



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Details (With Text)

**File #:** SO2014-1367  
**Type:** Ordinance      **Status:** Passed  
**File created:** 2/5/2014      **In control:** City Council  
**Final action:** 5/28/2014

**Title:** Amendment of Municipal Code Titles 2, 3 and 9 regarding establishment of transportation network provider license

**Sponsors:** Emanuel, Rahm, Mitts, Emma

**Indexes:** Ch. 14 Dept. of Administrative Hearings, Ch. 46 Chicago Ground Transportation Tax, Ch. 112 Public Passenger Vehicles, Ch. 114 Public Passenger Vehicles other than Taxicabs, Ch. 115 Transportation Network Providers

**Attachments:** 1. SO2014-1367.pdf, 2. O2014-1367.pdf

Date	Ver.	Action By	Action	Result
6/2/2014	1	City Council	Signed by Mayor	
5/28/2014		City Council	Passed as Substitute	Pass
4/30/2014	1	City Council	Deferred and Published	
4/24/2014	1	Committee on License and Consumer Protection	Substituted in Committee	Pass
2/5/2014	1	City Council	Referred	

1

**02014-1367**

Chicago, April 30, 2014

To the President and Members of the City Council:

Your Committee on License and Consumer Protection, having under consideration a substitute ordinance introduced by Mayor Rahm Emanuel and Alderman Emma Mitts (which was referred on February 5, 2014), to amend the Municipal Code of Chicago regarding the establishment of a Transportation Network Provider license, begs leave to recommend that Your Honorable Body pass the substitute ordinance which is transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee, Aldermen Fioretti and Arena opposed, on April 24, 2014.

Respectfully submitted,

MA MITTS CHAIRMAN, COMMITTEE ON  
LICENSE AND CONSUMER PROTECTION  
**S U B STITUJE ORDINANCE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

SECTION I. Title 9 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 9-115, as follows:

**Chapter 9-115 TRANSPORTATION NETWORK  
PROVIDERS**

**9-115-010 Definitions.**

For purposes of this chapter the following definitions shall apply:

"Active driver" means a transportation network driver who has provided service in response to four or more prearranged transportation service requests within a 30-day period.

"Commissioner" means the city's commissioner of business affairs and consumer protection.

"Compensation" means any payment or donation received, or economic or business benefit obtained, for providing a transportation network service.

"Department" means the city's department of business affairs and consumer protection.

"Licensee" or "transportation network licensee" means the holder of, or a person that is required to hold, a transportation network provider license issued pursuant to this chapter.

"License" means a transportation network provider license.

"Operation of a transportation network vehicle" or "operating a transportation network vehicle" or "operate a transportation network vehicle" means offering, making available, or using a transportation network vehicle to provide a transportation network service, including any time when a driver is logged onto the transportation network provider's Internet-enabled application or digital platform showing that the driver is available to pick up passengers; when a passenger is in the vehicle; when the provider's dispatch records show that the vehicle is dispatched; or when the driver has accepted a dispatch and is enroute to provide a transportation network service to a passenger.

"Prearranged transportation service" means a transportation service that is offered and accepted through a licensee's Internet-enabled application or digital platform before the transportation commences.

"Place of business in the City of Chicago" means a location where (1) the city may send, and the licensee shall accept, notices of hearing or other notices from the city; and (2) the licensee maintains its business and financial records relating to its license.

"Transportation network driver" or "driver" means an individual affiliated with a transportation network provider or with a person who is affiliated with a provider to transport passengers for compensation using a transportation network vehicle.

"Transportation network provider" or "provider" means a person that offers or provides a transportation network service.

"Transportation network service" or "service" means a prearranged transportation service offered or provided for compensation using an Internet-enabled application or digital platform to connect potential passengers with transportation network drivers. The term "transportation network service" does not include a "ridesharing arrangement" as that term is defined in section 2 of the Illinois Ridesharing Arrangements Act, codified at 625 ILCS 30/2.

"Transportation network vehicle" means any vehicle used to provide a transportation network service.

"Vehicle Age" means the age of a vehicle computed by totaling the number of the years from the model year to the calendar year, including both. For example, a vehicle with a model year of 2009 has a vehicle age of 4 years in the 2012 calendar year (2009 + 2010 + 2011 + 2012).

"Wheelchair-accessible transportation network vehicle" means a transportation network vehicle that a person in a wheelchair may enter and exit independently or with assistance while seated in a wheelchair. A wheelchair-accessible transportation network vehicle shall safely secure and restrain the wheelchair, shall have only side entries for passengers, and shall comply with all applicable standards provided by law for wheelchair-accessible vehicles, including standards specified by applicable ordinances and regulations adopted by the city.

#### **9-115-020 Transportation network provider license - Required.**

a) No person shall engage in a transportation network provider business in the city without a transportation network provider license issued pursuant to this chapter.

b) No vehicle shall be used as a transportation network vehicle in the city except by a driver affiliated with a transportation network provider licensed pursuant to this chapter.

c) It shall be unlawful for any transportation network provider licensed by another jurisdiction to provide a transportation network service within the corporate boundaries of the city, except where the passengers have as their destination the community in which such provider is licensed.

d) A transportation network vehicle operated by a driver affiliated with a provider licensed by another jurisdiction may come into the city to discharge passengers whose trip originated outside of the city.

#### **9-115-030 Transportation network provider license - License classes.**

(a) The commissioner shall issue or renew two classes of transportation network provider licenses: (i) Class A transportation network provider license, referenced in this section as, "Class A license"; and (ii) Class B transportation network provider license, referenced in this section as, "Class B license".

1) A Class A license shall apply to licensees whose average transportation network service operation is not more than 20 hours per week, as calculated pursuant to subsection(a)(4).

2) A Class B license shall apply to licensees whose average transportation network service operation is more than 20 hours per week, as calculated pursuant to subsection(a)(4).

3) For the initial license period, applicants may choose to apply for a Class A or a Class B license. An applicant who is issued a Class A license must within six months after the

issuance of the license provide data to the commissioner, as the commissioner prescribes, that shows the licensee is operating in compliance with this chapter.

(4) (i) For purposes of the initial license period, a licensee's weekly average transportation network service operation shall be calculated by dividing the total number of hours the licensee's active drivers are operating transportation network vehicles in the city, including trips originated in the city, for a three-month consecutive period following the issuance of the license with the licensee's total number of active drivers multiplied by the number of weeks in the three-month period.

(ii) For purposes of license renewal applications, an applicant's weekly average transportation network service operation shall be calculated by dividing the total number of hours the applicant's active drivers have been operating transportation network vehicles in the city, including trips originated in the city, for a six-month period immediately before the license renewal application with the licensee's total number of active drivers multiplied by the number of weeks in the six-month period.

(b) The commissioner may, from time to time, require licensees to provide data, as the commissioner prescribes, to audit their compliance with this chapter. After conducting such audit, if the commissioner determines that any licensee is operating in violation of this chapter, the commissioner may require such licensee to comply with this chapter. Nothing provided in this subsection shall be construed to prohibit the commissioner from taking other enforcement actions, as provided in this chapter, against any person that violates this chapter.

**9-115-040 Transportation network provider license - Fee and license term.**

a) In addition to the license fees specified in Section 9-115-140, the annual fee for the issuance or renewal of a transportation network provider license shall be (i) \$10,000.00 for a Class A transportation network provider license; or (ii) \$25,000.00 for a Class B transportation network provider license. The license fee shall be paid as a precondition to issuance or renewal of the license and shall not be prorated.

b) Except for the initial license period, a transportation network provider license shall be issued or renewed for a one-year license term starting on April 1.

c) Nothing in this section shall affect the rights of the city to impose or collect any other applicable tax upon the use or operation of a transportation network vehicle in addition to the license fee specified in this section.

d) A transportation network provider license is non-transferable.

**9-115-050 Transportation network provider license - Application.**

(a) Application for the issuance or renewal of a transportation network provider license shall be made in writing to the department on a form provided by the department and signed and sworn to by the applicant or, if the applicant is a corporation, limited liability company, or partnership, by its authorized agent. Each application shall contain at a minimum:

- 1) If the license applicant is an individual:
  - i) The individual's full name, social security number, residence address, business address, business e-mail address and business telephone number;
  - ii) Proof that the applicant is at least 18 years of age;
- 2) If the license applicant is a corporation:

Page 3 of 29

- i) The corporate name, business address and telephone number of the applicant;
- ii) The date and state of incorporation;
- iii) The full names, titles, social security numbers, residence addresses, e-mail addresses and residence telephone numbers of its corporate officers, and of those stockholders who own 25 percent or more of its voting shares, and of its authorized agent;

- iv) Proof that all corporate officers are at least 18 years of age; and
  - v) Proof that the corporation is in good standing under the laws of the State of Illinois.
- (3) If the license applicant is a partnership or limited liability company:
- i) The name, business address or principal office address and telephone number of the applicant;
  - ii) The full names, social security numbers, residence addresses, e-mail addresses and residence telephone numbers of (a) the three members who own the highest percentage interests in such partnership or limited liability company, (b) the general partner of a partnership, (c) the managing member of a limited liability company, (d) the applicant's authorized agent, and (e) any other member who owns a 25 percent or more interest therein;
  - iii) The full name, address, e-mail address and telephone number of a person authorized to receive notices issued pursuant to this chapter; and
  - iv) Proof that all persons, partners, managers, managing members and members, as applicable, are at least 18 years of age.

