

Chapter 588: Peer-to-Peer Transportation Network Company License

588.01 Regulation by the Vehicle for Hire Board

588.02 Licensing Requirements of a Peer-to-Peer Transportation Network Company

588.03 Exemptions from a Peer-to-Peer Transportation Network Company License Requirement

588.04 Application Information

588.05 License Fee

588.06 Issuance of License

588.07 Expiration

588.08 Renewal

588.09 Transfer of Peer-to-Peer Transportation Network Company License

588.10 Records

588.11 Grounds for Permanent Revocation, Revocation, and Suspension of Peer-to-Peer Transportation Network Company License

588.12 Peer-to-Peer Transportation Network Company Standards

588.13 Online Application Requirements

588.14 Peer-to-Peer Transportation Network Vehicle Standards

588.15 Insurance Requirements

588.16 Evidence of Commercial Liability Insurance

588.17 Insurance Cancellation

588.18 Approval by City Attorney

588.19 Claims and Judgments

588.20 Nonpayment of Judgment

588.99 Penalties

588.01 Regulation by the Vehicle for Hire Board

The Board may promulgate rules and regulations to supplement this chapter. All rules and regulations promulgated by the Vehicle for Hire Board must be in writing and approved by the Director.

588.02 Licensing Requirements of a Peer-to-Peer Transportation Network Company

- (a) No corporation, limited liability corporation, association, joint stock association, person, firm, or partnership that uses an electronic application to connect passengers to drivers in the driver's personal vehicle through prearrangement, may operate for the purpose of arranging transportation for passengers for hire, gift, donation, or other consideration without obtaining a City of Columbus Peer-to-Peer Transportation Network Company License pursuant to this Chapter prior to operation and such license is not under suspension or revocation; and
- (b) No corporation, limited liability corporation, association, joint stock association, person, firm, or partnership licensed as a Peer-to-Peer Transportation Network Company shall provide a driver access to the company's peer-to-peer transportation network until the driver has been issued a Peer-to-Peer Transportation Network Driver's License pursuant to Chapter 590 and the peer-to-peer company has been notified that such license is not under suspension or revocation.

588.03 Exemptions from a Peer-to-Peer Transportation Network Company License Requirement

This Chapter shall not apply to the following:

- (a) Vehicles and operations as provided in Section 585.02, taxicabs, livery vehicles, pedicabs, horse carriages, or to private vehicles used for the convenience of the owner or operator and not for compensation or as a portion of other services rendered or to be rendered for compensation;
- (b) Any taxicab, livery, pedicab and/or horse carriage that has obtained a Vehicle for Hire Owner's License pursuant to Chapter 587, which is using an online application for the purpose of arranging transportation for passengers for hire, gift, donation, or other consideration; or
- (c) A peer-to-peer company that has arranged transportation for a passenger that has been brought from outside Columbus' corporate limits and does not pick up any passengers within Columbus' corporate limits.

588.04 Application Information

(a) Applications for a Peer-to-Peer Transportation Network Company License shall be made to the Director upon forms provided by the License Section and shall set forth at a minimum:

- (1) The business name, address, and phone number of the applicant;
- (2) The name, address, and phone number of the designated local company representative;
- (3) The certificate demonstrating the company is authorized to transact business in the state of Ohio;
- (4) The identity of the designated agent as required by Section 1703.03 of the Ohio Revised Code;
- (5) A Letter of Good Standing from the City of Columbus Income Tax Division; and
- (6) If applicable, a photograph of the distinctive trade dress used on all vehicles.

(b) The Director has the authority to require additional information to be submitted with the application.

(c) The Director has the authority to deny a license based upon a company's misconduct which constitutes a departure from the generally accepted practices of peer-to-peer companies which demonstrates personal, corporate, managerial, ethical, or professional characteristics or disposition of such a nature as to render a company unsuitable to hold a Peer-to-Peer Transportation Network Company License.

588.05 License Fee

An annual license fee of fifteen thousand dollars (\$15,000.00) shall be paid by a peer-to-peer company at the time of application. Any applicant who is denied a license shall have this fee returned. Additional administrative fees may be assessed by the Director pursuant to the Director's authority to promulgate rules and regulations under Chapter 501.

588.06 Issuance of License

(a) The Director shall issue a license to eligible applicants upon completion of the following:

- (1) A completed application as required by Section 588.04;
- (2) Payment of the license fee pursuant to Section 588.05; and
- (3) Evidence of insurance coverage as required in Sections 588.15 and 588.16.

(b) The Director has the authority to request additional information to clarify the applicant's application when necessary.

