


## Transportation Network Intermunicipal Business Licence Bylaw – First Three Readings

### RECOMMENDATION:

*That Council give Transportation Network Intermunicipal Business Licence Bylaw No. 4155 first three readings.*

### OPTIONS (✓ = Staff Recommendation)

#	Description
1 	Give first three readings to the bylaw.
2	Delay first three readings and request staff to provide additional information.
3	Deny first three readings of the bylaw.

CITY OF PORT COQUITLAM  
TRANSPORTATION NETWORK INTERMUNICIPAL  
BUSINESS LICENCE BYLAW, 2019

Bylaw No. 4155

---

1. CITATION

This Bylaw is cited as “Transportation Network Intermunicipal Business Licence Bylaw, 2019, No. 4155”.

2. INTERMUNICIPAL SCHEME

Pursuant to section 14 of the *Community Charter*, S.B.C. 2003, c. 26 (the “*Community Charter*”), there is hereby established an intermunicipal business licence scheme in respect of transportation network services on the terms and conditions of this Bylaw.

3. DEFINITIONS

**Accessible vehicle** means a transportation network services vehicle designed and manufactured, or converted, for the purpose of transporting persons who use mobility aids;

**Applicant** means the person who makes and signs an application for, or who submits an application to renew, a licence;

**Base fee** means the component of an annual licence fee payable under this Bylaw for a transportation network service based on the estimated number of transportation network service vehicles affiliated with that transportation network service in the licence year, as adjusted from time to time;

**Business** has the meaning as defined by the *Community Charter*;

**Licence** means a business licence required or issued under the provisions of this Bylaw for the offering or providing of transportation network services;

**Originating trip fee** means the component of a licence fee payable under this Bylaw calculated per trip originating in a participating municipality in a transportation network services vehicle (other than an accessible vehicle or a zero emission vehicle);

**Participating municipality** means those of the following municipalities that have adopted this Transportation Network Services Intermunicipal Business Licence Bylaw and any other municipalities that adopt this Bylaw at a later date:

City of Coquitlam
City of Port Coquitlam
City of Port Moody

**Passenger Transportation Act** means the Passenger Transportation Act, S.B.C. 2004, c. 39 and any regulations enacted or adopted under it, all as amended or replaced from time to time;

**Passenger Transportation Authority** means the Passenger Transportation Board and the Registrar of Passenger Transportation established or appointed, as the case may be, under the *Passenger Transportation Act*;

**Person** includes an individual, corporation, organization, partnership, proprietorship, firm and the personal or other legal representative of a person as the context may apply under this Bylaw;

**Premises** means a fixed or permanent location where a transportation network service ordinarily carries on business;

**Transportation network services** has the same meaning as defined in the Passenger Transportation Act;

**Transportation network services vehicle** means a motor vehicle that is used, or is capable of being used, to provide transportation network services; and

**Zero emission vehicle** means a motor vehicle that is exclusively propelled by electricity or hydrogen from an external source.

#### 4. LICENSING REQUIREMENTS

4.1 No person shall carry on the business of providing or offering to provide transportation network services in any of the participating municipalities unless that person:

4.1.1 holds a valid and subsisting licence;

4.1.2 holds all licences, permits, authorizations and approvals required by the Passenger Transportation Authority; and

4.1.3 is otherwise in compliance with all applicable bylaws of each participating municipality in which the services are being provided or offered.

4.2 Unless otherwise required by the *Passenger Transportation Act* or the *Passenger Transportation Authority*,

- 4.2.1 a driver who operates a transportation network services vehicle is not required to have a licence under this Bylaw provided that each transportation network service business with which that driver is affiliated has a licence; and
- 4.2.2 transportation network services businesses may operate within one or more of the participating municipalities without a licence for the following purposes only:
  - a) a *transportation network service vehicle* is being driven through the *participating municipalities* without picking up or dropping off any passengers;
  - b) a *transportation network service vehicle* is being driven solely to drop off a passenger within a *participating municipality*;
- 4.3 Neither this Bylaw nor the issuance of a licence under it replaces or removes the requirement to obtain and maintain any additional municipal business licences that may be required for each premises owned or operated by a transportation network service within the jurisdiction of a participating municipality.