(b) In addition to the license application requirements listed in subsection (a), and in addition to any other information that the commissioner may reasonably require in connection with the issuance or renewal of a license, any applicant for license issuance or renewal shall provide to the commissioner, in a manner the commissioner prescribes, (i) the full name, driver's license number and address of drivers registered with the applicant, (ii) the license plate number, registered owner and the vehicle identification numbers of the transportation network vehicles registered with the applicant with a document attesting that each such vehicle meets the inspection and vehicle standard requirements provided in this chapter; (iii) list of wheelchair-accessible transportation network vehicles registered with the applicant; and (iv) the applicant's insurance policies as provided in Section 9-115-090.

**9-115-060 Transportation network provider license - Qualifications for license.**

(a) In order to qualify for a transportation network provider license, whether upon initial application or upon application for renewal of a license:

- 1) an applicant shall be in compliance with all applicable city, State of Illinois and federal laws;
- 2) an applicant shall have a place of business in the City of Chicago:

Page 4 of 29

- i) with respect to any corporate or limited liability company applicant, the company shall be organized or qualified to do business under the laws of the State of Illinois and have a place of business in the City of Chicago; or
- ii) with respect to any partnership applicant, the partnership shall have a place of business in the City of Chicago; or
- iii) with respect to any individual applicant, the applicant shall be a citizen or legal resident of the United States, residing and domiciled in the City of Chicago.

(b) In determining whether an applicant is qualified for a transportation network provider license, or the renewal thereof, the commissioner shall take into consideration:

1) The character and reputation of the applicant or its members, officers or directors, including, if applicable, the disciplinary record of the applicant, or of any officer or director of a corporate applicant, as a city license holder;

2) The applicant's ability to provide lawful, safe, suitable and comfortable service; the applicant's ability to engage qualified transportation network drivers and eligible transportation network vehicles; and the applicant's ability to provide service to customers with disabilities;

3) The applicant's ability to maintain mandated insurance; and

4) The applicant's financial ability to pay all judgments and awards which may be rendered for any cause arising out of the operation of a transportation network provider business.

c) No applicant is eligible for a license if any transportation network provider license held by the applicant, or by any officer or director of a corporate applicant or partner of a partnership applicant, has been revoked within the previous five years, or if the applicant, or any officer or director of a corporate applicant or partner in a partnership applicant, within the five years immediately preceding the date of his application, has been either convicted, or in custody, under parole or under any other noncustodial supervision resulting from a conviction in a court of any jurisdiction for the commission of any felony as defined by Article 2 of the Illinois Criminal Code of 2012, codified at 720 ILCS 5/2-0.5 et seq., or its equivalent under federal or other jurisdictional law.

d) Eligibility for issuance of any license under this chapter shall be a continuing requirement for maintaining such license.

**9-115-070 Transportation network provider license - Investigation and issuance.**

a) Upon receipt of an application for the issuance or renewal of a transportation network provider license, the commissioner may investigate the applicant for compliance with all applicable provisions of this Code, including but not limited to, the applicant's compliance or ability to comply with the license qualification requirements specified in Section 9-115-060.

b) Every individual applicant shall be required to submit to fingerprinting and shall provide photos of the applicant as required by the commissioner. The authorized agent of every corporate, limited liability company, or partnership applicant shall be required to submit to

Page 5 of 29

fingerprinting and shall provide photos of the authorized agent as required by the commissioner. Applicants shall be responsible for the costs of fingerprinting and photos.

c) As part of the application process, fees sufficient to cover the costs of processing fingerprints and photos will be assessed in addition to the license fees set forth in this Code. The fingerprinting and photo fees will be assessed regardless of whether the license applied for is issued or denied. The amount of the fees shall be set forth by rules and regulations promulgated by the commissioner.

d) If an application for the issuance or renewal of a license is denied, the applicant may within ten days of the mailing of notice of the denial make a written demand upon the commissioner for a hearing. Upon receipt of a timely written demand for a hearing the commissioner shall within 30 days conduct a hearing. If at such a hearing the applicant establishes through competent evidence that the denial was based upon incorrect findings the commissioner shall issue the license. If at such a hearing the denial is found to have been based upon correct findings, the denial shall become final. After entry of a final denial, the applicant shall be ineligible to make a new application for a period of 18 months.

**9-115-080 Transportation network provider license - Rescission.**

The commissioner shall have the power to rescind, pursuant to this section, any transportation network provider license erroneously or illegally issued or renewed pursuant to this section. In order for such a rescission to be effective, the commissioner shall notify the licensee of the date the rescission will take effect. The notice shall be provided by first-class mail or in person. The commissioner shall indicate in such notice the basis for the rescission and shall also indicate a date and time, prior to the proposed rescission date, upon which the licensee may appear before the commissioner, or his or her designee, to contest the proposed rescission. The licensee shall also be informed that he or she shall be entitled to present to the commissioner or his or her designee any document, including affidavits, relating to the proposed rescission. Following the appearance of the licensee before the commissioner, the commissioner may affirm or reverse the rescission decision based upon the evidence presented by the licensee. The commissioner's decision shall be in writing and shall be mailed to the licensee at least five days before a license rescission is effective. A licensee may appeal the commissioner's decision to any court of competent jurisdiction.

**9-115-090 Transportation network provider license - Insurance required.**

a) Every licensee and transportation network driver shall comply with all applicable insurance requirements mandated by federal, State of Illinois, and city laws:

b) Each applicant for the issuance or renewal of a transportation network provider license shall provide proof that the applicant has:

i) commercial general liability insurance to secure payment by the applicant of any final judgment or settlement of any claim against the applicant or employees of the applicant's transportation network provider business. Such insurance shall be primary and noncontributory; name the City of Chicago as an additional insured; and include a provision requiring 30 days' advance notice to the commissioner prior to cancellation or lapse, or any change of the policy.

ii) commercial automobile liability insurance to secure payment by the applicant of any financial judgment or settlement of any claim against the applicant or the applicant's transportation network drivers resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle. The licensee shall provide 30 days' advance notice to the commissioner prior to cancellation or lapse, or any change of the policy.

Page 6 of 29

(c) Such insurance policies shall provide at least the following minimum coverage: (1) commercial general liability insurance with limits of not less than \$1,000,000.00 per occurrence, for bodily injury, personal injury, and property damage; (2) (i) commercial automobile liability insurance with a combined single limit for bodily injury and property damage of \$1,000,000.00 per occurrence, covering liability resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle (including owned, hired, and non-owned vehicles) while the applicant's transportation network driver has accepted a ride until the completion of the ride; and (ii) automobile liability insurance with limits for bodily injury and property damage not less than the minimum amount required under Section 7-601 of the Illinois Vehicle Code, codified at 625 ILCS 5/7-601, per occurrence, covering liability resulting from any occurrence arising out of or caused by the operation of a transportation network vehicle (including owned, hired, and non-owned vehicles) while the applicant's transportation network driver is logged onto the transportation network provider's Internet-enabled application or digital platform showing that the driver is available to pick up passengers until such driver accepts a ride.

d) The insurance policies required in this section shall be (i) available to cover claims as specified in this section regardless of whether a driver maintains insurance adequate to cover any portion of the claim; (ii) disclosed on the licensee's Internet-enabled application and website in the form of a certificate of insurance, and (iii) maintained in force at all times that the transportation network provider offers or provides transportation network service.

e) No transportation network provider license shall be issued unless the applicant first provides copies of the insurance policies required in this section to the commissioner. If the insurance policies are furnished to the city under a claim that they are proprietary, privileged or confidential, then the department, consistent with applicable law, shall treat such information as confidential, and shall provide the licensee with a copy of any appeal, received by the department, of the department's notice of denial provided to a third party seeking inspection and copies of such information.

(f) " Any driver shall provide to any authorized law enforcement officer, in addition to any applicable insurance, proof of the insurance policies required by this section in case of an accident involving a transportation network vehicle while he is operating a transportation network vehicle.