588.07 Expiration

All Peer-to-Peer Transportation Network Company Licenses shall expire annually on June 30. At any time prior to the expiration of the Peer-to-Peer Transportation Network Company License, the peer-to-peer company may voluntarily surrender the license to the License Section.

588.08 Renewal

All peer-to-peer companies licensed in accordance with the terms of Chapter 588 shall have their licenses renewed for each succeeding year if applicable fee requirements and other requirements of the Columbus City Codes are met. A renewal may be denied if a peer-to-peer company's current license is suspended or revoked pursuant to the provisions of Section 588.11.

588.09 Transfer of Peer-to-Peer Transportation Network Company License

No Peer-to-Peer Transportation Network Company License issued to a peer-to-peer company shall be transferred from one (1) owner to another. If at any time the license holder chooses to no longer operate as a peer-to-peer company or upon sale of the company from one entity to another, the Peer-to-Peer Transportation Network Company License shall revert back to the City of Columbus.

588.10 Records

- (a) The peer-to-peer company shall maintain a record of all peer-to-peer vehicles to include the licensed peer-to-peer driver, license plate number, make, model, year and color. The peer-to-peer company shall also maintain a record of the number of hours that each peer-to-peer driver is in driver mode and available to accept rides.
- (b) The peer-to-peer company shall maintain an electronic record of each trip. The trip record shall include the identity of the peer-to-peer vehicle, name of the peer-to-peer driver, date of trip, and the total fare or donation paid, if any.
- (c) All such records shall be maintained and not destroyed for a period of six (6) months. If a passenger files a complaint or alleges a violation against a peer-to-peer company and/or peer-to-peer driver with the Director, the Director shall have the authority to inspect the peer-to-peer company records and peer-to-peer driver vehicle as necessary to investigate and resolve the complaint.

588.11 Grounds for Permanent Revocation, Revocation, and Suspension of Peer-to-Peer Transportation Network Company License

The Director may permanently revoke, revoke, or suspend the license of a peer-to-peer company for any of the following acts or omissions by the company:

- (a) Obtaining a license by making a false statement in the company's application;
- (b) Knowingly prearranging rides through the peer-to-peer transportation network for a driver who is not licensed pursuant to Chapter 590;
- (c) Prearranging rides through the peer-to-peer transportation network for a driver of a vehicle that the peer-to-peer company has an objectively reasonable basis to believe does not meet the requirements of Chapter 590;
- (d) Failing to remove a driver from the peer-to-peer transportation network when notified by the License Section that the Peer-to-Peer Transportation Network Driver's License is under suspension, revocation, or permanent revocation;
- (e) Failing to maintain the records required by Section 588.10;

- (f) Failing to provide the records when requested as required by Section 588.10;
- (g) Failing to maintain or submit proof of valid insurance coverage as required by Sections 588.15 and 588.16;
- (h) Knowingly allowing a licensed peer-to-peer driver to accept street hails or solicit potential passengers not arranged through the peer-to-peer transportation network;
- (i) Failing to appear before the Director when properly notified to do so;
- (j) Engaging in disruptive behavior or misconduct at a meeting of the Board. This includes, but is not limited to, the use of profanity, yelling, screaming, preventing a recognized speaker from speaking, and failing to follow the rulings of the chairperson;
- (k) Threatening or attempting to intimidate any employee of the City of Columbus for actions taken in the enforcement of the provisions of Chapters 585 through 594 of the Columbus City Codes; or
- (l) Engaging in any other form of misconduct, which demonstrates personal, corporate, managerial, ethical, or professional characteristics or disposition rendering a company unsuitable to hold a Peer-to-Peer Transportation Network Company License.

588.12 Peer-to-Peer Transportation Network Company Standards

- (a) When notified by the Director that a peer-to-peer driver is under investigation and the driver's license has been suspended or revoked, the peer-to-peer company must immediately suspend, upon notice, the peer-to-peer driver's access to the peer-to-peer transportation network pending the completion of the investigation.
- (b) Peer-to-peer companies are not permitted to own or lease vehicles used to transport passengers.
- (c) Peer-to-peer companies are required to contract with a credit card processing company that meets the Payment Card Industry Data Security Standards.
- (d) Peer-to-peer companies are required to provide the Director a rider account and view standard rider facing information (i.e., GPS map, vehicles available to rider, estimated time to arrival, etc.).