## 5. LICENCE APPLICATION, TERM, FEES, GENERAL CONDITIONS

- 5.1 An application for a licence must be submitted to the City of Coquitlam in whatever form may be required by its licensing inspectors from time to time.
- 5.2 Each applicant must, in the application for a licence:
  - 5.2.1 set out the total number of transportation network services vehicles expected to operate in the participating municipalities; and
  - 5.2.2 indicate how many of those vehicles are accessible vehicles and how many are zero emission vehicles.
- 5.3 The City of Coquitlam's licensing inspectors may issue a licence to a transportation network services business if satisfied the applicant meets the requirements of:
  - 5.3.1 this Bylaw;
  - 5.3.2 all applicable provisions of the participating municipalities' business licensing bylaws and other general application bylaws; and
  - 5.3.3 the *Passenger Transportation Act* and Passenger Transportation Authority.
- 5.4 *Licences* are valid for one year from the date of issuance, unless cancelled by the *applicant* or the City of Coquitlam earlier in accordance with the terms of this Bylaw.

- 5.5 The annual *base fee* for a *licence* is as follows:

Number of Vehicles	Fee
0-25	\$1000
26-100	\$2500
101+	\$5000

- 5.6 The originating trip fee is \$0.10.

- 5.7 At the time of submitting an initial application for a licence, and upon each annual renewal of a licence, an applicant or licensee as the case may be must pay the base fee calculated on the number of transportation network services vehicles affiliated with its service that it expects to operate in any of the participating municipalities over the course of the licence term.

- 5.8 In addition to the base fee, upon renewal of an issued licence a licensee must pay the originating trip fee in respect of each trip initiated in the participating municipalities during the previous licence term, except to the extent some or all of the previous year's originating trip fees were assessed and collected in accordance with section 5.9.2.

- 5.9 Notwithstanding sections 5.7 and 5.8, no more than three times per licence term:

- 5.9.1 The City of Coquitlam may recalculate the base fee applicable to a transportation network service for the licence term in accordance with the licensee's then-current number of affiliated vehicles operating in one or more of the participating municipalities, if that number is greater than when the base fee was last calculated and paid; and

- 5.9.2 A participating municipality may assess the originating trip fee for the previous four month interval, and the licensee must pay any amounts base fee adjusted under this section within 10 business days of the date of invoice by the City of Coquitlam, and any originating fees adjusted under this section within 10 business days of the date of invoice by a participating municipality. It is a term and condition of every licence that the licensee must provide any non-personal information about its transportation network service and its affiliated vehicles and trips that any of the participating municipalities may in their sole discretion request for the purposes of administering this Bylaw, the licence fees, or the regulation of transportation network services generally, including, without limitation, information respecting:

- 5.9.3 the number of transportation network service vehicles affiliated with the licence holder, including the number of accessible vehicles and zero emission vehicles;

- 5.9.4 the availability of its transportation network service vehicles, at given points in time, for hailing by the methods as permitted under the Passenger Transportation Act; and

- 5.9.5 trips taken by passengers in transportation network service vehicles, including:

- a) pick-up times and locations in decimal degrees latitude and longitude,
- b) drop-off times and locations in decimal degrees latitude and longitude, and
- c) trips taken by passengers in accessible vehicles and zero emission vehicles.

5.9.6 Each licensee under this Bylaw must submit the information set out in section 5.9.2 to the participating municipality without request on a monthly basis within five business days of the end of each month, and upon written request by a participating municipality within 10 business days of the date of the request.

5.10 It is a term and condition of every *licence* that all information about a licensee or its services provided to or obtained by any one of the *participating municipalities* may be shared with the other *participating municipalities* for the purposes of:

5.10.1 administering this Bylaw;

5.10.2 developing, implementing and enforcing other regulations and guidelines applicable to *transportation network services*; and

5.10.3 developing and implementing transportation policy for the *participating municipalities*.

