended; (2) vehicles provided by employers for the exclusive use of their employees; (3) vehicles devoted exclusively for funeral use; (4) vehicles used in operation of a metropolitan transit authority; (5) vehicles used as shuttles or courtesy vehicles by a business for the convenience of its customers and at no charge to said customers; (6) vehicles specifically designed, constructed or modified and equipped, intended to be used for, and maintained or operated exclusively for the emergency or non-emergency transportation of persons for compensation for the purpose of obtaining medical services; or (7) vehicles used in charter service, as defined in this chapter.

Sec. 26-103. – State law compliance.

Except as this article hereby declares and determines, as authorized by state law, every TNC and operator shall comply with the provisions of the Transportation Network Providers Act, 625 ILCS 57/1 *et seq.*, as amended. Failure of a TNC or operator to comply with such Act will be deemed a violation of this article.

Secs. 26-103–26-110. - Reserved.

DIVISION 2. - DRIVERS' LICENSES

Sec. 26-111. - License required.

No person shall drive a TNC vehicle or be hired or permitted to do so, unless he/she is a duly licensed driver by the State of Illinois and has a valid city-issued driver's license.

- (a) The finance director may issue a provisional driver's license to a person who has applied for a license if he/she finds the applicant is qualified but, at the time of issuance, he/she has not received the results of the traffic and criminal history investigation of the applicant.
- (b) Such provisional license shall be valid for 60 days from the date of issuance but shall expire sooner upon the issuance of the annual driver's license.
- (c) The finance director shall immediately revoke the provisional license upon receipt of information that would disqualify the applicant under sections Sec. 26-113, Sec. 26-118, or Sec. 26-123. The applicant shall be notified of such in writing.

Sec. 26-112. – Application; renewal.

- (a) A verified application for a driver's license shall be made to the finance director upon forms provided. The application shall state the full name of the applicant, his/her age, his/her residence address, his/her telephone number(s), his/her electronic mail address, the name and address of the TNC the applicant will use to provide passenger transportation, whether or not he/she has ever been convicted of a felony, and such other information as the finance director may reasonably require. The applicant must undergo a state and national criminal background check, must submit to fingerprinting by the police department, and must complete any forms required to undergo the background check. A TNC submitting an application on

behalf of a driver shall provide such forms in an electronic format approved by the finance director.

- (b) An applicant shall submit the application to renew a driver's license to the finance director before October 30. Applications submitted on or after October 25 shall incur a late fee as provided in section 14-7 of the Urbana City Code. If the late fee is not paid prior to issuance of the license, the existing license shall lapse as of midnight October 30.

Sec. 26-113. - Qualification of driver; certification of driving ability.

- (a) No driver's license shall be issued to any person:
 - (1) Who is not competent to drive a motor vehicle;
 - (2) Who is not familiar with the traffic laws and ordinances;
 - (3) Whose license to drive a vehicle for hire or TNC vehicle in any jurisdiction has been suspended or revoked during the preceding six (6) months; or
 - (4) Who is not trained and properly licensed by the State of Illinois to operate the particular registered vehicle which is to be utilized for TNC services.
- (b) No driver's license shall be issued to any person who does not meet the requirements of 625 ILCS 57/15(b), as amended.
- (c) The chief of police, or his/her designee, shall examine each applicant for a driver's license to determine the eligibility of the applicant. No such license shall be issued except on certificate of the chief of police, or his/her designee that the applicant has demonstrated no traffic violations during the preceding six (6) months.
- (d) Repeat violations of this chapter or the Urbana City Code shall be grounds for rejection of a license application, non-renewal of a license or revocation of a current license.

State Law reference— Driver requirements, 625 ILCS 57/15.

Sec. 26-114. - Issuance.

The finance director or his/her designee is authorized to issue a driver's license to any qualified applicant. The license shall contain the name of the driver and the number of his/her license. Any such license issued shall be conditioned on the applicant successfully passing the background check required herein. A driver's license is nonassignable and nontransferable.

Sec. 26-115. - Identification badge.

