

By Council Member Diaz

A Local Law to amend the administrative code of the city of New York, in relation to the licensing and regulation of app-based for-hire transportation services and vehicles

Be it enacted by the Council as follows:

1 Section 1. Section 19-502 of the administrative code of the city of New York is amended
2 by adding new subdivisions ff, gg, and hh to read as follows:

3 ff. App-based for-hire base. The term “app-based for-hire base” means a commission-
4 licensed business for dispatching app-based for-hire vehicles.

5 gg. App-based for-hire service. The term “app-based for-hire service” means an
6 individual, partnership, limited liability company or business corporation that offers
7 transportation for hire to passengers by prearrangement, utilizing software that allows a
8 passenger or prospective passenger to arrange for transportation of passengers for-hire using a
9 publicly-available, passenger-facing booking tool, including a smartphone or similar electronic
10 device, that allows the passenger to identify the location of available vehicles, and allows the
11 driver of the vehicle to receive a request for transportation from such passenger. The term “app-
12 based for-hire service” includes an entity that operates under a single brand across multiple app-
13 based for-hire bases or which allows drivers from multiple app-based for-hire bases to operate on
14 its platform to receive trip dispatches, reservations, or referrals. The term “app-based for-hire
15 service” shall not include an entity licensed as, and meeting all of the requirements of, the term
16 “base station” as defined in subdivision t of this section, or an entity that owns, operates or
17 exclusively services “medallion taxicabs” or “street hail livery vehicles” as these terms are
18 defined in section 51-03 of the rules of the commission.

1 hh. App-based for-hire vehicle. The term “app-based for-hire vehicle” means a for-hire
2 vehicle licensed by the commission and authorized to accept requests for, and provide
3 transportation through, an app-based for-hire service. The term app-based for-hire vehicle shall
4 not include a “medallion taxicab” or a “street hail livery vehicle” as these terms are defined in
5 section 51-03 of the rules of the commission.

6 § 2. Chapter 5 of title 19 of the administrative Code of the city of New York is amended
7 by adding a new section 19-548 to read as follows:

8 § 19-548 Licensing and operation of app-based for-hire services. a. It is unlawful for any
9 person or business to operate an app-based for-hire service unless duly licensed as an app-based
10 for-hire service.

11 b. 1. The annual fee for an app-based for-hire service license is \$20,000, due and payable
12 on the day the license application is filed with the commission and annually on June 30 of each
13 year thereafter. License fees shall be prorated to the term of the license.

14 2. Licenses are valid for one year, from July 1 to June 30, except that the first license
15 issued to a new app-based for-hire service shall expire on the June 30 following license issuance.

16 3. The penalty for operating an app-based for-hire service without a current, valid license
17 issued by the commission, or for operating an app-based for-hire service in a manner beyond the
18 scope of the license, shall be the same as the penalty provided in this chapter for operating a for-
19 hire vehicle without a license.

20 c. No license shall be issued by the commission for a new app-based for-hire service
21 unless the applicant has demonstrated to the satisfaction of the commission that such service:

1 1. Operates from a business address in a commercially zoned area within the city where
2 such business can lawfully operate. No more than one app-based for-hire service license shall be
3 issued to a single location at any given time;

4 2. Demonstrates to the satisfaction of the commission that a business need exists for such
5 app-based for-hire service. In connection with such application, the applicant must provide a
6 detailed business plan which includes (i) an analysis of the geographic area it intends to serve,
7 and (ii) a complete description of all transportation services available to the public in the
8 proposed service area, including, but not limited to, available public transit, neighborhood car
9 services, existing black car businesses serving the area, taxicabs, street hail liveries and other
10 licensed app-based for-hire service providers currently providing service within the proposed
11 geographic area of operation;

12 3. Provides a projection of the number of affiliated app-based for-hire vehicles needed to
13 deliver service as set forth in its business plan, and the average number of fares per vehicle that
14 is anticipated will be provided by the service. There shall be a rebuttable presumption that there
15 is no demonstrated need for new or additional service unless the average number of trips per app-
16 based for-hire vehicle affiliated with the service exceeds 10 per day;

17 4. Complies with all requirements of the city environmental quality review process; and

18 5. Provides a detailed description of all commissions, lease fees, and other charges it
19 proposes to charge either the app-based for-hire vehicle owner or the driver, or both as
20 applicable, including an estimate of the average hourly earnings of a driver, based upon actual or
21 anticipated trips and fares.

22 d. No renewal of a license for an app-based for-hire service shall be approved unless the
23 licensee has, upon submission of a renewal application, demonstrated to the commission that it

1 continues to comply with each of the requirements set forth in subdivision c of this section.

