

Information Item

Date: January 8, 2018

To: The City Manager

From: Gregory M. Turner, Assistant City Manager

Subject:

Information on the History of the Vehicle for Hire Program.

Strategic Focus Area: Safe and Secure Community

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



The Department of Transportation received a request to provide information on the history of the Vehicle for Hire Program.

The Vehicle for Hire Program was first managed by the Police Department. During that time, Bluebird Cab Company was the only taxicab company operating in Winston-Salem and complaints to City Council regarding the taxi companies were few. Blue Bird Cab Company was sold, eventually, and the business structure no longer operated as an employer/employee model but rather the lease model that we have today. With the lease model any person with a valid driver's license could, for a fee, lease a cab for 24 hours. Any money earned during the 24 hour lease belonged to the driver. This new way of operating eventually lead to citizen complaints about drivers and the condition of vehicles. In response to these concerns, the City reviewed the Vehicle for Hire Code and in 1995 the City Council adopted a revised City Code. The Department of Transportation was also designated as the manager of the program replacing the Police Department.

In 1996, the Department of Transportation hired the first Vehicle for Hire Inspector to manage compliance with the newly revised City Code. Routine vehicle inspections were instituted and citizen complaints were investigated and resolved. The inspector's responsibilities were to oversee the vehicle for hire industry within the corporate limits of the City of Winston-Salem by performing annual and interim vehicle and safety inspections on limousines, taxicabs and horse drawn carriages. The inspector works with business owners to resolve issues. The taxicab inspector does maintain records of all inspections and investigates all vehicle for hire complaints.

By 2005, there were 18 limousine companies, 6 taxicabs companies and one horse-drawn carriage company authorized to operate in the City. The Department of Transportation inspected and approved 59 limousines and 92 taxicabs that year.

The City has been involved with the regulation of taxicabs to set a maximum rate, to offer a level of safety and protection to our citizens and to enforce the City Code. It is mandatory for all vehicle for hire applicants to follow the City Code. All vehicle for hire applicants must supply a state-wide criminal background check, motor vehicle record check and a drug test with their application. The applicant must have a valid driver's license, must not have been convicted of any felonies in the past five years and/or no more than five driving safety violations within the past three years. Owners are required to show proof of their insurance binder and are required to maintain a minimum amount of insurance coverage to insure the citizens are protected. The City Code also, sets a minimum standard for equipment insuring that the citizens can identify taxicabs in the City. Additionally, it is required that the taxicab meter is checked for accuracy and locked-off to prevent tampering once inspected annually by the Vehicle for Hire Inspector.

Beginning in 2010, once an applicant meets all of the requirements of the City Code, the inspector issues the applicant, a driver's permit. This permit is valid for one year. The permit contains the applicant's photograph, name, the expiration date of the permit, the name of the taxicab company that the applicant represents and the name and phone number of the Vehicle for Hire Inspector to call for information or to file a complaint. This permit or card must be displayed at all times.

In 2014, Uber Rides began operation in the City. Uber is an app-based transportation network and taxi company headquartered in San Francisco, California. This company uses a smartphone application to receive ride requests and to send trip requests to its drivers. Uber customers use the app to request rides and to track their reserved vehicle's location. The City is not allowed to regulate Uber and companies like it under State Statutes.

Also in 2014, City Council approved the first golf cart based transport business. It is located in the downtown area and provides trips downtown for free, while making money off their advertisements on the golf carts. The golf carts are also under the same City Code as taxicabs, limousines and horse-drawn carriages.

Today the City of Winston Salem's vehicle for hire program regulates 26 limousines companies, 12 taxicabs companies, 2 horse drawn carriages companies, 1 brew pub business and 2 limousine companies pending temporary certificates.