588.13 Online Application Requirements

- (a) The online application used by a peer-to-peer company to connect drivers and passengers must display for the passenger the following:
 - (1) The first name, picture, and city issued license number of the licensed peer-to-peer driver; and
 - (2) A picture and/or the make, model, and license plate number of the vehicle the peer-to-peer driver is approved to use to identify the vehicle.
- (b) The peer-to-peer company's online application must provide the following:
 - (1) The ability for a passenger to contact an available peer-to-peer driver to determine if their vehicle can accommodate an individual with disabilities;
 - (2) Notification of any pricing above and beyond the standard fare rate;
 - (3) An electronic notification or email displaying all fees charged to the passenger's credit card; and
 - (4) A platform allowing drivers and passengers to "rate" each other. The peer-to-peer company shall take reasonable measures to ensure that such ratings are not based on unlawful discrimination, and that drivers do not discriminate against passengers or potential passengers on the basis of race, color, national origin, religion, sex, disability, age, sexual orientation/identity or

familial status. Drivers may not discriminate against passengers or potential passengers based on the geographic starting point or endpoint of the ride.

(c) Peer-to-peer companies shall clearly display on their online application and/or website the following:

(1) The fare rate schedule to include the base fare, per minute fare, per mile fare, minimum fare, cancellation fee and any other fees that a passenger may be charged;

(2) The peer-to-peer company is required to maintain a commercial liability insurance policy that meets the requirements in 588.15(a) for incidents involving peer-to-peer vehicles and peer-to-peer drivers while they are engaged in a trip;

(3) A phone number and/or email address for the peer-to-peer company for customer complaints; and

(4) A phone number and email address for the License Section for customer complaints.

(d) Peer-to-peer companies shall clearly disclose on their online application and website, that peer-to-peer companies facilitate rides between passengers and private drivers using the drivers' own personal vehicles.

(e) No Term and Condition in a peer-to-peer company's Terms of Service may be used or relied upon by the peer-to-peer company to evade any insurance requirements or liability from any injuries, damages, or other loss arising from the actions or inactions of the peer-to-peer company and/or the company's drivers.

588.14 Peer-to-Peer Transportation Network Vehicle Standards

(a) All peer-to-peer vehicles shall be reasonably clean and in safe condition so as not to cause personal injury to, or damage the clothing or possessions of the passenger(s). Peer-to-peer drivers may only use passenger vehicles that have not been significantly modified from factory specifications (i.e., no "stretch" vehicles). Every peer-to-peer vehicle shall meet the following standards:

(1) Have a minimum of three (3) doors;

(2) A working light within the passenger compartment;

(3) Manufacturer installed safety belts, which may be used at the option of the passenger, numbering no fewer than the maximum occupancy of the peer-to-peer vehicle;

(4) Must not require the movement of a seat or any portion of a seat to gain access to another seat, with the exception of a wheelchair specialty vehicle; and

(5) At the time of inspection, not older than ten (10) vehicle years as determined by the Vehicle Identification Number.

(b) Peer-to-peer companies shall be held criminally liable if the company provides a peer-to-peer driver access to the peer-to-peer transportation network using a vehicle that the company knew or reasonably should have known was unsafe.

588.15 Insurance Requirements

Each peer-to-peer company shall at all times maintain the following insurance coverage which meets all of the following requirements:

(a) A commercial liability insurance policy shall provide the following minimum coverage for each associated driver of the peer-to-peer company and vehicle from the moment the driver accepts a trip request until the completion of the trip. For the purposes of this requirement, completion of the trip shall mean all passengers have exited the vehicle, paid for the trip, are

standing on the sidewalk or on private property, and the driver and passengers have reasonable knowledge to believe that all personal belongings have been removed:

(1) Not less than one million dollars (\$1,000,000) of liability coverage per incident for bodily injury and property damage for an accident involving a driver of a peer-to-peer company;

(2) Not less than one million dollars (\$1,000,000) of underinsured and uninsured coverage per incident for bodily injury and property damage;

(3) If the peer-to-peer driver maintains collision coverage on his/her personal motor vehicle insurance policy, the peer-to-peer company shall maintain at least the same level of collision coverage that the driver maintains not to exceed fifty thousand dollars (\$50,000) per incident; and

(4) The commercial liability insurance policy shall act as primary and drop down and respond to a claim when the driver's personal motor vehicle insurance policy fails to cover any portion of the claim for any reason.

(b) A contingent liability insurance policy that shall provide the following minimum coverage for each associated driver of the peer-to-peer company and vehicle while available for hire. For purposes of this requirement, a driver and vehicle is available for hire when the driver is logged onto the online application but has not accepted a trip request:

(1) Liability coverage of not less than fifty thousand dollars (\$50,000) per person and not less than one hundred thousand dollars (\$100,000) per incident for bodily injury; and not less than twenty-five thousand dollars (\$25,000) for property damage; and

(2) The contingent liability insurance policy shall respond to a claim when the driver's personal motor vehicle insurance policy fails to cover any portion of the claim for any reason.