5.11 *Licences* issued under this Bylaw are non-transferrable and non-refundable.

## 6. REVENUE SHARING

6.1 The *base fees* will be shared amongst all *participating municipalities* as follows:

<b>Participating Municipality</b>	<b>Percent Share</b>
City of Coquitlam	40%
City of Port Coquitlam	30%
City of Port Moody	30%

6.2 The *originating trip fees* will be distributed to the *participating municipalities* in accordance with the percentage of trips originating in each *participating municipality*.

6.3 The City of Coquitlam will distribute the fees collected under this Bylaw in each calendar year to the other *participating municipalities* by March 1<sup>st</sup> of the succeeding year.

## 7. SUSPENSION AND CANCELLATION OF LICENCES

7.1 If a licence inspector or the council of a participating municipality is of the opinion that reasonable cause exists to suspend or cancel a licence issued by the City of Coquitlam, then that participating municipality may request that the City of Coquitlam consider suspending or cancelling the licence pursuant to sections 15 and section 60(2) of the Community Charter, as amended from time to time.

7.2 A request under section 7.1 must be communicated in writing to the City of Coquitlam, together with such documentary evidence of the reasonable cause as

may be available, and the City of Coquitlam will as soon thereafter as reasonably possible consider whether the licence should be suspended or cancelled.

7.3 In making any decision as to whether to suspend or cancel a licence under this Bylaw, the City of Coquitlam will consider the matter as if the conduct complained of had occurred within its own boundaries.

7.4 For clarity, only the City of Coquitlam may:

7.4.1 decide to issue or refuse a licence under this Bylaw;

7.4.2 suspend or cancel a licence under this Bylaw;

7.4.3 hear a reconsideration of a decision under sections 6.4.1 or 6.4.2 as required under section 60 of the Community Charter, but nothing in this Bylaw affects participating municipalities' authority in respect of other licences or permits issued by those municipalities or limits participating municipalities' authority to enact regulations in respect of any class of business.

## 8. WITHDRAWAL FROM INTERMUNICIPAL SCHEME

8.1 A participating municipality may, by notice in writing to each of the other participating municipalities, withdraw from the Transportation Network Services Intermunicipal Business Licence scheme established by this Bylaw.

8.2 A notice under section 8.1 must:

8.2.1 set out the date on which the withdrawing municipality will no longer recognize the validity within its boundaries of licences under this Bylaw, which date must be at least six months from the date of the notice; and

8.2.2 include a certified copy of the Bylaw authorizing the withdrawal.

8.3 Despite section 8.1, a licence issued prior to the effective date of the withdrawal will remain valid within the boundaries of the withdrawing municipality until the term of the licence expires.

## 9. SEVERABILITY

The provisions of this Bylaw are intended to be severable and, should any part of this Bylaw be found to be invalid by a court of competent jurisdiction, the finding of invalidity will not affect the validity of the remainder of this Bylaw.

10. COMMENCEMENT

This Bylaw comes into effect on the date on which the council for the final participating municipality to enact the Bylaw gives it fourth and final reading.

READ A FIRST TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2019

READ A SECOND TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2019

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Mayor

Corporate Officer



# Inter-municipal Business Licences for Ride Hailing Vehicles

## RECOMMENDATION:

That Committee of Council recommend that Council proceed with bylaw amendments to provide for a Tri-City inter-municipal business licence for ride-hailing businesses.

## REPORT SUMMARY

This report recommends that the City amend its bylaws to provide for ride-hailing. This recommendation is seen as an interim step to facilitate introduction of the service pending the creation of a regional licence and the proposal is to be initially considered by the Cities of Port Moody and Coquitlam at the same time as it will be considered by the City of Port Coquitlam. The proposal is to charge a reasonable licence fee, share the revenue among the three communities, and levy a per-trip pick-up fee, which would be allocated to the community in which the trip originates. This proposal would support introduction of ride-hailing services within the Tri-Cities in early 2020, is supported by ride-hailing companies, and is recommended by staff.

