



Committee of the Whole Report

For the Meeting of December 12th, 2019

To: Committee of the Whole **Date:** December 3rd, 2019

From: Chris Coates, City Clerk

Subject: Municipal Licensing and Regulating of Provincially Approved Taxis, Limousines, and Ride-Hailing Services

RECOMMENDATION

That Council direct staff to:

1. Bring forward amendments to the Vehicles for Hire Bylaw to Council that suspend taxi licensing conditions under Division 2, 3, 4, and 5, except section 70 and 71, of the Vehicles for Hire Bylaw.
2. Review City bylaws and bring forward bylaw amendments to align with provincial licensing requirements for taxis, limousines, and ride-hail vehicles.
3. Report back with further regulatory recommendations for passenger directed vehicles in conjunction with the Sustainable Mobility Strategy.

EXECUTIVE SUMMARY

Provincial legislation enabling ride-hailing in BC came into force on September 16th, 2019. The Province issues licences to ride-hailing companies and sets driver and vehicle requirements for Passenger Directed Vehicles, including taxis, limousines, and ride hailing vehicles. In Provincial legislation, companies that offer ride-hailing services are referred to as "Transportation Network Services" (TNSs).

Ride-hailing companies apply to provide ride-hailing services in an operating area set by the Province. The Capital Regional District is the designated region for TNSs, which includes Victoria. Under this Provincial framework, the City retains the authority to issue business licences and regulate by bylaw; however, the City may not prohibit ride-hailing companies from operating in the municipality.

As of November 7th, 2019, 10 TNS companies have applied to operate in the region including Victoria. To date the Passenger Transportation Board has not issued a licence to a ride-hailing company and it is not clear when this will occur. Municipalities may submit comments to the Board during the application stage.

In addition to provincial licensing, the City currently licenses taxis and limousines under the Business Licence Bylaw and sets licensing conditions under the Vehicles for Hire Bylaw. The City's Business Licence Bylaw enables the City to license a ride-hailing company and driver in the same way as taxis and limousines. The City's Vehicles for Hire Bylaw does not currently apply to ride-

hailing services. The new provincial rules also put City licensing conditions for taxis and limousines out of alignment with provincial rules.

The purpose of this report is to inform Council of the City's ability to license ride-hailing services like taxis, to more closely align licensing conditions for ride-hailing services and taxis, to harmonize business licensing conditions with provincial licensing requirements, and also seek Council's approval for staff to develop the a regulatory framework that aligns with the City's GOVictoria program (Sustainable Mobility Strategy) and Council's directions to manage City rights-of-way in a manner that optimises performance of parking, loading/unloading for commercial vehicles, reduces congestion, improves accessibility, improves the shared mobility network, captures performance data, and incentivizes a shift to zero or low emissions vehicles.

The licensing and regulation of passenger directed vehicles, including taxis, limousines, and ride-hailing services, under the recommended approach would be completed in three phases. The first phase is to license ride-hail companies and drivers under the existing authority and remove some taxi licensing conditions that duplicate provincial licensing requirements in order to start equalizing licensing conditions for passenger directed vehicles (PDV's). The second phase is review in greater detail bylaw regulations applicable to PDV's to be consistent with the new provincial licensing requirements. The third phase would be to develop of a regulatory framework using the Vehicles for Hire Bylaw to ensure that these new services are effectively, safely and sustainably integrated into the City's mobility strategies, networks and services.

PURPOSE

This report provides information to Council about the provincial licensing requirements for passenger directed vehicles and seek Council direction for licensing and regulating ride-hailing services, taxis, and limousines

BACKGROUND

BC Framework for Ride-Hailing Services

The Province enacted the Passenger Transportation Act (the Act) which came into force on September 16th, 2019. It enables ride-hailing services in BC and updates provincial taxi and limousine licensing and operating rules. The Act establishes licensing and operating conditions for commercial passenger vehicles and PDVs including conditions for taxis, limousines, and ride-hailing vehicles.

The Act establishes the Passenger Transportation Board (the Board) which reviews applications from ride-hailing companies. The Board licenses ride-hailing companies to provide transportation network services (TNS) in the region. The Board has accepted applications since September 3rd, 2019. Municipalities may submit comments to the Board during the application stage.

As of November 7th, 2019, 10 TNS companies have applied to operate in the Capital Regional District (CRD). A licensed ride-hailing company may begin providing services once it obtains a provincial licence, subject to any additional municipal requirements. The Board has not licensed any ride-hailing companies to operate in the CRD yet and it is not clear when this will occur.