The finance director shall issue to all qualified applicants an identification badge containing the driver's name and license number and his/her photograph attached thereto.

Sec. 26-116. - Display of license and identification badge.

A driver shall have his/her city-issued license in possession at all times while on duty and shall wear the identification card at all times while operating a TNC vehicle and logged onto the digital network or software application service. Drivers shall display their identification badges upon request of a passenger, city officer, or peace officer.

Sec. 26-117. - Duplicate licenses.

Whenever a driver has lost or destroyed his/her city-issued driver's license or identification badge, he/she shall submit an affidavit in writing to the finance director, stating that the license or badge has been lost or destroyed. The finance director shall issue a duplicate copy or substitute thereof upon payment of the sum set forth in section 14-7 of the Urbana City Code to the finance director for each item so duplicated or substituted.

Sec. 26-118. - Suspension or revocation.

- (a) In addition to the provisions of chapter 14 of the Urbana City Code, the finance director may initiate suspension or revocation proceedings for a license issued under this article if the operator commits one (1) or more moving violations pursuant to the Illinois Vehicle Code, as amended.
- (b) Notwithstanding the provisions of chapter 14 of this Code, the finance director may immediately revoke any license issued under this article when the operator's driving privileges have been suspended or revoked pursuant to the Illinois Vehicle Code, as amended from time to time. The finance director shall send a notice of revocation to the residence address of the operator filed with the finance director. The revocation shall be in effect from the date of the notice. The operator shall be entitled to a post-deprivation hearing as soon as practical, but no later than seven (7) days after issuance of the notice.
- (c) Any person whose city-issued driver's license has been revoked shall immediately surrender to the finance director his/her driver's license and identification badge.

Secs. 26-119—26-120. - Reserved.

DIVISION 3. - BUSINESS LICENSE

Sec. 26-121. - License required.

No person shall engage in the business of operating a TNC vehicle in the city without first having secured a license therefore as provided in this division.

Sec. 26-122. - Application; renewal.

- (a) A verified application for a business license shall be made to the finance director upon forms provided and in an electronic format approved by the finance director. The application shall include, at a minimum:

- (1) The full name of the applicant; or, if the applicant is a firm or corporation, the corporate name, business address, state of incorporation, and the titles, addresses, and telephone numbers of its corporate officers;
 - (2) The applicant's local and permanent residence addresses, telephone number(s), and electronic mail address;
 - (3) The full name and intended place of business, the telephone number of the business, the full name of the owner/operator/manager, and a blank original receipt that complies with section Sec. 26-144 of this article;
 - (4) The number of vehicles to be operated, an accurate copy of the current registration identification card for each vehicle to be operated that indicates the year, make, type, state license number, vehicle identification number, and the registered owner; the seating capacity thereof according to its trade rating; the names of all drivers; the body style and color of the vehicle, and color photographs of each vehicle to be operated, clearly showing front, side, and back views;
 - (5) If the applicant is an individual, whether or not he/she has ever been convicted of a felony;
 - (6) Proof of valid automobile liability insurance for each vehicle to be operated; and
 - (7) Signature of applicant.
- (b) Renewal. To renew a license before it expires, a license holder must submit the renewal application to the finance director before October 25. Applications for renewal submitted on or after October 25 shall incur a late fee as provided in section 14-7 of the Urbana City Code. If the late fee is not paid prior to issuance of the renewed license, the existing license shall lapse as of midnight October 30.

Sec. 26-123. - Qualifications of applicant.

- (a) No license to engage in the business of operating a TNC vehicle shall be issued to or held by any person:
 - (1) Who has been convicted of a felony within four (4) years of the date of application or has been released from prison or jail upon a felony conviction within four (4) years of the date of application; or
 - (2) Whose license to operate a vehicle for hire in any jurisdiction has been suspended or revoked during the preceding six (6) months.
- (b) No license to operate a TNC business shall be issued to or held by any firm or corporation if any officer thereof would be ineligible for a license under the foregoing conditions.

Sec. 26-124. - Issuance.