**9-115-100 Transportation network vehicles - Ownership and standards.**

a) No licensee shall own, provide financing for the obtaining, leasing, or ownership of, or have a beneficial interest in transportation network vehicles.

b) In addition to all other applicable legal requirements, it shall be unlawful for any person to operate or cause to be operated any transportation network vehicle unless such vehicle:

- 1) has a manufacturer's rated seating capacity of less than ten persons, including the transportation network driver;
- 2) has at least two doors and meets applicable Federal Motor Vehicle Safety Standards for vehicles of its size, type and proposed use;
- 3) is a coupe, sedan, or light-duty vehicle, including a van, minivan, sport utility vehicle, pickup truck, hatchback or convertible;
- 4) has not been issued the title class of "salvage," "rebuilt," "junk," "total loss," or any equivalent classification in any jurisdiction; and

Page 7 of 29

- (5) has a vehicle age of six years or less if the licensee dispatching the vehicle is a Class B transportation network licensee. The commissioner is authorized to permit dispatching of vehicles older than the vehicle age limit provided in this subparagraph (5), as provided by rule, for a period not more than 2 years if such vehicle is inspected by the city and has passed such inspection.

c) No vehicle licensed as a taxi or public transportation vehicle in any jurisdiction shall be operated as a transportation network vehicle. However, nothing provided in this chapter shall be construed to prohibit or limit the utilization of an Internet-enabled application or digital platform for the provision of prearranged ride services by taxicabs or other public transportation vehicles pursuant to Chapters 9-112 and 9-114.

d) The licensee and the licensee's driver shall be jointly and severally liable if the licensee knowingly permits the licensee's driver to use a vehicle that does not meet the requirements for a transportation network vehicle.

**9-115-110 Transportation network Vehicles - Inspections.**

a) No Class A transportation network provider licensee shall allow any vehicle to be used as a transportation network vehicle unless such vehicle is inspected according to standards approved by the commissioner, and has passed such inspection. A driver engaged by a Class A licensee shall maintain



complete documentation of such inspection in the vehicle at all times while being used to provide transportation network services, and a written copy of such documentation shall be provided to the commissioner upon request.

b) Prior to using any transportation network vehicle, and annually thereafter, a Class B transportation network licensee or a driver engaged by such licensee shall have the vehicle inspected at a city-licensed motor vehicle repair shop or at a facility designated by the commissioner, and maintain complete documentation of such inspections in the vehicle at all times while being used to provide transportation network services, and a written copy of such documentation shall be provided to the commissioner upon request. To pass such inspection, a transportation network vehicle shall, at a minimum, be rust-free and shall pass the following inspections:

1. Foot brakes;
2. Emergency brakes;
3. Steering mechanism;
4. Windshield;
5. Rear window and other glass;
6. Windshield wipers;
7. Headlights;
8. Tail lights;
9. Turn indicator lights;
10. Stop lights;
11. Front seat adjustment mechanism;
12. Doors (open, close, lock);
13. Horn;

Page 8 of 29

I

14. Speedometer;
15. Bumpers;
16. Muffler and exhaust system;
17. Condition of tires, including tread depth;
18. Interior and exterior rear view mirrors;
19. Safety belts for driver and passenger(s);
20. Drivetrain, including the transmission and universal joints;
21. Axles and wheels, including ball joints; and
22. If the vehicle is a wheelchair-accessible vehicle, it shall also be inspected for compliance with legally required safety standards.

(c) The licensee and the licensee's driver shall be jointly and severally liable for any violation of this section.

**9-115-120 Transportation network vehicles - Distinctive signage and emblem.**

a) A transportation network vehicle shall display, as provided by rule, consistent and distinctive signage at all times while being used to provide transportation network services. The distinctive signage shall be sufficiently large and color contrasted (i) as to be readable during daylight hours at a distance of at least 50 feet, and (ii) to identify a particular vehicle associated with a particular licensee. Acceptable forms of distinctive signage include, but are not limited to, symbols or signs on vehicle doors, roofs, or grilles. Magnetic or other removable distinctive signage is acceptable. Licensees shall file an illustration of their distinctive signage with the commissioner.

b) A transportation network vehicle shall display a consistent and distinctive emblem at all times while being used to provide transportation network services. The commissioner is authorized to specify, by rule, the manner of display, method of issuance, design and contents of such emblem. Emblems displayed on wheelchair-accessible transportation network vehicles shall specify or mark that such vehicles are wheelchair-accessible.

**9-115-130 Transportation network vehicles - Commercial advertisements prohibited.**

Commercial advertisements shall not be displayed on the exterior or in the interior of a transportation network vehicle.

**9-115-140 Transportation network service - accessibility and accessibility fund.**

a) By January 1, 2015, the Internet-enabled application or digital platform used by a licensee to connect drivers and passengers shall be accessible to customers who are blind, visually impaired, deaf and hard of hearing.

b) Such application or platform shall provide customers with an opportunity to indicate whether they require a wheelchair-accessible transportation network vehicle. Licensees shall provide service to customers who require a wheelchair-accessible transportation network vehicle either by: (1) connecting such customers with the licensee's drivers who operate wheelchair-accessible transportation network vehicles; or (2) entering into a service agreement with other persons that dispatch wheelchair-accessible vehicles in order to dispatch such vehicles through the licensee's application or platform. Subsection (a) of Section 9-115-100 shall not be construed to prohibit licensees from entering into a service agreement with persons

that dispatch wheelchair-accessible transportation vehicles as provided in this subsection. Such application or platform shall allow customers to designate whether or not they need a wheelchair-accessible transportation network vehicle in setting their customer's profile with the licensee. In addition, if such application or digital platform allows drivers to rate their passengers, licensees shall train their drivers not to discriminate against people with disabilities in their passenger ratings. It shall be a violation of this chapter for a driver to rate a passenger based upon a disability.

- c) In addition to the inspection requirements specified in Section 9-115-110,
- c) wheelchair-accessible vehicles shall be inspected by the city for compliance with legally
- c) required safety standards before such vehicles are used as wheelchair-accessible
- c) transportation network vehicles.

d) In addition to the fees specified in Section 9-115-040, as part of the license issuance or renewal fee, a Class A transportation network provider licensee shall pay \$0.10 per vehicle per ride accepted to the city's accessibility fund for each transportation network vehicle registered with the licensee which is not a wheelchair-accessible transportation network vehicle. The licensee may pay the fee provided in this subsection at the same time as the licensee remits the ground transportation tax the licensee collects pursuant to Chapter 3-46 of this Code.

e) In addition to the fees specified in Section 9-115-040, as part of the license issuance or renewal fee, a Class B transportation network provider licensee shall pay \$100.00 per vehicle per year to the city's accessibility fund for each transportation network vehicle registered with the licensee which is not a wheelchair

-accessible transportation network vehicle.

f) For purposes of this section, the term "accessibility fund" means a fund used to improve the services of taxicabs (as defined in Section 9-112-010) and transportation network vehicles for people with disabilities. Uses of this fund include, but are not limited to, reimbursement for costs associated with converting or purchasing a vehicle to be used as a taxicab or transportation network vehicle that is fully wheelchair accessible by ramp or lift. The maximum amount of reimbursement per taxicab vehicle from the fund, and the conditions of reimbursement and the maximum amount of reimbursement per a transportation network vehicle from the fund shall be established by rules and regulations, in consultation with, among other individuals as the commissioner may determine, representatives from the Mayor's Office for People with Disabilities, the community of people with disabilities, the taxi industry, and the transportation network providers industry.

**9-115-150 Transportation network drivers - Requirements.**

a) No Class B transportation network provider licensee shall engage any person as a transportation network driver unless the person possesses a valid restricted public chauffeur license issued by the city pursuant to Chapter 9-104 of this Code and rules and regulations promulgated thereto.

b) (1) No Class A transportation network provider licensee shall engage any person as a transportation network driver unless the licensee ascertains, in a process approved by the commissioner, that the person:

- i) possesses and has possessed a valid Illinois State driver's license, or a valid driver's license of another state, district or territory of the United States, for at least one year prior to applying to become a transportation network driver;
- ii) is at least 21 years of age;

Page 10 of 29

- iii) has not been convicted of reckless driving, hit and run, or driving with a suspended or revoked license; and has not been convicted of or placed on supervision for two or more offenses involving traffic regulations governing the movement of vehicles, or whose Illinois driver's license has not been suspended or revoked pursuant to Section 6-206 of the Illinois Vehicle Code, codified at 625 ILCS 5/6-206, within the 12 months immediately prior to applying to become a transportation network driver;
- iv) has successfully completed a transportation network driver's training program approved by the commissioner and conducted by the licensee or other authorities approved by the commissioner. In addition to other applicable requirements, such training program must cover topics related to providing service to people with disabilities;
- v) has not, within the five years immediately preceding his application to be a driver, been either found guilty by a court of any jurisdiction, in custody, on parole, or under any other non-custodial supervision resulting from a finding or determination of guilt by a court of any jurisdiction for (i) the commission of any felony as defined by Article 2 of the Illinois Criminal Code of 2012, codified at 720 ILCS 5/2-0.5 et seq., (ii) any crime involving moral turpitude, (iii) the illegal sale or possession of any controlled substance, (iv) indecent solicitation of a child or any criminal sexual abuse or similar crime, or (v) operating a motor vehicle while under the influence of alcohol or narcotic drugs;
- vi) has not had a public chauffeur license or restricted public chauffeur license suspended, revoked or non-renewed by the city within the five years immediately preceding his application to be a driver; and
- vii) has not been listed as ineligible to be a transportation network driver by the commissioner pursuant to Section 9-115-250(b).