Provincial Operating Areas

Region	Operating Area Description
Region 1	<i>Lower Mainland, Whistler</i>
Region 2	<i>Capital Regional District</i>
Region 3	<i>Vancouver Island, except CRD</i>

Region 4	<i>Okanagan – Kootenay Boundary – Cariboo</i>
Region 5	<i>North Central and Other Regions of BC</i>

The Board licenses ride-hailing companies to operate in a region and PDV drivers apply with licensed ride-hailing companies to operate under their licences. Provincial rules require licensed ride-hailing companies to ensure that PDV drivers and vehicles fulfill provincial licensing requirements.

PDV drivers will have to meet the following requirements:

- Have a commercial driver's licence (Class 4).
- Complete a driving record check
- Complete a criminal record check
- Ensure vehicle is not older than 10 years and 1 month

Municipal Chauffeur Permits

Under the new provincial PDV framework, the City can no longer issue municipal chauffeur permits for PDV and TNS vehicles as of September 16th, 2019. Before, the City required taxi drivers to obtain municipal chauffeur permits before receiving a taxi licence, which includes a requirement to provide a criminal record check with a vulnerable sector check. The new provincial requirements for a Record Check Certificate replaces the legacy municipal chauffeur permit. A Record Check Certificate verifies that a driver has received a criminal record check and a driving record check and is therefore eligible to safely operate PDVs.

Scope of Municipal Authority to Regulate PDVs and TNSs

Municipalities may regulate the business operations of PDVs through their general business licensing and regulating authorities. Municipalities may issue business licences, set business licence conditions, and regulate by bylaw. Under the provincial framework for ride-hailing services, municipalities may not prohibit PDVs from operating in the municipality, regulate the number of PDVs, or issue municipal chauffeur permits to taxis, limousines, and ride-hailing vehicles.

ISSUES AND ANALYSIS

Licensing

Licences and Fees for Vehicles for Hire

Under the Business Licence Bylaw (attached as Appendix A), the City has authority to licence a business for \$100 and any person who owns or keeps a "cab, motor car, automobile, or other conveyance or vehicle for hire, other than a school bus" for \$140 for each vehicle or conveyance. The City currently uses this authority to license and collect a fee from taxi and limousine companies, owners, and drivers. The City is able to use this authority to license and collect a fee from ride-hailing companies and drivers.

Licensing Conditions for Vehicles for Hire

The Vehicles for Hire Bylaw (attached as Appendix B) sets out licensing and operating conditions for some types of vehicles for hire. These licensing conditions apply to taxis, limousines, and sight-seeing vehicles (including pedicabs, rickshaws, and horse drawn vehicles). The Vehicles for Hire Bylaw does not currently apply to ride-hailing services.

Staff recommend suspending taxi licensing conditions under the Vehicles for Hire Bylaw. This would level the playing field for taxis and ride-hailing services while staff undertake a review to harmonize municipal and provincial licensing and operating requirements. Staff propose to suspend Division

2, 3, 4, and 5, not including section 70 and 71, which establish some taxi licensing and operating conditions. The proposed changes are attached as Appendix C. Staff would report back with a recommendation about new regulations after a thorough review.

The table below identifies relevant City bylaws that relate to the licensing of vehicles for hire.

City Bylaws related to Vehicles for Hire

Bylaw	Related Authority	Does it apply to Ride-Hailing Services?
Business Licence Bylaw	<i>Establishes licences and fees for businesses operating in Victoria.</i> <i>Sets a licence fee for a person owning or keeping a cab, motor car, automobile, or other conveyance or vehicle for hire, other than a school bus, for each conveyance or vehicle.</i>	Yes
Vehicles for Hire Bylaw	<i>Establishes licensing, permitting, and operating conditions for taxis, limousines, and sight-seeing vehicles (including pedicabs, rickshaws, and horse drawn vehicles).</i>	No

Regulations

Council approved the GOVictoria policy directions related to Key Initiative #5 – “Rethink the Curb”, which has been developed in anticipation of these new types of mobility services that increase competition for the curb space parking, pick up and drop off zones and can cause increased traffic delays, congestion, safety pressures and increased greenhouse gas and other exhaust emissions. If done well, the services can provide an enhanced mobility option for travellers of all types and improve household affordability, reduce parking pressures in the downtown, and improve the quality of life for riders through a convenient, affordable transportation service. The GOVictoria program identifies the requirement to amend City bylaws and create incentives to reach these benefits without the risks.