The finance director or his/her designee is authorized to issue a business license to any qualified applicant. The license shall contain a distinguishing number and the name and address of the person owning or operating such business. A business license is nonassignable and nontransferable.

Sec. 26-125. - Duplicate licenses.

Whenever an operator has lost or destroyed his/her city-issued business license or a vehicle license sticker issued to the operator, he/she shall submit an affidavit in writing to the finance director stating that the license or sticker has been lost or destroyed. The finance director shall issue a duplicate copy or substitute thereof upon payment of the sum set forth in section 14-7 of the Urbana City Code for each item so duplicated or substituted.

Sec. 26-126. - Suspension or revocation.

- (a) In addition to the provisions of chapter 14 of the Urbana City Code, the finance director may initiate suspension or revocation proceedings for a license issued under this article for any of the following:
 - (1) Violation of any ordinance provisions regulating a TNC;
 - (2) Allowing any person without a valid Illinois driver's license to operate a vehicle licensed under this chapter; or
 - (3) Having as a driver a person who is not licensed as a driver pursuant to this chapter.
- (b) Any TNC whose city-issued business license has been revoked shall immediately surrender to the finance director its business license, all vehicle license stickers issued to its business, and all city driver's licenses and identification badges issued to drivers for its business.

Sec. 26-127. - Changes in license information.

A TNC shall report any change in information furnished in the application for a license pursuant to this division to the finance director within ten (10) days of the change. Failure to so report shall be cause for suspension or revocation of the license.

Secs. 26-128—26-130. - Reserved.

DIVISION 4. - RATES

Sec. 26-131. - Method of rate calculation.

Every operator shall establish a method for calculating rates and fares. The following methods are approved: (i) per person or flat prearranged rates, (ii) distance traveled, or (iii) time elapsed.

Sec. 26-132. - Established.

A TNC shall disclose to passengers the fare calculation method on its website or within its software application service. A TNC shall also provide passengers with the applicable rates being charged and the option to receive an estimated fare before the

passenger enters the TNC vehicle. No TNC shall charge any passenger a fare greater than the fare rate disclosed to that passenger on the TNC's website or software application service. If a passenger is to be charged a surge charge, the TNC shall provide a clearly visible notice to the passenger via the digital network or software application service, and the passenger must accept this surge charge before the vehicle is dispatched to the passenger.

Sec. 26-133. - Waiting time.

Waiting time shall include the time when the vehicle is not in motion, beginning three (3) minutes after arrival at the place to which it has been called, the time consumed by unavoidable delays at street intersections, and the time consumed while standing at the direction of the passenger. No charge shall be made for time lost for inefficiency of the vehicle or its driver or the time consumed by premature response to a call.

Secs. 26-134—26-140. - Reserved.

DIVISION 5. - RULES AND REGULATIONS

Sec. 26-141. - Proof of insurance, bond and registration.

- (a) No person shall operate or drive a TNC vehicle unless such vehicle is covered by an insurance policy in at least the minimum amounts required by 625 ILCS 57/10, as amended. Evidence that the applicant has obtained such insurance policy shall be filed with the finance director prior to the issuance of any license.
- (b) Every operator shall provide proof of valid registration of the vehicle as prescribed by the Illinois Vehicle Code at the time of initial licensing or license renewal for each year in which the vehicle is used as a TNC vehicle.

State Law reference— Insurance, 625 ILCS 57/10.

Sec. 26-142. - Responsibility for unlicensed drivers.

No operator shall allow any person who is not licensed pursuant to this article to drive a TNC vehicle while the vehicle is being used for TNC service. This shall be strict liability offenses.

Sec. 26-143. - False representation.

- (a) No TNC or operator shall imitate the business name, colors, emblems, cap bands, caps or uniforms previously adopted and in use by any other TNC or operator.
- (b) No operator or employee of an operator shall falsely represent himself/herself as an employee of any other operator.

Sec. 26-144. - Receipt.