## BACKGROUND

On September 16, 2019, amendments to the *Passenger Transportation Act* and the *Motor Vehicle Act* came into effect providing the legislative framework for a transportation network service, or “TNS”, to operate in the Province of British Columbia (a TNS is more commonly known as a ride-hailing vehicle service). In a TNS, a passenger hires and pays for travel in a licenced “passenger-directed vehicle”, or “PDV”, through a website or mobile application.

The provincially-mandated Passenger Transportation Board has been provided the sole authority to consider and approve TNS licences and to set requirements and restrictions for these licences and the PDVs. This new legislative framework also sets out how municipalities may regulate both the TNS and other PDVs, including taxis.

The introduction of TNS in British Columbia is intended to respond to public demand for additional transportation opportunities. Nineteen TNS applications are currently under review by the Passenger Transportation Board and its first approvals are expected to be in early 2020.

Provincial requirements for a TNS include the following:

- PDV drivers will need to have a Class 4 licence and complete driving record and criminal record checks
- Vehicles can be no older than 10 years and must complete safety checks and inspections
- Requirements for trade dress (typically a company’s windshield decal) are under review, but expected to include the company’s logo/tradename, be reflective and display on both front and rear windshields
- Annual licencing fee of \$5,000 plus \$0.30/trip made in a non-accessible vehicle
- Collection of data will be required to include trip, shift, driver, and vehicle information; trip data and pick-up/drop-off times; and pick-up/drop-off location.

## Inter-municipal Business Licences for Ride Hailing Vehicles

- That the minimum rate to be charged be based on the taxi flag rates in the operating area, with an allowance for surge pricing.

The Passenger Transportation Board has not set limits on the fleet size or number of applications for TNS companies it will accept.

Municipalities have been delegated the ability to regulate a TNS by:

- issuing municipal business licences and establishing business licence requirements, which can differ for taxis and TNS
- regulating taxi and TNS companies through street and traffic bylaws, including pick-up and drop-off locations
- setting additional requirements for fleet age and standards and for trade dress.

Municipalities cannot prohibit or limit the number of TNS vehicles operating within their boundaries through regulatory or licencing requirements. Recent changes to the *Passenger Transportation Act* also impact municipal authority to regulate taxis as, for example, municipalities will no longer be able to require chauffeur permits.

The City of Port Coquitlam's Business Bylaw regulates taxi businesses as "vehicle for hire" and sets a fee of \$75 for each vehicle available for hire to a maximum fee of \$3000 per business. The City further regulates taxis pursuant to the Taxi and Taxi-Driver Regulation Bylaw, a bylaw which sets additional requirements for passenger-directed vehicles including issuance of a chauffeur permit, trade dress, rates and passenger and vehicular safety standards.

TNS companies Uber and Lyft are lobbying for a standard business licencing requirements for the lower mainland through issuance of a regional inter-municipal business licence. They have jointly proposed a regional licencing scheme, which includes a tiered-fee approach (set licencing fees based on number of cars) and a set per-trip charge (discounted or waived for accessible and electric vehicles). TransLink and the Province are facilitating a discussion of this proposal and a roundtable comprised of staff representatives from lower mainland municipalities has been formed. While the details of this proposal have not been discussed or evaluated by the regional staff roundtable, to date, there appears to be general support for pursuing this initiative.

The process to implement a regional inter-municipal business licence, once agreement is reached on terms, is expected to be lengthy (at least one or two years) given the number of municipalities that would need to concur with the proposal and decisions to be made in setting up a body to regulate and administer the licencing arrangement. As an interim step, many municipalities are looking to determine the best way to regulate TNS companies within their communities. The TNS companies have requested that those municipalities that have inter-municipal business licences in place consider amending such bylaws, rather than introducing new municipal business licences. The North Shore communities of the District and City of North Vancouver and City of West Vancouver intend to propose an amendment to their inter-municipal bylaw to allow one business licence for a TNS company operating on the North Shore, a tiered business licence fee and a per-trip fee for both pick-up and drop-offs. Municipalities without an inter-municipal bylaw are indicating

## Inter-municipal Business Licences for Ride Hailing Vehicles

that they will be proposing to licence TNS businesses on a per-vehicle rate, with the City of Vancouver already having implemented a number of its business licencing requirements. Vancouver has imposed a \$100 per-vehicle charge, a 30 cent trip pick-up and drop-off fee to be charged between the hours of 7 a.m. and 7 p.m., and additional trip surcharges for pick-up/drop-offs in the downtown core.