Council approved a set of actions related to the November 14th, 2019 COTW report, which includes “Initiate planning and actions in support of “Rethink the Curb” and report back with initial proposed changes as part of the annual parking update (Q1 2020) and through a comprehensive strategy for Council’s consideration in Q3 2020 “. The recommendations in this report align with this direction and will include requirements such as (for example) for low/zero emissions vehicle incentives through pricing and rights-of-way access opportunities as well as enhanced accessibility services and incentives (financial and other types) to mitigate increased congestion, and capture mobility data reporting requirements to inform the City’s design and management of its mobility networks.

Next Steps

The recommended approach is based on the criteria that the City develop similar rules for taxis and ride-hail vehicles, leverage provincial company, driver, and vehicle requirements to remove duplication and reduce municipal responsibility, and establish a business licensing model that enables the City to address any negative impacts arising from ride-hailing services operations.

The licensing and regulation of passenger directed vehicles, including taxis, limousines, and ride-hailing services, under the recommended approach would be completed in three phases.

The first phase is to license ride-hail companies and drivers under the existing authority and suspend taxi licensing conditions under Vehicles for Hire Bylaw Division 2, 3, 4, and 5, not including section 70 and 71, in order to create a more level playing field for taxis and ride-hailing services. The City will initiate communications through its website and with key stakeholders to share information on short-term changes and signal further future changes to maximize benefits of new mobility services while minimizing risks.

The second phase is to align bylaw regulations to be consistent with the new provincial licensing requirements.

The third phase would be the development of a regulatory framework using the Vehicles for Hire Bylaw, under the City's authorities of the new Provincial program, to ensure that these new services were effectively, safely and sustainably integrated into the City's mobility strategy, networks and services.

OPTIONS AND IMPACTS

Option 1 (Recommended)

The recommended approach would;

- Suspend taxi licensing and operating conditions to level the playing field with ride-hailing services while staff undertake a review to harmonize the Vehicles for Hire Bylaw with provincial rules. (The impacts on the Vehicles for Hire Bylaw are outlined in track changes in Appendix C).
- Gives direction to staff to undertake a review of City bylaws to remove contradiction and duplication with Provincial licensing requirements.
- Gives direction to staff to undertake regulatory work for ride-hailing services as part of the Go Victoria work.

Option 2

This approach is the same as Option 1 except that it proposes retaining all current taxi licensing conditions until staff undertake a comprehensive review of the Vehicles for Hire Bylaw.

Accessibility Impact Statement

The recommendation has no accessibility implications, initially. The Development of regulations subsequently will include consideration for accessibility issues related to services, curb access and parking operations.

2015 – 2018 Strategic Plan

The recommendation has no strategic plan implications.

Impacts to Financial Plan

The recommendation has no financial implications and staff time for undertaking this regulatory review has been provided for in the 2020 workplan for Legislative Services and fits in with the Go Victoria strategy in Transportation.

Official Community Plan Consistency Statement

The recommendation has no Official Community Plan implications.

CONCLUSION

New provincial rules enable the arrival of ride-hailing services in the Capital Regional District along with changes to provincial licensing and operating conditions for taxis, limousines, and ride-hailing vehicles. The recommendation ensures that the current licensing framework for ride-hailing services is clear and takes immediate steps to establish a level playing field for taxis and ride-hailing services to the extent that is possible with the new provincial framework. It also proposes a review of the Vehicles for Hire Bylaw to ensure a level playing field for passenger directed vehicles and align with provincial rules by removing duplication or contradiction. Finally, it proposes to continue developing a further licensing and operating conditions as a part of the Go Victoria program.

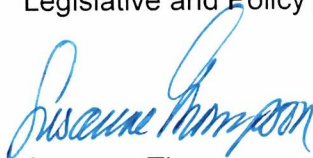
Respectfully submitted,



Monika Fedyczkowska
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Chris Coates
City Clerk



Susanne Thompson
Deputy City Manager

Report accepted and recommended by the City Manager:


Date: Dec 4, 2019

Attachments

Appendix A: Business Licence Bylaw

Appendix B: Vehicles for Hire Bylaw

Appendix C: Proposed changes to the Vehicles for Hire Bylaw