



## Legislation Text

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### **Bylaw 22/2017 - Amendment to Business License Bylaw 43/2000 Regarding Vehicle for Hire**

Presented by: Dawn Fedorvich, Acting Manager of Business Retention & Expansion

#### **RECOMMENDATION(S)**

1. That Bylaw 22/2017, being Amendment 16 to Business Bylaw 43/2000, be read a first time.
2. That Council Members provide feedback to Administration on Bylaw 22/2017, provided as an attachment to the March 20, 2017 agenda report entitled "Bylaw 22/2017 - Amendment to Business License Bylaw 43/2000 Regarding Vehicle for Hire" by April 13, 2017.
3. That Administration incorporate feedback received from Council Members into amendments to Bylaw 22/2017, for Council consideration at a Council Meeting to be determined by Agenda Committee.

#### **PURPOSE OF REPORT**

This report is to outline the proposed amendment to Business Licensing Bylaw 43/2000. This amendment creates Schedule C - Vehicles for Hire which provide direction to companies wishing to operate as a Vehicle for Hire business in St. Albert.

#### **COUNCIL DIRECTION**

On May, 24, 2016, the following Council Motion was passed:

C340-2016

1. That the "Proposed Approach to Amending the Business License Bylaw", provided as Attachment 1 to the May 24, 2016 agenda report entitled "Vehicle for Hire Approach" be received as information.
2. That Council members provide feedback to Administration on the "Proposed Approach to Amending the Business License Bylaw", provided as Attachment 1 to the May 24, 2016 agenda report entitled "Vehicle for Hire Approach" by June 30, 2016.
3. That Administration conduct further consultation with the vehicle for hire industry and incorporate feedback received from Council and industry into the proposed approach to amending the Business License Bylaw and bring back to Council in Q1 2017 for consideration.

#### **BACKGROUND AND DISCUSSION**

Community and Administration concern with the taxi industry and service levels provided in St. Albert has generated much discussion over the past few years. The introduction of ride-sharing network

companies (i.e. UBER/TappCar) into the vehicle for hire (“Vehicle for Hire”) industry has brought a greater focus onto this matter and has resulted in Council wanting a mechanism to address this matter.

Currently, the City of St. Albert has no legislation that regulates the Vehicle for Hire industry, other than the Business License Bylaw 43/2000. Should any Vehicle for Hire business wish to operate in the City of St. Albert, they are currently only required to apply for a Business License and pay the licensing fee as per the Bylaw. In 2009, the Business Licensing department added one procedural step to this process, which is the completion of a “Taxi Requirements” form. Vehicles for Hire are asked to provide the City with the operator’s driver’s license number, vehicle description, license plate number, and commercial registration (if applicable).

Although Business Licensing has added the above measures to improve the safety and security of our residents using vehicles for hire, there remain no requirements for vehicle inspections to deal with mechanical issues; appropriate insurance coverage, or driver criminal record checks. This has resulted in a non-regulated Vehicle for Hire environment in St. Albert.

In May of 2016, Council directed Administration to consult with the Vehicle for Hire industry and incorporate feedback received from Council and industry into the proposed approach to amending the Business License Bylaw. Through this consultation, Administration has created regulations that will help ensure that people using Vehicle for Hire services are riding in safe vehicles, with safe drivers.

These regulations include requirements for a Vehicle for Hire business to provide the following:

- (a) a valid class 1, 2 or 4 driver’s licenses for each Vehicle for Hire operator employed and/or contracted by the business;
- (b) a vulnerable sector check dated within 90 days prior to submission, for each Vehicle for Hire operator employed and/or contracted by the Vehicle for Hire business;
- (c) a criminal record check dated within 90 days prior to submission, for each Vehicle for Hire operator employed and/or contracted by the Vehicle for Hire business;
- (d) a valid commercial insurance policy for the Vehicle for Hire business, or for each Vehicle for Hire driver employed and/or contracted by the business, that meets the Province of Alberta’s requirements for passenger transportation services;
- (e) a valid vehicle registration certificate for each Vehicle for Hire that will be used in the operation of the Vehicle for Hire business; and
- (f) a valid mechanical inspection report dated within 90 days prior to submission, performed by an AMVIC certified business for each Vehicle for Hire that will be used in the operation of the Vehicle for Hire business.

The full Schedule C - Vehicles for Hire is attached for Council’s consideration. The proposed regulations apply equally to all Vehicle for Hire operations, including traditional taxi style businesses, senior transportation services and ride-sharing/transportation network companies (TNCs) such as

UBER and TappCar. The requirements set out in section 3 of the schedule for TNCs is very similar to provincial requirements.