Within 24 hours of the completion of a prearranged trip, a TNC shall transmit to the rider an electronic receipt, either by electronic mail or via text message. The receipt shall contain the date, point of origin, and destination of the trip, the total distance and duration of the trip, the total fare paid including the base fare and any additional charges, the driver's name and city license number, and the TNC's name, customer service telephone number, and electronic mail address.

Sec. 26-145. - Conduct and appearance of drivers.

- (a) No driver while on duty shall use any profane or obscene language or gestures, shout or call to prospective passengers, or engage in violent, abusive, indecent, profane, boisterous, or unreasonably loud conduct.
- (b) Every driver shall maintain a reasonable degree of personal hygiene and be dressed in clean clothing that is not soiled or otherwise offensive.

Sec. 26-146. - Use of vehicle for crime; alcoholic beverages.

- (a) No person shall knowingly permit any TNC vehicle to be used in the commission of a crime.
- (b) No driver shall have in his/her possession or in or about the driver's compartment of the vehicle any alcoholic liquor except in the original container and with the seal unbroken.
- (c) A TNC shall comply with the requirements of 625 ILCS 57/25, as amended.

State Law reference— Safety, 625 ILCS 57/25.

Sec. 26-147. - Obedience to traffic rules.

Every driver shall obey all traffic rules established by statute or ordinance.

Sec. 26-148. - Soliciting passengers; direct route to be used.

- (a) No driver shall induce or attempt to make anyone employ his/her vehicle by any false statement or representation of the place or time of arrival or departure of any public conveyance or common carrier.
- (b) No person shall be admitted to a TNC vehicle occupied by a passenger without the consent of the original passenger.
- (c) The driver shall take his/her passenger to his/her destination by the most direct available route from the place where the passenger enters the vehicle.
- (d) No TNC driver shall accept requests for service made through street hails, including hand gestures and verbal statements, or arrange for, solicit, or accept passengers through any manner except through the digital network or software application provided by the TNC.

Sec. 26-149. - Duty to accept passengers.

Any driver shall accept as a passenger any person who seeks to so use the vehicle, provided such person is not under the influence of alcohol or drugs and conducts himself/herself in an orderly manner.

Sec. 26-150. - Parking in taxicab stand.

No vehicle used exclusively for TNC service may be parked in any taxicab stand.

Sec. 26-151. - Occupancy by person not a passenger.

- (a) No operator shall permit any person except a passenger for hire to occupy or be seated in such vehicle when the vehicle is engaged in the business of transporting passengers.
- (b) Operators may temporarily occupy a vehicle for training purposes when a new trainee has obtained a driver's license issued under this chapter. The operator shall notify the finance director of the training activities and shall provide a date certain for when said training activities will be concluded.

Sec. 26-152. - Number of passengers; seating arrangement.

The number of passengers transported at any one (1) time by a TNC vehicle shall not exceed:

- (a) the number of manufacturer-installed seats and seatbelts available for each passenger in said vehicle; or
- (b) the number allowed by state or federal law(s) for that vehicle type.

Sec. 26-153. - Fare payment.

Each TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from passengers and shall notify its drivers of such policy. TNC drivers shall not solicit or accept cash payments from passengers. Any payment for TNC service shall be made only electronically using the TNC's digital network or software application. No passenger shall fail or refuse to pay the lawful fare at the termination of a trip.

Sec. 26-154. - TNC operation; records.

- (a) The TNC's software application or website shall display a picture of the TNC driver and the license plate number of the vehicle utilized for providing the TNC service before the passenger enters the TNC vehicle.
- (b) A TNC shall maintain a record of each trip that originates or ends in the city, including the date and time, driver's name, vehicle used, and fare paid, for a minimum of six (6) months after the trip. A TNC shall provide these records to the finance department of the city upon request and in an electronic format approved by the finance director.

Sec. 26-155. - Sounding horn unnecessarily.

- (a) A driver shall call in person for a prospective passenger and shall refrain from using the horn to announce the arrival of the vehicle. Persistent sounding of the horn to the disturbance of the public shall be grounds for revoking the driver's license.
- (b) The sounding of horns by vehicle drivers while picking up passengers in the B-4 central commercial area of the city as classified under the zoning ordinance shall be permitted. However, such drivers shall not indulge in persistent sounding of horns in such area and may only sound such horns when reasonably necessary to indicate to the prospective passenger the arrival of the vehicle.