(c) Each policy required by this Section must be current and valid;

(d) Each policy required by this Section must be issued by an insurance company that is admitted to do business in the state of Ohio or by an eligible surplus lines company or risk retention group, and has a credit rating of no less than "A-" from A.M. Best or "A" from Demotech; and

(e) Each policy required by this Section shall provide notice of cancellation of insurance to the Director at least ten (10) days prior to the day of cancellation.

588.16 Evidence of Insurance Coverage

Evidence of insurance coverage as required under Section 588.15 shall be furnished by filing with the Director a policy or policies of insurance that satisfies the requirements contained in Section 588.15 issued by an insurance company that meets the requirements of Section 588.15(d). A peer-to-peer company is permitted to redact any information that discloses the costs it incurred purchasing said policy or policies prior to submittal to the Director. Upon the City's receipt of a public records request seeking a copy of a peer-to-peer company's insurance policy or policies, the City will notify the peer-to-peer company of the request within two (2) business days of receipt to enable the peer-to-peer company to file a motion for a protective order with a court of competent jurisdiction in Franklin County, Ohio to prevent the release of the insurance policy or policies. However, the City has the absolute right without exception to share any insurance policy or policies with any consultant or other agent for the City with which the Director may engage for the purpose of confirming compliance with the insurance requirements set forth in Section 588.15 without prior notification to the peer-to-peer company.

588.17 Insurance Cancellation

(a) The insurance policy as provided in Section 588.15 must provide written notice to the cancellation by the insurer to the Director but this provision shall not be construed to waive any lawful notice which the insurer must give to the insured.

(b) The insurance company and peer-to-peer company shall provide notice of cancellation of insurance to the Director at least ten (10) days prior to the day of cancellation and, at the time of cancellation, voluntarily surrender the Peer-to-Peer Transportation Network Company License for which the cancellation is effective. If the license is voluntarily surrendered, the Director may, upon the filing of proof of insurance required by Section 588.16, and its approval by the City Attorney, reinstate such license.

(c) If a peer-to-peer company fails to comply with the requirements of Section 588.17(b) prior to the Director receiving notice from the insurer of such cancellation, the Director may suspend the license of any peer-to-peer company covered by said policy. If proof of insurance is given prior to the effective date of the suspension, the suspension can be waived by the Director.

(d) Upon the effective date of the suspension, the peer-to-peer company must surrender the license and cease operations in the City of Columbus immediately. The Director may reinstate such license upon the filing of proof of insurance required by Section 588.15, its approval by the City Attorney, and the payment of any fees required by reinstatement.

588.18 Approval by City Attorney

Any commercial liability insurance policy or contingent insurance policy submitted to the License Section pursuant to Sections 588.15 and 588.16 shall be subject to the approval of the City Attorney as to its compliance with this Chapter and as to its form and legality.

588.19 Claims and Judgments

(a) All peer-to-peer companies licensed pursuant to this Chapter shall furnish to the Director at the time of license renewal each year a full and complete statement of claims filed and judgments rendered against such companies arising out of their business operations that are the subject of the license issued by this Chapter. The statement shall be in the form prescribed by the Director.

(b) All peer-to-peer companies licensed pursuant to this Chapter shall notify the Director within ten (10) days after a claim is made against any policy.

588.20 Nonpayment of Judgment

In the event of recovery of any final judgment and termination of final appeal proceedings, if any, against the peer-to-peer company, for damages on account of bodily injuries or death or for damage to property (other than injuries, death or property damage of the peer-to-peer vehicle or driver) resulting from such ownership, maintenance or use of such peer-to-peer vehicle in the City, and nonpayment of the judgment for a period of thirty (30) days thereafter, the Director shall revoke the license of the peer-to-peer company.

588.99 Penalties

(a) Whoever violates Sections 588.02, 588.09, 588.10, 588.12, 588.13, 588.14(b), 588.15, 588.17(d), and 588.19(b) of this Chapter shall be guilty of a misdemeanor of the first degree. Any such violation shall constitute a separate offense on each successive day continued.

(b) A violation of any section of Chapter 588 shall be grounds for the suspension, revocation, or permanent revocation of the Peer-to-Peer Transportation Network Company License, or in the

case of a new application shall be grounds to refuse to issue such license for a determinate period of time up to ninety (90) days or permanently.

(c) Any violation of any rule and regulation promulgated by the Board pursuant to this Chapter shall be grounds for suspension, revocation, or permanent revocation of the Peer-to-Peer Transportation Network Company License, or in the case of a new application shall be grounds to refuse to issue such license for a determinate period of time up to ninety (90) days or permanently.