2) Any Class A transportation network provider licensee shall (1) perform a criminal background check on each transportation network driver applicant; (2) obtain each transportation network driver applicant's driving record; and (3) ascertain that all the requirements of subsection (b) are met before engaging a transportation network driver.

3) Any Class A transportation network provider licensee shall maintain and enforce a zero-tolerance policy for intoxicating substances, which policy shall be approved by the commissioner as a condition of the license. Such policy shall promote zero tolerance using a combination of appropriate means that may include education, random testing, assistance programs and counseling, among other measures.

4) One year after engaging a driver, and annually thereafter, each Class A transportation network provider licensee shall ascertain that the driver is still eligible to be a transportation network driver by verifying that the driver meets all of the requirements specified in this section, including the criminal background check requirement specified in subsection (b)(2), and shall keep records of such verification for a period of three years and shall submit such records to the commissioner upon request.

(c) If any licensee engages an ineligible driver or if any Class A transportation network provider licensee fails to annually ascertain the eligibility of each driver such licensee engages, the licensee shall be liable for the violation of this section and shall also be jointly and severally liable with the ineligible driver for any violation of this chapter by the ineligible driver.

Page 11 of 29

(d) Eligibility for engagement as a driver under this chapter shall be a continuing requirement for remaining so engaged.

**9-115-160 Transportation network driver - Intoxicating substance policy.**

a) In addition to the prohibitions set forth in section 9-115-180(c), any licensee shall include on its website, mobile application and riders' receipts, a notice or information on the licensee's zero-tolerance policy for intoxicating substances and the methods to report a transportation network driver whom the rider reasonably suspects was under the influence of drugs or alcohol during the ride. The website and mobile application shall include a phone number or mobile application call function and email address to report the zero-tolerance complaint. The website and mobile application shall also include the phone number and email address of the department's public passenger vehicle division. Promptly after a zero-tolerance complaint is filed, the licensee shall suspend the transportation network driver for further investigation. In investigating a zero-tolerance complaint against a driver with a speech disability, the licensee shall factor the driver's speech disability in the investigation to inquire whether or not the complaint is based on an erroneous perception of the driver's speech disability.

b) Any person who knowingly makes a false zero-tolerance complaint shall be in violation of Chapter 1-21 of this Code.

c) A licensee that does not immediately suspend a driver after a zero-tolerance complaint shall be in violation of this section.

**9-115-170 Driver - Identification card.**

The licensee shall issue an identification card to drivers that such licensee engages. Such identification card shall have the name of the driver and a photograph permanently attached to the identification card. Any transportation network driver shall display the identification card at all times while operating a transportation network vehicle.

**9-115-180 Operating regulations.**

(a) In addition to all other applicable requirements provided by law, it shall be unlawful for any person:

- 1) Who is under the age of twenty-one years to operate a transportation network vehicle;

- 2) To operate a transportation network vehicle while under the influence of alcoholic beverages or controlled substances other than medication prescribed by a physician, provided that such prescribed medication does not warn that the user not operate machinery while taking the medication;
- 3) To operate, or cause to be operated, a transportation network vehicle in any area where the operation of such vehicle is prohibited by applicable law;
- 4) To operate a transportation network vehicle within the city while not in possession of a valid driver's license issued by a state, district or territory of the United States;
- 5) To operate, or cause to be operated, a transportation network vehicle that does not meet the vehicle standard and inspection requirements specified in this chapter; or

Page 12 of 29

- (6) To transport or cause to be transported more than seven passengers on any given ride in a vehicle.

b) No transportation network driver shall pick up a passenger on any portion of (1) O'Hare International Airport, Midway International Airport or McCormick Place unless the commissioner determines, in duly promulgated rules, following consultation with the commissioner of aviation, that such pick ups can be accomplished in a manner that preserves security, public safety, the orderly flow of traffic and compliance with the Metropolitan Pier and Exposition Authority Airport Departure Tax Ordinance or payment of an equivalent tax to the city; and (2) designated taxicab stands or loading zones.

c) No person may drink any alcoholic liquor while such person is operating or being transported by a transportation network vehicle, nor may any person transport, carry, possess or have any alcoholic liquor while being transported by a transportation network vehicle, except in the original package with the seal unbroken. For purposes of this subsection the term "alcoholic liquor" has the meaning ascribed to that term in Section 4-60-010.

d) No licensee or transportation network driver shall solicit potential passengers. Transportation network vehicles may only be used to provide prearranged transportation service. For purposes of this subsection, the term "solicit" means an appeal by words or gestures for immediate patronage of a transportation network vehicle by a licensee or a transportation network driver upon the public way attempting to direct people to a transportation network vehicle that is parked, stopped, standing or moving upon the public way.

e) No transportation network driver shall accept or respond to passengers' or potential passengers' requests for service via traditional street hail, including hand gestures and verbal statements.

f) No transportation network vehicle shall be parked on any public way for a time longer than is reasonably necessary to accept passengers in answer to a prearranged transportation service and no passenger shall be accepted except as provided in subsection (d) of this section.

g) The Internet-enabled application or digital platform used by a licensee to connect drivers and passengers shall display for a passenger: (1) the identification card of the transportation network driver; (2) a picture of the transportation network vehicle the driver is approved to use, including the license plate number of the vehicle, and the make, model and model year of the vehicle; (3) the city's 311 service center number the passenger may use to report complaints; and (4) whether smoking is permitted in the vehicle. If such application or digital platform allows drivers to rate their passengers, it shall have a feature that allows passengers to opt-out from being rated by drivers.

h) Any licensee shall clearly disclose, on the licensee's on-line enabled application or digital platform and website, that the licensee is a transportation network provider. Additionally, the disclosure shall state that each licensee is required to maintain insurance policies as specified in Section 9-115-090.

(i) Any licensee shall provide proof of insurance policies required in Section 9-115-090 to each transportation network driver before the driver begins providing service and for as long as the driver remains available to provide service.

(j) Licensees shall have an affirmative duty to respond to requests for service in underserved areas and to insure compliance with this subsection by the licensee's drivers. Licensees shall immediately report to the commissioner any of the licensee's drivers who fails to comply with the requirements of this subsection.

Page 13 of 29

(k) Any licensee shall have an affirmative duty to respond to requests for service and shall be responsible for the actions of any of its employees, transportation network drivers, or other person that reports to, or acts as an agent of, the licensee, for any failure to respond to a request for service.

(l) Any transportation network driver shall, in the transportation network vehicle at all times: (1) carry proof of the insurance policies required in Section 9-115-090 covering the vehicle; (2) carry an electronic or paper copy of the agreement or terms of service between the driver and the transportation network provider; and (3) display (i) a copy of the city's ground transportation tax registration emblem for the vehicle, and (ii) the vehicle's distinctive emblem issued pursuant to section 9-115-120.

(m) All licensees and drivers must comply with all Federal, State of Illinois and City of Chicago non-discrimination laws. No licensee shall discriminate against any potential or existing employee, driver or passenger on account of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in Chapter 2-160 of this Code.

(n) Any transportation network driver must comply with all Federal, State of Illinois and City of Chicago non-discrimination laws by accepting, without extra charge, riders with service animals.

(o) Any terms or conditions in the agreement between the licensee and the transportation network driver, or between the licensee and any customer, that would act as a waiver of the licensee's liability to the driver, the customer, or to the public, are declared to be contrary to public policy, null, void and unenforceable.

(p) Any terms or conditions in the agreement between a licensee and a transportation network driver that would prohibit the driver from engaging as a transportation network driver with other licensees are declared to be contrary to public policy, null, void and unenforceable.

(q) Transportation network vehicles shall be kept clean at all times they are used to provide a transportation network service.

#### **9-115-190 Restrictions on hours of operation.**

a) All licensees must implement processes to ensure that no transportation network vehicle driver operates a transportation network vehicle for more than 10 hours within a 24 hour period.

b) No transportation network vehicle driver shall operate a transportation network vehicle for one or more licensees for more than 10 hours within a 24 hour period.

c) No vehicle shall be used in the operation of a transportation network vehicle by one or more drivers for more than 10 hours within a 24 hour period.

#### **9-115-200 Service charges and fare rates.**

a) Licensees may charge compensation for service based on distance travelled or time elapsed during service, or based on distance travelled and time elapsed during service, or a flat prearranged fare, or a suggested donation.

b) Any licensee shall display the licensee's fare rate on such licensee's website and Internet-enabled application or digital platform used by the licensee to connect drivers and passengers. In addition, any licensee shall display a button for displaying a fare quote for any requested trip on the licensee's Internet-enabled application or digital platform in the same size and graphics as the licensee's trip request button.

