



**COMMUNITY SAFETY COMMITTEE**  
**Thursday, June 12, 2014; 12:00 p.m.**  
**Room 280**

Committee Members: Claire Fallon, Chair  
Michael Barnes, Vice Chair  
Al Austin  
Greg Phipps  
Kenny Smith

Staff Resource: Eric Campbell, Assistant City Manager

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**AGENDA**

**I. Digital Dispatch Services**

*Staff Resources: Eric Campbell & Thomas Powers*

The Committee will continue its discussions regarding the Passenger Vehicle for Hire and Digital Dispatch Services. Staff will provide preliminary recommendations.

Attachment: 1. PVH & Digital Dispatch Services.ppt

**Next meeting**

September 11, 2014 at 12:00 noon, Room 280

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Distribution:	City Council	Ron Carlee, City Manager	Executive Team
	Bob Hagemann	Stephanie Kelly	Thomas Powers
	Tracy Evans		



**CHARLOTTE**<sup>SM</sup>

OFFICE OF THE  
CITY MANAGER

Passenger Vehicle For Hire  
&  
Digital Dispatching Services  
June 12, 2014

By:  
Eric Campbell  
Thomas Powers III  
Tracey Evans

**CHARMECK.ORG**

- The Passenger Vehicle for Hire Office
  - Authorized by N.C. Gen. Stat. § 160A-304 to regulate passenger vehicle for hire system
  - Applies PVH ordinance upon companies, taxicabs, executive cars (limos), other special vehicles, and drivers
- Background Checks Prior to Issuance
  - Criminal background checks for Company Operating Certificates, Vehicle Operating Permits, and Driver's Permits
  - Drug testing for Driver's Permits.
- Issues/Suspends/Revokes
  - Company Operating Certificates
  - Vehicle Operating Permits
  - Driver's Permit

- North Carolina General Assembly passed Session Law 2013-413 (Signed into law on August 23, 2013)
  - Amended N.C. General Statutes § 160A-194
    - Prohibits the City from regulating and licensing digital dispatching services for prearrangement
  - Also Amended N.C. General Statutes § 160A-304
    - Prohibits the City from adopting an ordinance that regulates and licenses digital dispatching services
- No definition of “digital dispatching services” in Session Law 2013-413.
  - Legal uncertainty due to lack of clarity

## Digital Dispatch Service Companies in Charlotte

- Last summer, Lyft and Uber launched their internet-based PVH service in Charlotte.
- These internet-based companies are national companies, not headquartered in Charlotte, that provide citizens with the opportunity to request PVH service via a mobile phone application.
  - Any person requesting digital dispatch service has his/her credit card linked to the digital dispatch service; as such, no money physically exchanges hands between the passenger and the PVH driver.
- This mobile phone application is referred to as digital dispatch service.

## Digital Dispatch Service Companies in Charlotte . . . cont

NAME	PURPOSE	Fees	Vehicles
UBER	Summons Black Cars	Set By Company	Commercial Vehicles
UBERX	Peer-to-Peer Ride-Share	Set By Company	Personal Cars
LYFT	Peer-to-Peer Ride-Share	Donations	Personal Cars (Pink Mustache)

- Lyft is a digital dispatch service where private citizens use their own personal cars to provide transportation for a passenger requesting the service.
- Uber is a digital dispatch service where a person finds the closest PVH taxi cab or black car to pick up the person requesting the service.



# COMPARISON OF CITY ORDINANCE TO STATE STATUTE

Council has the authority to:	Traditional Passenger Vehicle for Hire Companies	Digital Dispatch Companies	Recommended Action
Regulate companies	Yes	<b>No</b>	Eliminate N.C. Gen. Stat. § 160A-304(c)(1)
Require criminal background checks of company owners	Yes	<b>No</b>	Eliminate N.C. Gen. Stat. § 160A-304(c)(1)
Regulate any and all automobiles	Yes	Yes	No recommendation
Establish vehicle age limits	Yes	Yes	No recommendation
Require criminal background checks of vehicle owners	Yes	Yes	No recommendation
Regulate any and all drivers for companies	Yes	Yes	No recommendation
Establish a minimum driver age	Yes	Yes	No recommendation
Require criminal background checks of drivers	Yes	Yes	No recommendation
Establish a particular method or formula for rate calculation	Yes	<b>No</b>	No recommendation
Set a minimum fare for time and/or distance for prearranged transportation	Yes	<b>No</b>	No recommendation
Set a maximum fare for time and/or distance for prearranged transportation	Yes	Yes	No recommendation
Establish a minimum wait time between requesting and using prearranged transportation	Yes	<b>No</b>	No recommendation
Require a final destination when requesting prearranged transportation	Yes	<b>No</b>	No recommendation
Require or prohibit contracts between a taxicab company and a digital dispatch service	<b>No</b>	<b>No</b>	No recommendation

- Passenger Vehicle For Hire Concerns
  - Permit Eligibility & Requirements
  - Criminal Background Standards
  - Insurance Requirements/Liability
  - Car Quality
  - Enforcement by staff
  - Fares and fare surges
  - Performing duties similar to a taxi cab (Lyft & UberX)

- **Companies**

- Council has the authority to regulate the traditional Passenger Vehicle For Hire (“PVH”) companies but does not have the authority to regulate or license the “digital dispatch service” companies. N.C. Gen. Stat. § 160A-304(c)(1).
- Council has the authority to require a criminal background check on traditional PVH companies owners but not “digital dispatch service” company owners.

- **Vehicles**

- Council has the authority to regulate any and all PVH automobiles within the City regardless of whether the vehicle is used for a traditional PVH company or a “digital dispatch service” company.
- Council has the authority to establish a vehicle age limit for any PVH or a “digital dispatch service” transportation.
- Council has the authority to require a criminal background check on vehicle owners.

- **Drivers**

- Council has the authority to regulate any and all PVH drivers regardless of whether the driver works for a traditional PVH Company or a “digital dispatch service” company.
- Council has the authority to establish a minimum driver age for PVH or a “digital dispatch service” transportation.
- Council has the authority to require a criminal background check.

- **Operations**

- *Calculating Rates/Fares*: Council lacks the authority to establish a particular method or formula for the rate calculation. N.C. Gen. Stat. § 160A-304(c)(3).
- *Prearranged Rates/Fares*: Council lacks the authority to set a minimum fare for time and/or distance for prearranged transportation. N.C. Gen. Stat. § 160A-304(c)(2). However, Council could set a maximum fare for time and/or distance for prearranged transportation.

- **Operations**

- *Minimum Wait Time*: Council lacks the authority to establish a minimum wait time between requesting prearranged transportation through a “digital dispatch service” and using the prearranged transportation through a “digital dispatch service.” N.C. Gen. Stat. § 160A-304(c)(4).
- *Prearranged Destination*: Council lacks the authority to require a final destination when requesting prearranged transportation through a “digital dispatch service.” N.C. Gen. Stat. § 160A-304(c)(5).
- *Taxi Cab “Digital Dispatch Service:”* Council lacks the authority to require or prohibit contracts between a taxi cab company and a “digital dispatch service” business.

- Revise the PVH Ordinance based on the City Attorney's Office March 14, 2014, memo to do the following:
  - regulate vehicles and drivers of digitally dispatched service companies
  - set a maximum fare for time or distance to be charged
  - Revise any additional provisions to conform to state law
- Delay reporting recommendation to the full Council until September 2014
  - Allow Staff to monitor the General Assembly activity for changes to N.C. Gen. Stat. § 160-304.
  - Allow Staff additional time to work with industry stakeholders for ordinance revisions.