Secs. 26-156–26-160. - Reserved.

DIVISION 6. - EQUIPMENT

Sec. 26-161. - Ineligible vehicles.

No license to engage in the business of operating a TNC vehicle shall be issued for pick-up trucks of any kind or two-door coupe vehicles.

Sec. 26-162. - Transfer of vehicle registration.

An operator shall pay a fee as set forth in section 14-7 of the Urbana City Code for any transfer of vehicle registration.

Sec. 26-163. - Display of license sticker.

Upon issuance of a TNC business license, the finance director or his/her designee shall deliver a valid vehicle license sticker to the operator of each vehicle for which a license is procured. The operator shall affix the vehicle license sticker to the lower inside right-hand (passenger side) corner of the front windshield of the licensed vehicle. No vehicle, although licensed in accordance with the provisions of this division, shall be used upon the streets, avenues, or alleys of the city unless such sticker is affixed as required by this section.

Sec. 26-164. - Condition of vehicle; inspections.

- (a) No license to engage in the business of operating a TNC vehicle shall be issued unless:
 - (1) The vehicle bears a state license plate duly issued, valid, and appropriate for a TNC vehicle;
 - (2) The vehicle is equipped with proper brakes, lights, tires, horn, muffler, rear vision mirror, windshield wiper, and speedometer;
 - (3) The vehicle's body, fenders, doors, trim, grill, and paint are free from cracks, dents, breaks, rust, or other damage;

- (4) The vehicle has been thoroughly and carefully inspected and found by the city to be in clean, sanitary, safe, and good mechanical condition for the transportation of passengers; and
 - (5) A written certificate of the inspection required by this section is filed with the finance director upon forms provided.
- (b) Every TNC vehicle in operation shall be inspected at the intervals set forth below to determine if such vehicle meets the requirements of this article. The inspections required shall be performed by duly qualified automotive mechanics at facilities approved by the finance director. The schedule of inspections shall be as follows:
- (1) A vehicle that was manufactured fewer than ten years from the date of inspection shall be inspected one (1) year after the date of the last inspection of such vehicle, and the written certificate of such inspection required under subsection (a)(5) above shall be filed with the finance director.
 - (2) A vehicle that was manufactured ten (10) or more years from the date of inspection shall be inspected one-hundred and eighty (180) days after the date of the last inspection of such vehicle, and the written certificate of such inspection required under subsection (a)(5) above shall be filed with the finance director.
 - (3) Additional inspections may be required as often as the apparent condition of the vehicle warrants or upon complaint received by the finance director.
- (c) Failure to file the certificate required under subsection (a)(5) above at the time and in accordance with the requirements of the above shall require the payment of a late fee as provided in section 14-7 of the Urbana City Code for each day that such certificate is not on file after such date that it was due to be filed.
- (d) The operator shall pay all required fees for all inspections before a certificate of inspection will be issued.

Sec. 26-165. - Vehicle markings; similar markings prohibited.

- (a) TNC vehicles are not required to have a unifying color scheme. TNC vehicles may bear the TNC's trade name, monogram, or insignia. No other name, number, emblem, or advertisement of any kind except signs or advertisements required or permitted by this article shall be affixed, painted, or carried so as to be visible on the outside of any TNC vehicle unless approved by the finance director.
- (b) No vehicle covered by this article shall be licensed whose color scheme, identifying design, monogram, or insignia to be used thereon shall, in the opinion of the finance director, imitate any color scheme, identifying design, monogram, or insignia used on a vehicle or vehicles already operating under this article.

Secs. 26-166—26-170. - Reserved.

Exhibit B

Transportation Network Providers Act.

625 ILCS 57/1

Sec. 1. Short title. This Act may be cited as the Transportation Network Providers Act.
(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/5

Sec. 5. Definitions.

