



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:

District All

Item Creation Date:

15

DEC 07 2016

ARA-Chapter 46 Amendments

*Clegg*

**Background:**

The Administration & Regulatory Affairs (ARA) Department 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.

Chapter 46 establishes the permitting and licensing requirements for the vehicle-for-hire industry operating within the Houston city limits. Vehicles-for-hire play a vital role in our 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 the Final Four and Super Bowl, which draw large numbers of visitors to the city.

In 2014, the City began the first phase of streamlining the vehicle-for-hire permitting and licensing process by beginning to identify regulations that had become obsolete in light of market changes and national best practices. Over the past two years, ARA has conducted Lean Six Sigma reviews of the process to the extent that, even with growth of more than 300% in customers, average licensing time for drivers has been reduced to 8 days, with more than 1/4 of drivers licensed in 2 days.

As we have continued to identify process improvements, we have also reviewed the rationale for each regulation. In some instances, the requirements imposed on drivers by regulations are better placed on company owners that employ or contract with those drivers. We have also conducted national surveys of vehicle-for-hire regulations in peer cities. In light of additional data regarding the efficacy of various driver screening requirements as well as the larger nation-wide shift in public attitudes toward vehicle-for-hire regulation, we are proposing amendments related to pre-licensing drug tests and physicals; vehicle ages; driver dress codes; required vehicle equipment and color schemes; and the types of vehicles that can be used for vehicle-for-hire services, including livery vehicles. Driver fingerprinting requirements remain the same, unless and until the Mayor and City Council decide otherwise.

We believe these amendments will allow the vehicle-for-hire industry in Houston more flexibility in using vehicles across multiple platforms, as well as recruiting sufficient drivers to meet the demands of the upcoming Super Bowl LI event.

**Departmental Approval Authority:**

Tina Paez, Director  
Administration & Regulatory  
Affairs Department

Other Authorization

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