Page 14 of 29

(c) Except as otherwise provided in Section 9-114-265, it is unlawful for a licensee or transportation network driver to charge passengers a fare greater than the fare rate shown on the licensee's Internet-enabled application or digital platform.

**9-115-210 Records and reports.**

a) Every licensee shall keep accurate books and records of account of the licensee's operations at the licensee's place of business in the city for a minimum of three years. Such records shall be submitted for inspection upon the request of the commissioner. Such records shall also be maintained in accordance with section 3-4-170 of this Code, and shall be produced in an electronic format or any other format required by the city.

b) Each licensee shall provide the following data to the commissioner, at such times and in a format and manner prescribed by the commissioner in rules and regulations:

1) the number and percentage of the licensee's customers within the city who requested wheelchair accessible vehicles and the number of filled requests;

2) the number and percentage of rides requested and accepted, and the number of rides requested and not accepted, by the licensee's drivers, organized according to the geographic parameters and time frames specified by the commissioner;

3) information on any of the licensee's drivers who were alleged to have committed a violation of this chapter or their terms of service or who have been suspended or banned from driving for the licensee, including any zero-tolerance complaints and the outcome of the investigation into those complaints;

4) information on any accident or other incident that involved the licensee's driver and that was reported to the licensee, the cause of the incident, and the amount paid, if any, for compensation to any party in each incident. The report will contain information as to the date of the incident, the time of the incident, and the amount that was paid pursuant to the licensee's insurance policy. Also, the report will provide the total number of incidents involving the licensee's driver during the year;

5) the average and mean number of hours and miles each of the licensee's drivers spent driving for the licensee; and

6) only for purposes of law enforcement or emergency response, real-time tracking of the licensee's drivers and vehicles, including access to the driver's identifying information, GPS location data, and whether or not the driver is engaged with a passenger. If specialized hardware or software is required for real-time tracking, the licensee shall provide the specialized hardware or software to the City.

c) Nothing provided in this section shall be construed to require licensees to provide personally identifiable passenger information to the city.

**9-115-220 License - Suspension or revocation.**

a) The commissioner may seek all applicable penalties, including but not limited to fines, license suspension, and license revocation in addition to restitution or other equitable relief against any licensee that violates this chapter or any rules or regulations adopted pursuant to this chapter.

b) The commissioner shall promulgate rules and regulations regarding the lengths of suspension and the amounts of fines to be imposed, and the types of equitable relief to be ordered, for specific violations or license types. Before any suspension or revocation or fine is

imposed, or equitable relief is ordered, the licensee shall be notified of the specific charges against him and of his right to a hearing in accordance with Chapter 2-14 of the Code.

c) If the commissioner has information provided by a law enforcement agency or any court of law that a licensee has been charged with the commission of a felony, as defined in Article 2 of the Illinois Criminal Code of 2012, codified at 720 ILCS 5/2-0.5 et seq., arising in connection with the transportation network provider business, the commissioner shall immediately suspend all licenses of the licensee until final adjudication is made with respect to such charges.

d) Any person whose transportation network provider license is revoked under this chapter shall be ineligible to receive another transportation network provider license under the same or a different name for a period of five years following revocation.

e) In addition to the powers authorized in this section, the commissioner may seek suspension, revocation or may decline to renew a provider's license in accordance with other applicable sections of this Code, including sections 4-4-084 and 4-4-150.

**9-115-230 Violation - Penalty.**

a) Any licensee who violates this chapter or any rule or regulation promulgated hereunder shall be subject to a fine of not less than \$500.00 and not more than \$10,000.00 for each such violation. Each day that any violation shall continue shall be deemed a separate and distinct offense.

b) Any person other than a licensee who violates any of the provisions of this chapter or any rule or regulation promulgated hereunder, shall be subject to a fine of not less than \$500.00 and not more than \$1,000.00 for each such violation. Each day that any violation shall continue shall be deemed a separate and distinct offense.

c) In addition to fines, penalties for any violation of this chapter, as applicable, may include license suspension, rescission, non-renewal, revocation or vehicle impoundment.

**9-115-240 Impoundment of vehicle - Notification of owner - Penalty.**

a) In addition to any other applicable penalty, the owner of record of any motor vehicle that is used for the transportation or the solicitation for the transportation of passengers for compensation in violation of section 9-115-020 shall be liable to the city for an administrative penalty of \$2,000.00 plus any towing and storage fees applicable under Section 9-92-080. Any such vehicle shall be subject to seizure and impoundment pursuant to this section. This subsection shall not apply if the vehicle used in the violation was stolen at that time and the theft was reported to the appropriate police authorities within 24 hours after the theft was discovered or reasonably should have been discovered.

b) Whenever a police officer has probable cause to believe that a vehicle is subject to seizure and impoundment pursuant to this section, the police officer shall provide for the towing of the vehicle to a facility controlled by the city or its agents. Before or at the time the vehicle is towed, the police officer shall notify any person identifying himself as the owner of the vehicle or any person who is found to be in control of the vehicle at the time of the alleged violations, of the fact of the seizure and of the vehicle owner's right to request a vehicle impoundment hearing to be conducted under Section 2-14-132 of this Code.

c) Section 2-14-132 shall apply whenever a motor vehicle is seized and impounded pursuant to this section.



**9-115-250 Enforcement -- Rules and regulations.**

a) Upon request, a driver shall display to the commissioner, or other person authorized to enforce this chapter, a physical or electronic record of a ride in progress sufficient to establish that it was a prearranged transportation service. To the extent that trip records are contained on electronic devices, drivers are not required to relinquish custody of the devices in order to make the required display.

b) If any person files a complaint against a licensee or driver with the commissioner, in addition to all other powers and remedies provided under this Code, the commissioner's authorized staff shall have the right to inspect the licensee's records and transportation network vehicles associated with the licensee as necessary to investigate and resolve the complaint to the same extent the commissioner and the commissioner's authorized staff is permitted to inspect all other public passenger vehicles. If the complaint involves a driver not licensed as a public chauffeur by the city, the commissioner may provide the complaint to the licensee or licensees that engaged the driver. Nothing provided in this section shall be construed to prohibit the commissioner from investigating any complaint against a transportation network driver or from taking appropriate enforcement action in accordance with this Chapter, including the listing of such driver as ineligible to be a transportation network driver for purposes of Section 9-115-150(b)(1)(viii).

c) The commissioner is authorized to enforce this chapter, and to adopt rules and regulations for the proper administration and enforcement of this chapter.

d) Any fees imposed pursuant to rules authorized by this chapter shall be reasonably related to the City's cost of administration, and shall be effective, or amended, only after a 10-day notice and comment period.

SECTION II. Chapter 2-14 of the Municipal Code of Chicago is amended by deleting the language struck through and by inserting the language underscored, as follows:

**2-14-130 Other provisions not limiting.**

a) Notwithstanding any other provision of the Municipal Code, all provisions of the code, except for those specified in Section 2-14-190(a), may be enforced by instituting an administrative adjudication proceeding with the department of administrative hearings as provided in this chapter.

b) Notwithstanding any other provision of the Municipal Code, any enforcement action which may be exercised by another department or agency of the city may also be exercised by the department of administrative hearings; provided, however, that the department shall not have authority to revoke or suspend any city license except those issued pursuant to Chapters 9-104, 9-108, and 9-112, 9-114, and 9-115 of this Code.

c) Nothing in this chapter shall affect the jurisdiction of the Department of Business Affairs and Consumer Protection, the Chicago Commission on Human Relations, the zoning board of appeals, the human resources board, the board of ethics, the police board, or the Commission on Chicago Landmarks.

**2-14-132 Impoundment.**

(1) Whenever the owner of a vehicle seized and impounded pursuant to Sections 3-46-076, 3-56-155, 4-68-195, 9-80-220, 9-112-640, ef 9-114-420 or 9-115-240 of this Code (for purposes of this section, the "status-related offense sections"), or Sections 7-24-225, 7-24-226, 7-28-390, 7-28-440, 7-38-115(c-5), 8-4-130, 8-8-060, 8-20-070, 9-12-090, 9-76-145, 9-80-225, 9-80-240, 9-92-035, 10-8-480(c), 11-4-1410, 11-4-1500 or 15-20-270 of this Code (for purposes

of this section, the "use-related offense sections") requests a preliminary hearing in person and in writing at the department of administrative hearings, within 15 days after the vehicle is seized and impounded, an administrative law officer of the department of administrative hearings shall conduct such preliminary hearing within 48 hours of request, excluding Saturdays, Sundays and legal holidays, unless the vehicle was seized and impounded pursuant to Section 7-24-225 and the department of police determines that it must retain

custody of the vehicle under the applicable state or federal forfeiture law. If, after the hearing, the administrative law officer determines that there is probable cause to believe that the vehicle was used in a violation of this Code for which seizure and impoundment applies, or, if the impoundment is pursuant to Section 9-92-035, that the subject vehicle is eligible for impoundment under that section, the administrative law officer shall order the continued impoundment of the vehicle as provided in this section unless the owner of the vehicle pays to the city the amount of the administrative penalty prescribed for the code violation plus fees for towing and storing the vehicle. If the vehicle is also subject to immobilization for unpaid parking and/or compliance violations, the owner of the vehicle must also pay the amounts due for all such outstanding violations prior to the release of the vehicle. If the administrative law officer determines there is no such probable cause, or, if the impoundment is pursuant to Section 9-92-035, that the subject vehicle has previously been determined not to be eligible for impoundment under that section, the vehicle will be returned without penalty or other fees.