"Transportation network company" or "TNC" means an entity operating in this State that uses a digital network or software application service to connect passengers to transportation network company services provided by transportation network company drivers. A TNC is not deemed to own, control, operate, or manage the vehicles used by TNC drivers, and is not a taxicab association or a for-hire vehicle owner.

"Transportation network company driver" or "TNC driver" means an individual who operates a motor vehicle that is:

- (1) owned, leased, or otherwise authorized for use by the individual;
- (2) not a taxicab or for-hire public passenger vehicle; and
- (3) used to provide transportation network company services.

"Transportation network company services" or "TNC services" means transportation of a passenger between points chosen by the passenger and prearranged with a TNC driver through the use of a TNC digital network or software application. TNC services shall begin when a TNC driver accepts a request for transportation received through the TNC's digital network or software application service, continue while the TNC driver transports the passenger in the TNC driver's vehicle, and end when the passenger exits the TNC driver's vehicle. TNC service is not a taxicab, for-hire vehicle, or street hail service.

(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/10

(Section scheduled to be repealed on June 1, 2020)

Sec. 10. Insurance.

- (a) Transportation network companies and participating TNC drivers shall comply with the automobile liability insurance requirements of this Section as required.
- (b) The following automobile liability insurance requirements shall apply from the moment a participating TNC driver logs on to the transportation network company's digital network or software application until the TNC driver accepts a request to transport a passenger, and from the moment the TNC driver completes the

transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network or software application:

- (1) Automobile liability insurance shall be in the amount of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$25,000 for property damage.
 - (2) Contingent automobile liability insurance in the amounts required in paragraph (1) of this subsection (b) shall be maintained by a transportation network company and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide at least the limits of coverage required in paragraph (1) of this subsection (b).
- (c) The following automobile liability insurance requirements shall apply from the moment a TNC driver accepts a ride request on the transportation network company's digital network or software application until the TNC driver completes the transaction on the digital network or software application or until the ride is complete, whichever is later:
- (1) Automobile liability insurance shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage. The requirements for the coverage required by this paragraph (1) may be satisfied by any of the following:
 - (A) automobile liability insurance maintained by a participating TNC driver;
 - (B) automobile liability company insurance maintained by a transportation network company; or
 - (C) any combination of subparagraphs (A) and (B).
 - (2) Insurance coverage provided under this subsection (c) shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle.
 - (3) The insurer, in the case of insurance coverage provided under this subsection (c), shall have the duty to defend and indemnify the insured.
 - (4) Coverage under an automobile liability insurance policy required under this subsection (c) shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.
- (d) In every instance when automobile liability insurance maintained by a participating TNC driver to fulfill the insurance obligations of this Section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this Section beginning with the first dollar of a claim.
- (e) This Section shall not limit the liability of a transportation network company arising out of an automobile accident involving a participating TNC driver in any action for

damages against a transportation network company for an amount above the required insurance coverage.

- (f) The transportation network company shall disclose in writing to TNC drivers, as part of its agreement with those TNC drivers, the following:
 - (1) the insurance coverage and limits of liability that the transportation network company provides while the TNC driver uses a vehicle in connection with a transportation network company's digital network or software application; and
 - (2) that the TNC driver's own insurance policy may not provide coverage while the TNC driver uses a vehicle in connection with a transportation network company digital network depending on its terms.
- (g) An insurance policy required by this Section may be placed with an admitted Illinois insurer, or with an authorized surplus line insurer under Section 445 of the Illinois Insurance Code; and is not subject to any restriction or limitation on the issuance of a policy contained in Section 445a of the Illinois Insurance Code.
- (h) Any insurance policy required by this Section shall satisfy the financial responsibility requirement for a motor vehicle under Sections 7-203 and 7-601 of the Illinois Vehicle Code.
- (i) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the transportation network company shall cause its insurer to issue the payment directly to the business repairing the vehicle, or jointly to the owner of the vehicle and the primary lienholder on the covered vehicle.

(Source: P.A. 98-1173, eff. 6-1-15; 99-56, eff. 7-16-15.)

625 ILCS 57/15

Sec. 15. Driver requirements.