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

An internal stakeholder committee that included Legal, Municipal Enforcement, Risk & Insurance, and Economic Development was formed to develop the Vehicle for Hire amendments. The public was engaged through a survey that was conducted online and in person at the Village Transit Centre and Servus Credit Union Place. Over 170 residents responded.

All residents who participated in the survey were overwhelmingly in favor of the City imposing safety regulations for the Vehicle for Hire industry, but also expressed concern about the risk of losing the services of transportation network companies like UBER.

In December, an external stakeholder open house was held to engage with the fifteen-existing Vehicle for Hire companies. All companies attended the open house or provided feedback by email. The Economic Development Advisory Board was also actively involved in developing the amendments and endorses this recommendation.

Vehicle for Hire business owners/representatives attended an open house regarding the proposed regulations, and generally endorsed having safety requirements regulated for their industry - their main concern involved extra fees and costs that may be imposed. The two existing transportation network companies from the Capital Region also attended; TappCar agreed with the proposed regulations and was willing to fully cooperate with any additional municipal regulations. UBER agreed with the nature of the safety requirements, but viewed municipal regulations as duplicating what the Province is already regulating, and views compliance with any additional municipal requirements as a cost/operational barrier to operating in St. Albert.

## **IMPLICATIONS OF RECOMMENDATION(S)**

**Financial:** If Council approves the recommended approach “Vehicles for Hire’ will be managed through a schedule attached to the Business License Bylaw. This approach will have no financial impacts on the City.

**Legal / Risk:** Adding (and enforcing) new bylaw provisions that impose safety measures on operators of vehicles for hire accords with section 7(a) of the Municipal Government Act, which authorizes bylaws respecting the “safety, health and welfare of people and the protection of people and property”.

**Program or Service:** none at this time

**Organizational:** Through consultation with stakeholders, Uber - the largest TNC Company in the Capital Region - has made it clear that they perceive any municipal regulations for TNCs as a duplication of existing regulations they already comply with on the provincial and municipal level (with the City of Edmonton). The added costs of finding a way for thousands of drivers to comply with multiple (and sometimes conflicting) regulatory regimes means they may choose to not provide services in St. Albert or other suburban communities that impose additional regulatory requirements on their business. UBER specifically self regulates the safety aspect of their service, and has created their business model around providing safe transportation. While this is commendable,

Schedule C is meant to ensure that all current and future Vehicle for Hire services are safe for residents and does not assume that future companies will have the same corporate policies as UBER. Removing licensing requirements for all TNCs would create a situation where local Municipal Enforcement Officers would be unable to enforce the City's safety-based regulations for TNCs, and any safety concerns for the industry would have to be addressed by the province.

Also, as more regulations are added, there may be an increase in the expectation for enforcement of these regulations. Currently, enforcement is complaint based and handled by the Business Licensing Inspector with the assistance of Municipal Enforcement where necessary. If enforcement of this amendment to the bylaw increased beyond capacity of current staffing levels, future business cases may be presented to handle the workload.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

Council may choose to not accept this bylaw amendment or may choose to approve alternative actions. One such alternative may be to exclude TNCs (i.e. UBER & TappCar) from this bylaw. In June 2016, the provincial government instituted provincial rules for TNCs. These requirements include:

- The type of and standards for driver police information checks
- Permissible operator's licenses, and;
- Insurance requirements

Additional power was also created for the province to enforce these requirements and impose significant penalties for companies that do not adhere to the rules. This power to penalize is beyond the authority given to municipalities.

If Council decides to exclude TNCs, local Municipal Enforcement will not be able to enforce the safety requirements originally driving this amendment for these private drivers. The provincial rules are not incorporated in the *Traffic Safety Act*. Administration will also not be able to verify the information that the province has received from the TNC.

## **STRATEGIC CONNECTIONS**

- a) Council's Strategic Outcomes and Priorities (See Policy C-CG-02)
  - CULTIVATE ECONOMIC PROSPERITY: A diversified, robust and resilient economic foundation to support growth and community service delivery.
  - CULTIVATE SUSTAINABLE INFRASTRUCTURE AND SERVICES: A growing community that has balanced development and management of civic facilities, transportation networks and related services.
  - CULTIVATE A SAFE, HEALTHY AND INCLUSIVE COMMUNITY: A community that provides opportunities for everyone to realize their potential in a thinking, caring and connected way.
- b) Long Term Plans (e.g. MDP, Social Master Plan, Cultural Master Plan, etc.)
  - Social Master Plan

- c) Corporate Objectives (See Corporate Business Plan)
  - Deliver programs and services that meet or exceed our standards
  - Ensure our customers are very satisfied
  
- d) Council Policies
  - N/A.
  
- e) Other Plans or Initiatives (Business Plans, Implementation Strategies, etc.)
  - N/A

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Committee/Department: Economic Development

General Manager: n/a

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