



Late Backup

Austin City Council Work Session
June 2, 2015

Franchise Ordinance and City Code Clarification
Contact: Robert Spillar, P.E., Director
Austin Transportation Department (512) 974-2488

City Charter Requirements: The Austin City Charter specifically states what types of regulations the City may impose on a franchise. City Charter Article XI § 5 (Regulation of Franchise) (2) states that the City may, "impose reasonable regulations to insure safe, efficient and continuous service to the public." Article XI § 3 provides that every ordinance granting, renewing, extending, or amending a franchise must be read at three (3) regular meetings of the council, and shall not be finally acted upon until thirty (30) days after the first reading. The adopted franchise ordinance will become effective sixty (60) days following the date of its final adoption by the council.

Because this process includes amendments to a franchise ordinance, as long as the City Charter prescribed process is adhered to, Council has the authority to amend any provision of a franchise ordinance, at any time. Upon approval (on 3 separate readings), the franchise holder must file its written acceptance of the terms.

City Code Provisions: Chapter 13-2 of the Austin City Code governs the operation of ground transportation services. Should the will of the Council be to add, amend or repeal any portion of the City Code, it is in the body's authority to do so. The Franchise ordinance requires all Franchise holders to comply with all provisions of the City Code relating to ground transportation services as well as any amendments to those provisions during the term of the Franchise.

The Austin City Code specifically details items that should be included in all Franchises. These provisions are outlined in §13-2-405.

§ 13-2-405 - FRANCHISE ORDINANCES.

- (A) If the city manager finds the taxicab franchise applicant meets the requirements of this chapter, the city manager shall direct the city attorney to prepare the taxicab franchise ordinance for the City Council's consideration.
- (B) In addition to the requirements for a franchise under Article XI (Franchises and Public Utilities) of the City Charter, a taxicab franchise ordinance submitted to the council must include the following provisions:

- (1) the period for which the taxicab franchise is granted, and that the taxicab franchise remains in effect for that period unless, on review, the council finds that the taxicab franchise is subject to forfeiture or cancellation for good cause;
- (2) a requirement that the taxicab franchise maintain an active fleet of at least 25 taxicabs;
- (3) a requirement that the franchise holder comply with the provisions of this chapter and all amendments to this chapter enacted during the period of the taxicab franchise;
- (4) a requirement that the taxicab franchise is subject to forfeiture on the holder's conviction for violations of the provisions of this chapter or on a showing that the taxicab franchise holder has substantially breached the terms of the taxicab franchise;
- (5) a requirement that the taxicab franchise is subject to forfeiture if the franchise holder fails to pay an outstanding final judgment that arises out of circumstances related to ground transportation service against the franchise holder or a person described in Section 13-2-403(B)(1) (Franchise Application Required);
- (6) a requirement that the franchise holder maintain complete records of all dispatched calls, all expenses incurred in connection with the operation of the taxicab service business, and all revenues derived from the taxicab business;
- (7) a requirement that the franchise holder own, lease, or contract for control of each taxicab used in the taxicab franchise; and
- (8) authorization for the department to inspect all records of a taxicab franchise in accordance with Section 13-2-406(D) (Recordkeeping Requirements).

Source: 1992 Code Section 8-13-305; Ord. 031106-13; Ord. 031211-11; Ord. No. 20141106-054, Pts. 15, 17, 11-17-14.

Franchise vs City Code

	Franchise	Code
Fleet Size	X	
Compliance with Code	X	X
Driver hours on duty		X
Accessible Service		X
Credit card acceptance		X
Calculating necessary permits		X

	Franchise	Code
Universal Dispatch		X
GPS enabled electronic dispatch	X	
Green vehicle incentives		X
Insurance		X
Legacy permits		X
Employee drivers		X
Workplace protections for drivers Due process Limit on Terminal fees Lease caps	Business relationship between independent contractor and a franchise.	The City of Austin sets minimum standards for health and safety in the Code.
Maintenance of records	X Dispatch calls, expenses, and revenues	X Additional data in Code
Inspection of records	X Authority to inspect	X Process for inspection
Taxicab ownership, lease, or control	Historically established within the Franchise, but may be in Code at Council discretion.	
Franchise suspension process	X	
Franchise forfeiture	X	

	Franchise	Code
Franchise grant	X	
Vehicle age requirements		X
Chauffeur permit requirements		X
Dispatch acceptance		X