*(Omitted text is unaffected by this ordinance)*

SECTION III. Chapter 3-46 of the Municipal Code of Chicago is amended by adding a new section 3-46-035, by deleting the language struck through and by inserting the language underscored, as follows:

**3-46-020 Definitions.**

When any of the following words or terms are used in this chapter, they shall have the meaning set forth below:

*(Omitted text is unaffected by this ordinance)*

D. "Ground transportation vehicle" means any for-hire vehicle used to provide transportation for a charge or other consideration to passengers, regardless of whether the consideration is paid by the passengers or by any other person. This term includes, but is not limited to, water taxis, as defined in Section 4-250-010 of this Code, horse-drawn carriages and taxicabs and all automobiles, limousines, buses and other vehicles used to provide transportation to passengers for a charge, whether or not licensed by the city or registered or titled with the State of Illinois. For purposes of this chapter, the phrase "for-hire vehicle used to provide transportation for a charge or other consideration" shall include a transportation network vehicle, and the term "charge or other consideration" shall include a suggested donation transferred in connection with the receipt of transportation network services.

The term "ground transportation vehicle" does not include vehicles operated by a government transportation agency or on behalf of a government transportation agency pursuant to a contract or a grant, vehicles devoted exclusively to funeral use, or vehicles used as ambulances.

Page 18 of 29

E. "License holder of a ground transportation vehicle" or "license holder" means any person holding a license issued by the city under Chapter 9-10Sj-ef 9-112, or 9-114 of this Code, as amended, or any person who has registered or titled a vehicle with any state or the District of Columbia if the vehicle is used to provide ground transportation to passengers. For purposes of this chapter, the phrase "person who has registered or titled a vehicle with any state or the District of Columbia if the vehicle is used to provide ground transportation to passengers" shall include a transportation network vehicle owner.

*(Omitted text is unaffected by this ordinance)*

L "Transportation network driver", "transportation network licensee", "transportation network provider",

"transportation network service", and "transportation network vehicle" have the meanings ascribed to these terms in Section 9-115-010 of this Code.

J. "Transportation network vehicle owner" means any person who has registered or titled a vehicle with any state or the District of Columbia if the vehicle is used to provide transportation network service.

**3-46-030 Tax imposed.**

A. Pursuant to the authority granted by Section 11-42-6 of the Illinois Municipal Code, as amended, 65 ILCS § 5/11-42-6, a tax is imposed on all persons engaged in the occupation of providing ground transportation vehicles for use in the city. The incidence of the tax and the obligation to pay the tax are on the license holder ~~of any ground transportation vehicle which is used in the city~~ or on any the person operating a ground transportation vehicle ~~for use in the city~~ who is required to be, but is not, a license holder.

B. (1) The rate of the tax shall be in accordance with the following schedule:

a) For ground transportation vehicles that are taxicabs:

i) which are licensed or are required to be licensed pursuant to Chapter 9-112 of this Code, \$78.00 for each taxicab for each calendar month during which the taxicab is used in the city to provide ground transportation. This amount shall not be subject to proration;

ii) which are not required to be licensed pursuant to Chapter 9-112 of this Code, \$3.00 for each taxicab for each day the taxicab is used in the city to provide ground transportation but in no event more than \$78.00 per calendar month.

b) Except as otherwise provided in subsection (b-1), F-ef for ground transportation vehicles, other than taxicabs, with a seating capacity of ten or fewer passengers, \$3.50 for each vehicle for each day the vehicle is used in the city to provide ground transportation;

Page 19 of 29

(b-1) For ground transportation vehicles used to provide transportation network service by transportation network drivers engaged with a Class A transportation network provider, \$0.20 per vehicle per ride accepted;

c) For ground transportation vehicles with a seating capacity of 11 to 24 passengers, \$6.00 for each vehicle for each day the vehicle is used in the city to provide ground transportation;

d) For ground transportation vehicles with a seating capacity of more than 24 passengers, \$9.00 for each vehicle for each day the vehicle is used in the city to provide ground

transportation.

(2) For purposes of this subsection (B), it shall be presumed (a) that a taxicab is used in the city during any calendar month in which the taxicab is licensed or required to be licensed pursuant to Chapter 9-112 of this Code, and (b) that the seating capacity of a ground transportation vehicle is the seating capacity designated by the vehicle's manufacturer.

C. (1) To prevent multiple taxation, any person who is licensed, or who is required to be licensed, to operate a ground transportation vehicle used in another municipality may claim a credit against the tax imposed by this chapter equal to any similar occupation tax imposed on the person by the other municipality with respect to such ground transportation vehicle, but only to the extent of the amount of tax properly due and actually paid to the other municipality. The credit may not exceed the amount of the tax imposed by this chapter that otherwise would be due.

(2) This subsection 3-46-030(C) shall not apply in the case of any person who is licensed, or who is required to be licensed, under Chapter 9-108i or 9-112, 9-114 or 9-115 of this Code.

D. Nothing in this chapter shall be construed to impose the tax on any person or activity which, under the constitutions of the United States or the State of Illinois, may not be taxed by the city.

**3-46-035 Collection and remittance responsibilities of transportation network providers.**

A. It shall be the duty of each transportation network provider to collect the tax imposed by this chapter from the transportation network vehicle owner and to remit the tax to the department in accordance with Section 3-46-040 of this chapter. In the event that a transportation network provider fails to collect or remit the tax required to be collected by this section, the transportation network provider shall be liable to the city for the amount of such tax, plus any attendant penalties and interest.

B. If a transportation network provider fails to collect the tax imposed by this chapter from a transportation network vehicle owner, then the transportation network vehicle owner shall

Page 20 of 29

file a return and pay the tax directly to the department on or before the date required by subsection 3-46-040.

**3-46-040 Paying, collecting, and remitting the tax and filing returns.**

A. On or before the last day of each calendar month, every person required to pay or collect and remit the tax imposed by this chapter shall file with the department a tax return and pay or remit all applicable tax attributable to the immediately preceding calendar month. The taxpayer or tax collector shall file the required return on a form prescribed by the comptroller and shall provide such information as the comptroller may

reasonably require.

*(Omitted text is unaffected by this ordinance)*

D. Notwithstanding any other provision of this Code, for all periods beginning on or after July 1, 2004, every person whose tax liability under this chapter is based solely on the use of 100 or fewer taxicabs or transportation network vehicles as of July 1 of a given annual tax year shall, during that year, pay the tax attributable to the immediately preceding calendar quarter, on or before the last day of the month following such calendar quarter. Nothing in this subsection shall prevent a taxpayer from paying, without penalty or interest, its total liability for an annual tax year, as allowed under subsection 3-4-187(B) of this Code, without filing an annual return.

**3-46-050 Applicability of Motor Vehicle Lessor Tax and Chicago Transaction Tax.**

A. Any person who is subject to the tax imposed by this chapter, except a transportation network provider, transportation network driver, or transportation network vehicle owner, and who is either the lessor or lessee of a ground transportation vehicle, shall not be subject to the Motor Vehicle Lessor Tax, Chapter 3-48 of this Code, with respect to such vehicle.

B. Any person leasing a ground transportation vehicle from a license holder who is subject to the tax imposed by this chapter, except a transportation network provider, transportation network driver, or transportation network vehicle owner, shall not be subject to the Chicago Personal Property Lease Transaction Tax, Chapter 3-32 of this Code, on the lease, rental or use of such vehicle for the purpose of providing ground transportation.

**3-46-065 Underserved areas.**

*(Omitted text is not affected by this ordinance)*

C. A Any license holder may claim a credit against the tax imposed by this chapter if during a calendar month one or more of its ground transportation vehicles is used to provide service to or from areas designated as underserved areas under subsection B. The monthly tax credit shall be calculated by multiplying the monthly tax otherwise due for that month by a fraction, the numerator of which shall be the number of taxable trips to or from designated underserved areas during the month, and the denominator of which shall be the total number of

Page 21 of 29

taxable trips during the month. The credit authorized by this section shall not exceed 50 percent of the total tax otherwise due for a month.