- (a) Prior to permitting an individual to act as a TNC driver on its digital platform, the TNC shall:
 - (1) require the individual to submit an application to the TNC, which includes information regarding his or her address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance, and other information required by the TNC;
 - (2) conduct, or have a third party conduct, a local and national criminal history background check for each individual applicant that shall include:
 - (A) Multi-State or Multi-Jurisdictional Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and
 - (B) National Sex Offenders Registry database; and

- (3) obtain and review a driving history research report for the individual.
- (b) The TNC shall not permit an individual to act as a TNC driver on its digital platform who:
 - (1) has had more than 3 moving violations in the prior three-year period, or one 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 7 years, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, or theft, acts of violence, or acts of terror;
 - (3) is a match in the National Sex Offenders Registry database;
 - (4) does not possess a valid driver's license;
 - (5) does not possess proof of registration for the motor vehicle used to provide TNC services;
 - (6) does not possess proof of automobile liability insurance for the motor vehicle used to provide TNC services; or
 - (7) is under 19 years of age.

(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/20

Sec. 20. Non-discrimination.

- (a) The TNC shall adopt and notify TNC drivers of a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and potential passengers.
- (b) TNC drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.
- (c) TNC drivers shall comply with all applicable laws relating to accommodation of service animals.
- (d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.
- (e) A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair accessible vehicle. If a TNC cannot arrange wheelchair-accessible TNC

service in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.

- (f) If a unit of local government has requirements for licensed chauffeurs not to discriminate in providing service in under-served areas, TNC drivers participating in TNC services within that unit of local government shall be subject to the same non-discrimination requirements for providing service in under-served areas.

(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/25

Sec. 25. Safety.

- (a) The TNC shall implement a zero tolerance policy on the use of drugs or alcohol while a TNC driver is providing TNC services or is logged into the TNC's digital network but is not providing TNC services.
- (b) The TNC shall provide notice of the zero tolerance policy on its website, as well as procedures to report a complaint about a driver with whom a passenger was matched and whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip.
- (c) Upon receipt of a passenger's complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend the TNC driver's access to the TNC's digital platform, and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.
- (d) The TNC shall require that any motor vehicle that a TNC driver will use to provide TNC services meets vehicle safety and emissions requirements for a private motor vehicle in this State.
- (e) TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.

(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/30

Sec. 30. Operational.

- (a) A TNC may charge a fare for the services provided to passengers; provided that, if a fare is charged, the TNC shall disclose to passengers the fare calculation method on its website or within the software application service.
- (b) The TNC shall provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC driver's vehicle.

- (c) The TNC's software application or website shall display a picture of the TNC driver, and the license plate number of the motor vehicle utilized for providing the TNC service before the passenger enters the TNC driver's vehicle.
- (d) Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists:
 - (1) the origin and destination of the trip;
 - (2) the total time and distance of the trip; and
 - (3) an itemization of the total fare paid, if any.
- (e) Dispatches for TNC services shall be made only to eligible TNC drivers under Section 15 of this Act who are properly licensed under State law and local ordinances addressing these drivers if applicable.
- (f) A taxicab may accept a request for transportation received through a TNC's digital network or software application service, and may charge a fare for those services that is similar to those charged by a TNC.

(Source: P.A. 98-1173, eff. 6-1-15.)

625 ILCS 57/32

(Section scheduled to be repealed on June 1, 2020)

Sec. 32. Preemption. A unit of local government, whether or not it is a home rule unit, may not regulate transportation network companies, transportation network company drivers, or transportation network company services in a manner that is less restrictive than the regulation by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

(Source: P.A. 99-56, eff. 7-16-15.)

625 ILCS 57/34

(Section scheduled to be repealed on June 1, 2020)

Sec. 34. Repeal. This Act is repealed on June 1, 2020.

(Source: P.A. 99-56, eff. 7-16-15.)

625 ILCS 57/35

Sec. 35. (Amendatory provisions; text omitted).

(Source: P.A. 98-1173, eff. 6-1-15; text omitted.)