



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/20/2016

District All

Item Creation Date: 9/2/2016

ARA-Chapter 46 Amendments

Background:

The Administration & Regulatory Affairs Department (ARA) recommends that City Council approve an ordinance amending Chapter 46 of the City of Houston Code of Ordinances (“Chapter 46”) relating to vehicles-for-hire that will provide for a citywide digital platform for dispatch of vehicles-for-hire; require all City of Houston licensed taxicab drivers to use the citywide dispatch app; and further standardize requirements across different vehicle-for-hire categories. The amendments also include several minor housekeeping changes to Chapter 46.

Chapter 46 establishes the standards, regulations, and permitting and licensing requirements for the vehicle-for-hire industry operating within the City of Houston. Vehicles-for-hire play a vital role in the City’s public transportation network and allow visitors and residents to easily navigate the City. In addition, an efficient, easily-accessible vehicle-for-hire fleet is critical to the success of national events, such as Final Four and Super Bowl, that draw large numbers of visitors the City.

In 2012, the City of Houston engaged a taxi expert to conduct an in-depth study of the taxicab industry in Houston, and make recommendations to improve the level of service to the public. The expert found that drivers with access to centralized dispatch service are able to serve larger segments of the City and provide more reliable service, while also getting access to more trips resulting in higher earnings. Currently only two of the 146 permitted taxicab companies provide drivers with centralized dispatch service. As a result, the remaining members of the industry are functionally unavailable to serve the public, except at airports, hotels, and cabstands.

Super Bowl LI will bring thousands of visitors to Houston who will need access to vehicle-for-hire transportation services. Earlier this year, the City issued an RFQ to select a vehicle-for-hire dispatch app to provide residents and visitors to Houston with a single, easy-to-use point of contact that will ultimately be sufficiently robust to dispatch all permitted vehicles-for-hire in Houston. The implementation of the app will be completed in phases, with a “soft launch” period that will begin upon City Council approval of the app contract. In the first phase, functionality will exist only for taxicabs, and licensed taxicab drivers will be required by ordinance to use the app. As in-vehicle equipment is replaced by driver-owned mobile devices, in late October, other industries (limousines, jitneys, etc.) may opt to offer their services on the app as well. Once sufficient drivers are on the app to reliably serve the general public, an official launch date will be scheduled. We anticipate this date will occur during November 2016.

In addition to proposed ordinance changes related to the app, ARA is requesting City Council approval for amendments proposed by various industry stakeholders, as well as changes to make the permitting process more efficient and “housekeeping” amendments to correct errors or oversights observed in Chapter 46. The proposed changes are discussed in more detail in the attached executive summary.

ARA recommends City Council approval of the proposed revisions to Chapter 46. These recommendations are based on consultation with industry and other stakeholders, and are necessary to further promote excellent customer service to the riding public and to continue to improve the City’s licensing and permitting process.

Departmental Approval Authority:

**Tina Paez, Director
Administration & Regulatory
Affairs Department**

Other Authorization

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