*(Omitted text is not affected by this ordinance)*

F. The credit available under this section shall apply beginning on the first day of the calendar month following the calendar month in which the commissioner of business affairs and consumer protection designates underserved areas under subsection B).

**3-46-070 Registration.**

A. Every license holder of a ground transportation vehicle who is required to pay the tax imposed

by this chapter and every transportation network provider shall register with the department of business affairs and consumer protection, on a form prescribed by the commissioner of business affairs and consumer protection, at least ten days before the ground transportation vehicle is used in the city.

B. Any license holder that has registered in accordance with the Metropolitan Pier and Exposition Authority Airport Departure Tax Ordinance § 1-10(A) (1992) or any person who has been issued a license pursuant to Chapter 9-108. or 9-112. 9-114 or 9-115 of this Code shall be regarded as registered in accordance with subsection (A) of this section.

C. If any information provided by a license holder on a registration form ceases to be accurate, then the license holder or transportation network provider shall file a corrected form with the department of business affairs and consumer protection within 60 days.

### **3-46-073 Registration emblems.**

A. The department of business affairs and consumer protection shall issue to every license holder and to every transportation network provider registered in accordance with Section 3-46-070 of this chapter an annual registration emblem for every ground transportation vehicle that the license holder or transportation network provider provides or engages for use in the city, other than vehicles having a seating capacity of more than 24 passengers or vehicles required to display a sticker license emblem or a metal plate pursuant to Chapter 9-108<sup>^</sup> 9-112. 9-114 or 9-115 of this Code. The emblems shall be issued on or before April 1st of each calendar year to license holders of taxicabSj. and liveries and transportation network providers. and on or before August 1st of each calendar year to license holders of all other ground transportation vehicles. Emblems shall also be issued within ten days of initial registration in accordance with Section 3-46-070 of this chapter.

B. Every license holder that is required to pay the tax imposed by this chapter and every transportation network provider shall affix a registration emblem issued by the department of business affairs and consumer protection on the front windshield of every ground transportation vehicle that is used in the city, other than vehicles having a seating capacity of more than 24 passengers or vehicles that are required, to display a sticker license emblem, a metal plate pursuant to Chapter 9-108<sup>^</sup> 9-112, 9-114 or 9-115 of this Code. If a ground transportation vehicle does not display a registration emblem as required by this subsection,

Page 22 of 29

then the license holder of the vehicle and the transportation network provider shall be prohibited from using or permitting the use of the vehicle as a ground transportation vehicle in the city.

C. The department of business affairs and consumer protection shall not issue a registration emblem to a license holder or transportation network provider if the license holder or transportation network provider has failed to file with the department a tax return for any month that it was required to pay or collect and remit the tax imposed by this chapter<sup>^</sup> or if the license holder or transportation network provider has failed to pay any tax, interest or penalty that has been assessed by the department, unless:

- 1) The license holder or transportation network provider is contesting liability for the tax in a pending administrative or judicial proceeding; or
- 2) The license holder or transportation network provider has filed a petition in bankruptcy and the full amount of the tax due to the city is dischargeable in bankruptcy; or

3) The license holder or transportation network provider has entered into an agreement with the department for the payment of all the tax, interest and penalty, and the license holder or transportation network provider is in compliance with the agreement.

D. Immediately upon the sale of any ground transportation vehicle, the seller or the purchaser shall remove the registration emblem from the vehicle. It shall be unlawful for the purchaser to use the vehicle unless the registration emblem has been removed.

E. Except as provided in subsection (C) of this section, any license holder or transportation network provider that has registered in accordance with Section 3-46-070 of this chapter may request the department of business affairs and consumer protection to issue a registration emblem if the license holder or transportation network provider acquires or engages for use a new, used or additional ground transportation vehicle.

**3-46-080 Books and records.**

A. Every person required to pay or collect and remit the tax imposed by this chapter shall keep accurate books and records of its business or activity, including original source documents and books of entry denoting the transaction that gave rise, or may have given rise, to the tax liability or any exemption that may be claimed and the days that such person's ground transportation vehicles were used in the city. All such books and records shall be kept in the English language and, at all times during business hours of the day, shall be subject to and available for inspection by the department.

B. It shall be presumed that a ground transportation vehicle which is licensed pursuant to Chapter 9-108<sub>A</sub> or- 9-112. 9-114 or 9-115 of this Code was used in the city on every day of any period for which no accurate books and records required by subsection (A) of this section were kept.

SECTION IV. Chapter 9-112 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, by inserting the language underscored and by adding new Section 9-112-565, as follows:

Page 23 of 29

**9-112-010 Definitions.**

For purposes of this chapter the following definitions shall apply:

*(Omitted text is not affected by this ordinance)*

"Wheelchair accessibility taxicab fund" means a fund used to provide improve the services of taxicabs and transportation network vehicles (as defined in Section 9-115-010) for people with disabilities. Uses of this fund include, but are not limited to, reimbursement for costs associated with converting or purchasing a vehicle to be used as a taxicab or transportation network vehicle that is fully wheelchair accessible by ramp or lift. The maximum amount of reimbursement per taxicab vehicle from the fund, and the conditions of reimbursement and the maximum amount of reimbursement per a transportation network vehicle from the fund will be established by rules and regulations, in consultation with, among other individuals as the commissioner may determine, representatives from the Mayor's Office for People with Disabilities, the community of people with disabilities, the taxi industry, and the transportation network providers industry but in no case shall exceed \$20,000 vehicle.

*(Omitted text is not affected by this ordinance)*

**9-112-020 License required.**

(a) 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, or used to provide a transportation network service pursuant to Chapter 9-115.

*(Omitted text is not affected by this ordinance)*

**9-112-050 Vehicle inspections.**

No person shall place a vehicle into service as a taxicab until the vehicle has been inspected under the direction of the commissioner and found to be in safe operating condition. A taxicab vehicle inspection includes, but is not limited to, ensuring that all required equipment is installed and operating as intended, and that the interior and exterior of the vehicle are clean and in good condition for the safety of the vehicle drivers and passengers. Licensees must submit all their taxicab vehicles for inspection at least semiannually as scheduled by the department. Taxicab vehicles with a vehicle age of 2 years or newer must be inspected at least annually, and all older taxicab vehicles must be inspected at least semiannually.

If any licensee fails to appear and make his vehicle available for inspection after receiving a notification from the commissioner to do so, the commissioner may immediately suspend the licensee's license and impose a fine as set forth in section 9-112-630, in addition to all other applicable penalties, including extending the license suspension, and/or license revocation. If the licensee again fails to so appear, the commissioner may suspend his license until the vehicle has passed an inspection pursuant to this section. If a licensee demonstrates a pattern of missing scheduled inspection dates, the commissioner may revoke the license.

The commissioner is authorized to adopt rules and regulations to specify the time frame and schedule for vehicle inspections and may require additional inspections based upon complaints.

**9-112-070 Specifications for taxicab vehicles.**

The commissioner may issue licenses for motor vehicles to operate as taxicabs according to the following:

Page 24 of 29

a) Vehicles having a manufacturer's rated seating capacity of ten or more persons, including the driver, may not be licensed as taxicabs.

b) A vehicle must meet applicable federal motor vehicle safety standards for vehicles of its size, type and proposed use, in order to be licensed as a taxicab.

c) Age of vehicle. A licensee cannot operate a vehicle as a licensed taxicab beyond the following vehicle age:

1) Four years for vehicles that are not designated pursuant to the department's list of authorized vehicles as wheelchair accessible or fuel efficient.

2) ~~Five~~ Six years for vehicles that are designated pursuant to the department's list of authorized vehicles as ~~either wheelchair accessible or~~ fuel efficient.

3) ~~Six~~ Seven years for vehicles that are designated pursuant to the department's list of authorized vehicles as ~~both wheelchair accessible and fuel efficient.~~

*(Omitted text is not affected by this ordinance)*

**9-112-150 License fees and terms.**

a) As of the effective date of this ordinance, the licensing term for licenses will be from March 1 of the current year to the last day of February of the subsequent year.

i) One-year taxicab medallion licensing issuance or renewal fee for taxicabs that are not



wheelchair accessible is \$600.00. The Department will deposit \$100.00 of this licensing fee to a fund created to promote wheelchair accessible taxicab accessibility of taxicabs and transportation network vehicles, also known as the "Wheelchair Accessible Taxicab Accessibility Fund."

ii) One-year taxicab medallion licensing issuance or renewal fee for wheelchair accessible taxicabs is \$500.00. The license must be attached to a wheelchair accessible taxicab vehicle during the entire licensing term.

b) Effective March 1, 2013, the City will initiate a two-year licensing term for licenses issued pursuant to this chapter. The licensing term shall be from March 1 of the current year to the last day of February two years subsequent to the current year.