Port Coquitlam, Coquitlam and Port Moody staff collaborated to draft a proposal for an inter-municipal business licence that would harmonize business licence requirements for TNS companies that may wish to operate within the three municipalities. The proposal is intended to provide for consistency in approach with that being taken by the North Shore, as well as to avoid licencing fees and regulations that would be considered prohibitive to TNS operations. The proposed fee structure includes:

- A base business licence fee set on a tiered approach:
  - \$1000 for companies with 0-25 vehicles
  - \$2500 for companies with 25-100 vehicles
  - \$5000 for companies with more than 100 vehicles;
- A \$0.10 per-trip fee for every trip originating in the Tri-Cities (i.e., the fee would be charged for pick-ups but not drop-offs); and
- An exemption from the per-trip fee for accessible vehicles and zero-emission vehicles.

The proposal to not charge a drop-off fee is intended to address a concern raised by TNS businesses about cumulative fees.

For consistency and convenience, business licences would be sold and administered by the City of Coquitlam and would be valid for one year from the date of purchase. The collected licence fees would be distributed amongst the municipalities on a 40/30/30 basis, with the higher amount going to Coquitlam to offset its administrative time for processing, issuing and monitoring the licences and fees. The per-trip fee would be allocated to the originating municipality, allowing for a distribution of revenue that reflects the usages. It is further proposed that the licence requirements be set as a one-year trial with review after that period to determine if any changes are necessary. An update to Port Coquitlam's Taxi and Taxi-Driver Bylaw and taxi licencing requirements will also need to be undertaken once the industry has had time to adapt to the new provincial regulations and this review could include expanding the inter-municipal licencing regime to other vehicles for hire. The proposed inter-municipal business licence would be superseded (replaced) when a regional business licence scheme is implemented.

### **DISCUSSION**

Licencing businesses is a standard City practice and the City aims to be consistent in its approach to licencing different business models and types. In its licencing approach, the City recognizes that some types of business have a higher impact on municipal resources, services and infrastructure and tries to avoid duplication or overlap with provincial jurisdiction. The proposed fee structure and regulatory model is intended to balance this intent with a community desire for TNS options and is

## Inter-municipal Business Licences for Ride Hailing Vehicles

anticipated to maintain an even playing field for different models of passenger directed vehicles. The Tri-City approach responds to concerns from TNS companies about excessive cumulative regulatory and financial burdens from individual municipalities which could impact their ability to operate within the region and sets a simple mechanism in place for administration, implementation and compliance. The bylaws to implement the recommended proposal would be brought forward to Council for consideration if Committee supports proceedings as outlined in this report.

### **FINANCIAL IMPLICATIONS**


Licensing fee revenues would be contingent on uptake from ride-hailing operations and resident demand for the service.

### **CONSULTATION**

Staff from Port Coquitlam, Coquitlam and Port Moody have collaborated on the proposal for an inter-municipal business licence for TNS services and sought advice from several ride-hailing operations in determining the recommended regulatory and fee structure. Staff also consulted with others implementing inter-municipal schemes to ensure consistency in the proposed approach.

Consideration of a business licence bylaw requires an opportunity for public input prior to adoption.

### **OPTIONS**

	#	Description
	1	Recommend to Council that the consideration be given to an inter-municipal business licence to regulate TNS businesses, as proposed
	2	Request additional information prior to making a decision on the recommendations for this report
	3	Determine that consideration not be given to implementing an inter-municipal business licence to regulate TNS businesses.

Report author: Jennifer Little