



# City of Chicago



R2014-68

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 2/5/2014

**Sponsor(s):** Beale (9)  
Burke (14)

**Type:** Resolution

**Title:** Call for enforcement of municipal code against any and all transportation network providers unlawfully operating as de facto taxicab and livery companies

**Committee(s) Assignment:** Committee on Finance  
Committee on Transportation and Public Way

**RESOLUTION**

**WHEREAS**, transportation of the public requested by passengers and provided by companies who dispatch taxicabs and liveries is governed by Chapter 9-112 (taxicabs) and Chapter 9-114 (livery vehicles) of the Municipal Code of Chicago; and

**WHEREAS**, Section 9-112-020 of the Municipal Code provides, "It is unlawful for any person to operate a motor vehicle, or for the registered owner thereof to permit it to be operated, for the transportation of passengers for hire within the city unless it is licensed by the city as a taxicab pursuant to this chapter, or as a public passenger vehicle pursuant to Chapter 9-114."; and

**WHEREAS**, despite the applicability of the Municipal Code to such transportation services, certain companies offer taxi and limousine services within the city in apparent violation of city law; and

**WHEREAS**, such companies, hereinafter referred to as "transportation network providers," receive requests for transportation from the public, contact drivers or operators to dispatch vehicles to transport the public for hire, collect the fares for transportation using customer credit cards, and pay the drivers after deducting a percentage of the fare; and

**WHEREAS**, transportation network providers, like licensed taxicabs and licensed taxicab affiliations, use internet and smartphone based applications to dispatch transportation to customers; and

**WHEREAS**, unlike licensed taxicabs and licensed liveries, transportation network providers have not been required to: maintain liability and worker's compensation insurance; have their vehicles inspected by the city; use newer vehicles; use only trained drivers with chauffeur licenses who are required to maintain continuing education requirements; adhere to maximum rates established by the city; respond to calls from all areas of the city; provide wheelchair accessible vehicles; accept alternative forms of payment, including cash; or pay any city taxes; and

**WHEREAS**, according to the Illinois Department of Insurance, if a ride-sharing vehicle is involved in an accident, the driver's personal insurance policy typically will not cover any passengers, occupants of other vehicles, pedestrians or property involved; and

**WHEREAS**, as a result, the public is being transported in vehicles without proper insurance and passengers, pedestrians, and other motorists are unprotected by the personal auto insurance policies of underinsured drivers; and

**WHEREAS**, according to reports, one transportation network provider has denied the use of its excess insurance policy in connection with a motor vehicle crash in San Francisco, which resulted in the death of a 6-year-old girl; and



**WHEREAS**, transportation network providers have been permitted to operate much like taxicab companies without being required to hold taxicab medallion licenses; and

**WHEREAS**, prior to the activities of transportation network providers in the city, the 6,800 taxicab medallions currently issued by and in use within the city had an aggregate market value of more than \$2.3 billion; and

**WHEREAS**, on September 13, 2013, the city announced that it would auction 50 taxicab medallions at a minimum price of \$360,000; and

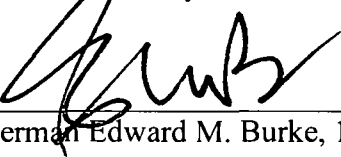
**WHEREAS**, the value of the city's taxicab medallion licenses is threatened and undercut by the activities of transportation network providers, which permit unauthorized vehicles to provide transportation for hire within the City of Chicago; and

**WHEREAS**, the licensed taxicab industry pays more than \$24 million in taxes and fees to the city annually; and

**WHEREAS**, the City of Chicago regulates for the protection of public safety and intends to ensure that persons engaged in the transportation of passengers for hire within the city adhere to the regulations set forth in the Municipal Code of Chicago; now, therefore

**BE IT RESOLVED**, that we, the members of the City Council of the City of Chicago, do hereby direct the Superintendent of Police and the Commissioner of the Department of Business Affairs and Consumer Protection to take all necessary action to enforce the Municipal Code of Chicago against any and all transportation network providers unlawfully operating as de facto taxicab and livery companies within the City of Chicago.

  
Alderman Anthony A. Beale, 9<sup>th</sup> Ward

  
Alderman Edward M. Burke, 14<sup>th</sup> Ward