(i) Two-year licensing issuance or renewal fee is \$1,200.00 for taxicabs that are not wheelchair accessible. The Department will deposit \$200.00 of this licensing fee to a fund created to promote wheelchair accessible taxicab accessibility of taxicabs and transportation network vehicles, also known as the "Wheelchair Accessible Taxicab Accessibility Fund."

*(Omitted text is not affected by this ordinance)*

(g) The commissioner is authorized to adopt rules and regulations for the administration of the Wheelchair Accessible Taxicab Accessibility Fund.

### **9-112-570 Taxicab wheelchair accessible vehicles and centralized wheelchair accessible dispatch.**

(a) The commissioner is authorized by rule to regulate wheelchair accessible taxicab vehicles and a centralized dispatch system for wheelchair accessible taxicab vehicles. The

Page 25 of 29

commissioner is authorized to assess the costs of such a central dispatch system upon those licensees with wheelchair accessible taxicabs.

b) LU Any single licensee that owns or controls 20 or more licenses must place into service wheelchair accessible vehicles as taxicabs on five percent of its taxicab vehicle fleet.

(2) . In addition to compliance with subparagraph (b)(1) of this section, any licensee that owns or controls 10 or more taxicab licenses shall have at least 10 percent of its taxicab fleet be wheelchair accessible vehicles by January 1, 2018. if accessibility fund monies are available to reimburse the additional costs associated with purchasing vehicles to be used as taxicabs that are fully wheelchair accessible as provided in the definition of the term "accessibility fund".

(3) If a licensee replaces a wheelchair accessible taxicab vehicle, the replacement vehicle shall also be a wheelchair accessible taxicab vehicle.

c) In determining the wheelchair accessible taxicab vehicles requirements above, the city will add up the total number of licenses held by a single licensee. The total number of licenses that each licensee holds will be based on the total licenses in each corporation, or legal entity, in which he holds a 25 percent or

greater share of ownership interest including, but not limited to, stocks and shares.

d) Each taxicab affiliation must have verifiable records, in a form designated by the commissioner by regulation, regarding the response of the taxicab affiliation to each request for a wheelchair accessible vehicle. Each taxicab affiliation shall provide such records to the commissioner upon request for same.

e) The department shall audit the centralized dispatch for wheelchair accessible vehicles on an annual basis. If the department finds that the centralized dispatch is not serving the goals of the disabled community, the department shall take such actions as are necessary to ensure that the disabled community is served in a timely manner.

SECTION V. Chapter 9-1,14 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, by inserting the language underscored and by adding new sections 9-114-265 and 9-114-285, as follows:

**9-114-010 Definitions.**

The following definitions shall apply for purposes of this chapter:

*(Omitted text is not affected by this ordinance)*

"Public passenger vehicle" means a motor vehicle, as defined in the motor vehicle law of the State of Illinois, which is used for the transportation of passengers for hire, excepting those (1) devoted exclusively for funeral use; (2) in operation of a metropolitan transit authority; (3) interstate carriers licensed for the transportation of passengers by the Interstate Commerce Commission to the extent that regulation of such vehicles by the city is prohibited by federal law; (4) interstate carriers operating pursuant to and in conformity with a certificate of authority issued by the Illinois Commerce Commission; and (5) taxicabs regulated pursuant to Chapter 9-

Page 26 of 29

112 of this Code; and (6) vehicles used to provide a transportation network service pursuant to Chapter 9-115. Public passenger vehicles included in the provisions of this chapter include, but are not limited to, livery vehicles, charter/sightseeing vehicles, neighborhood electric vehicles, jitney car services, and medical carrier vehicles.

*(Omitted text is not affected by this ordinance)*

**9-114-020 License required.**

(a) 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 public passenger vehicle pursuant to this chapter, or as a taxicab pursuant to Chapter 9-112. or used to provide a transportation network service pursuant to Chapter 9-115.

**9-114-265 Fare rates higher than regular rates.**

a) A licensee licensed under this chapter or Chapter 9-115 of this Code may charge passengers at a higher fare rate than the regular fare rate displayed in the licensee's Internet-enabled application or digital platform only if such licensee or such licensee's dispatch complies with all of the following requirements:

(j) the licensee or the licensee's dispatch, through the licensee's or the dispatch's Internet-enabled application or digital platform and e-mail accounts of the licensee's subscribers, provide public notice of the time period when the higher fare rate would apply; and

ii) the licensee's or the licensee's dispatch Internet-enabled application or digital platform clearly provides to a customer requesting a trip the option to obtain the total reasonable fare estimate of the trip in a range expressed in dollars and cents, in addition to any applicable rate multiplier. The on-screen

prompt for the choice to decline the fare estimate shall be smaller in size than the on-screen prompt to accept that estimate. For purposes of this section, the commissioner is authorized to regulate, by rule, the permissible range of fare estimate that shall be provided pursuant to this section; and

iii) no fare greater by 20 percent than the fare estimate provided pursuant to subsection (a) (ii) shall be charged for the trip, unless the customer changes the destination or route from that initially requested: and

iv) the customer requesting the ride expressly agrees to the fare estimate unless, pursuant to subsection (a)(ii), the customer has chosen to decline the estimate offered when accepting the ride on the licensee's or the licensee's dispatch Internet-enabled application or digital platform.

b) The commissioner is authorized to regulate, by rule, the amount of increase in fare rate from the regular fare rate displayed in the licensee's Internet-enabled application or digital platform and the manner of fare amount calculation for providing a prearranged transportation service. In addition, the commissioner is authorized to require licensees licensed under this chapter or Chapter 9-115 of this Code to comply with nationally recognized technical and technological standards applicable to fare amount calculation for providing a prearranged transportation service, as determined by the commissioner.

c) If applicable law allows taxicab licensees to charge at a higher rate than the rate provided under Chapter 9-112 of this Code, this section applies to the regulation of such rate to the extent such regulation is allowed under the applicable law.

Page 27 of 29

**9-114-285 Livery chauffeurs' training requirements.**

No person shall be licensed as a livery chauffeur unless such person has successfully completed a restricted chauffer training program pursuant to Chapter 9-104 of this Code and rules and regulations promulgated thereto. Provided, however, the requirements of this section and the training requirements of Chapter 9-104 applicable to a livery chauffer applicant can be complied with by the applicant's successful completion of a livery chauffeur training program approved by the commissioner and conducted by the licensee or other authorities approved by the commissioner. In addition to other applicable requirements, the training program conducted by the licensee or other authorities approved by the commissioner must cover topics related to providing service to people with disabilities.

SECTION VI. The Mayor of the City of Chicago ("City") is hereby authorized to launch a taxi chauffeur license training program reform task force consisting of, in addition to such other individuals as the Mayor may select, designees from the Department of Business Affairs and Consumer Protection, the Mayor's Office for People with Disabilities, the City Colleges of Chicago, and the taxi industry. The reform task force shall review the city's current taxi chauffeur license training requirements and other pertinent issues with a view towards recommending changes to update and streamline the process in order to achieve greater efficiency and flexibility. The reform Task Force shall make its initial recommendations for such changes to the Mayor no later than 60 days after the effective date of this ordinance. The task force that will be launched pursuant to this section is not part of the City's organizational structure, its members are informally appointed, and shall conduct its proceedings informally without governing bylaws. The task force's recommendations shall not bind the City. The members of the task force shall not receive compensation from the City for serving on the task force.

SECTION VII. The Mayor of the City of Chicago ("City") is hereby authorized to launch a ground transportation vehicles underserved areas task force, which shall consist of, in addition to such other individuals as the Mayor may select, a designee of the Commissioner of Business Affairs and Consumer Protection, a designee of the Commissioner of the Mayor's Office for People with Disabilities, a designee of the Commissioner of Planning and Development, a designee of the Comptroller, and representatives from public passenger vehicle businesses and communities. The task force shall conduct an inquiry to determine which areas of the city are underserved by ground transportation vehicles and the role new technologies may

play in providing efficient ground transportation services, and shall recommend measures that the task force suggests so that underserved areas would be better served by ground transportation vehicles. The task force shall make its initial recommendations to the Mayor no later than 120 days after the effective date of this ordinance, and shall make additional recommendations from time to time as service patterns change. The task force that will be launched pursuant to this section is not part of the City's organizational structure, its members are informally appointed, and shall conduct its proceedings informally without governing bylaws. The task force's recommendations shall not bind the City. The members of the task force shall not receive compensation from the City for serving on the task force.

SECTION VIII. Except for SECTION IX, this ordinance shall take effect 90 days after passage and approval.

SECTION IX. The commissioner of business affairs and consumer protection may request prospective transportation network provider license applicants to provide to the city, in the manner the commissioner prescribes, data that the commissioner requires to administer Chapter 9-115 of the Code. A prospective applicant that intends to apply for a transportation

Page 28 of 29

network license shall comply with such request. This SECTION IX shall take effect upon passage and approval.