2 Current trip and revenue data shall be included with each renewal application.

3 e. A copy of each new or renewal application shall be furnished to the chairperson of the
4 community board and the city council member in whose district the app-based for-hire service is
5 to be located and all such renewal applications shall be accompanied by a comprehensive report
6 of the number of trips conducted by the app-based for-hire service during the prior year.

7 f. An app-based for-hire service may only dispatch or provide requests for transportation
8 to an app-based for-hire vehicle affiliated with such service.

9 g. An app-based for-hire service shall comply with all of the rules of the commission,
10 including, but not limited to, rules prohibiting the acceptance of hails from passengers on the
11 street, service refusals, and overcharges.

12 h. An app-based for-hire service shall ensure that a driver of an app-based for-hire
13 vehicle is not provided with a passenger's destination prior to acceptance of the trip.

14 i. An app-based for-hire service shall file its rates of fare with the commission annually,
15 and whenever there is any change in the rates. These rates shall be based on mileage, time, or a
16 combination thereof.

17 j. 1. An app-based for-hire service shall not charge an app-based for-hire vehicle owner
18 or driver any commission, lease fee, or other charge unless such charge has been filed with and
19 approved in advance by the commission.

20 2. The commission shall review any request for a charge which an app-based for-hire
21 service proposes to charge either an app-based for-hire vehicle owner or driver, and shall not
22 approve such charge unless the commission determines that such a charge is in the best interests

1 of both the public and the app-based for-hire vehicle owner or driver, and such charge shall not
2 prevent such driver or owner from earning a reasonable income operating such vehicle.

3 k. All bases, as defined as such by the rules of the commission, in continuous operation
4 since the year 2000 and which are using app based software shall be exempted from the
5 requirements of this section and section 19-549.

6 § 3. Chapter 5 of title 19 of the administrative Code of the city of New York is amended
7 by adding a new section 19-549 to read as follows:

8 § 19-549 Licensing and operation of app-based for-hire vehicles. a. It is unlawful for any
9 person to operate an app-based for-hire vehicle unless duly licensed to do so by the commission.

10 b. 1. The annual fee for an app-based for-hire vehicle license is \$2,000, due and payable
11 on the day the license application is filed with the commission and annually on June 30 of each
12 year thereafter. License fees will be prorated to the term of the license.

13 2. Licenses are valid for one year, from July 1 to June 30, except that the first license
14 issued to a new app-based for-hire vehicle shall expire on the June 30 following license issuance.

15 3. The penalty for operating an app-based for-hire vehicle without a current, valid license
16 issued by the commission, or for operating an app-based for-hire vehicle in a manner beyond the
17 scope of the license, is the same as the penalty provided in this chapter for operating a for-hire
18 vehicle without a license.

19 c. An app-based for-hire vehicle may be affiliated with only one app-based for-hire
20 service.

21 d. An app-based for-hire base licensed by the commission shall have no fewer than 10
22 app-based for-hire vehicles affiliated with it at any time.

1 e. 1. No driver or owner of an app-based for-hire vehicle shall receive dispatches from
2 any app-based for-hire service unless such vehicle shall be licensed by the commission as an
3 app-based for-hire vehicle, and the operator of the vehicle is a holder of a universal driver license
4 issued by the commission.

5 2. An app-based for-hire service shall take all necessary actions to ensure that a driver not
6 licensed by the commission as a for-hire vehicle driver cannot accept passengers for hire in an
7 affiliated app-based for-hire vehicle.

8 f. 1. An app-based for-hire vehicle shall not be licensed unless it meets all of the
9 insurance and vehicle specification requirements set forth in the rules and regulations of the
10 commission.

11 2. No vehicle shall be permitted to be licensed as an app-based for-hire vehicle until the
12 vehicle is insured by a company authorized to do business in the state of New York with
13 insurance coverage levels that, at a minimum, meet the insurance requirements for black cars.

14 g. All app-based for-hire vehicles affiliated with an app-based for-hire service must
15 prominently display on the exterior of the vehicle approved trade dress identifying the brand or
16 name utilized by the affiliated app-based for-hire service, as well as a unique, permanently
17 affixed alpha-numeric identifier approved and assigned by the commission which shall be no less
18 prominent than those required on medallion taxicabs.

19 h. A driver of an app-based for-hire vehicle may not accept hails from passengers in the
20 street, or dispatches, whether through radio, telephone, app-based service or any other means,
21 from any business or entity except the app-based for-hire service to which the vehicle is
22 affiliated.

1 § 4. This local law takes effect 120 days after it becomes law, except that the taxi and
2 limousine commission shall take such measures as are necessary for the implementation of this
3 local law, including the promulgation of rules, prior to such date.

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