



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/17/2023

ALL

Item Creation Date: 8/23/2023

ARA – Chapter 46 Amendments, related to Chauffeured Limousines

Agenda Item#: 10.

Background:

The Administration & Regulatory Affairs Department (ARA) requests that City Council approve amendments to Chapter 46, Article IV of the City of Houston Code of Ordinances related to the regulation of chauffeured limousines.

In 2011, City Council approved Ordinance 2011-1201 which amended Chapter 46 to apply the Manufacturer's Suggested Retail Price (MSRP) as the base price for vehicles operating as chauffeured limousines. Prior to that amendment, the City of Houston had followed the national standard of defining specific vehicle models and required vehicle equipment to be eligible to receive a limousine permit. However, recognizing that the industry was changing, the City of Houston and the limousine industry agreed that MSRP was a more flexible and less prescriptive standard. Since 2011, other cities have also adopted the MSRP standard in lieu of specific vehicle requirements.

However, there was an oversight in the 2011 definitions that has created issues for limousine operators wishing to permit their vehicles with the City. The MSRP cited in the definition of a Luxury Vehicle, which impacts sedans, differs from the MSRP cited for SUVs – although SUVs are increasingly used for luxury vehicle transportation. Accordingly, ARA is proposing to rectify this oversight with proposed amendments that would standardize the MSRP. The MSRP for eligibility to operate as a limousine is adjusted annually based upon Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor.

In addition to changes in code provisions related to the MSRP amendment, ARA also recommends removing specific trade dress requirements (dress code). These provisions were important to the industry a decade ago to distinguish limousine drivers from taxi drivers and drivers of other vehicles-for-hire, but such prescriptive requirements should be the responsibility of the company owners rather than municipal government. Accordingly, ARA proposes these requirements be eliminated.

ARA discussed the proposed amendments with limousine industry stakeholders on September 6, 2023. The industry stakeholders were in favor of the proposed revisions.

Fiscal Note:

Revenue for this item is adopted in the FY2024 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Departmental Approval Authority:

DocuSigned by:

Tina Paez

Tina Paez, Director

Other Authorization

**Administration & Regulatory
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