

BILL ANALYSIS

Senate Research Center
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S.B. 113
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1989 the Texas Legislature mandated that municipalities regulate taxicabs for "public health, safety and welfare." Researchers have suggested that the ordinances derived from this legislation have created an unfair marketplace where taxicab companies have operated under protection from the challenges and benefits of a free market. In recent years, Transportation Network Companies (TNCs) have introduced a relatively unregulated and competitive force within the ride-for-hire market, prompting questions on how state government will confront the issue of regulatory disparity between taxicabs and TNCs. Some cities—most notably the City of Austin—have enacted stringent regulations for TNCs, to the point that some TNC operators have chosen to exit those markets, to the detriment of employment, public safety, and consumer choice.

S.B. 113 would create a level playing field by deregulating all rides-for-hire: TNCs, taxicabs, and limos, preventing municipalities and airport authorities from licensing, controlling or regulating those businesses. This bill would also add any ride-for-hire operators to an existing list of prohibited employment for individuals convicted of certain sexual crimes.

As proposed, S.B. 113 amends current law relating to the provision of and local regulation of certain for-hire passenger transportation.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to a joint board for county and municipal airports is modified in SECTION 4 (Section 22.082, Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 62.063(b), Code of Criminal Procedure, as follows:

(b) Prohibits a person subject to registration because of a reportable conviction or adjudication under Article 42.015(b) or 42A.105(a) (relating to a judge filing a statement if the victim of a violent sexual offense was under 14 years of age), Code of Criminal Procedure, from providing for compensation passenger transportation through a street-hail taxicab service, rather than a passenger taxicab; a prearranged limousine or other car transportation service; or a prearranged ride through an online-enabled application, software, website, or system designed to connect passengers with drivers. Makes nonsubstantive changes.

SECTION 2. Amends Section 215.004, Local Government Code, as follows:

Sec. 215.004. New heading: REGULATION OF TAXICABS, LIMOUSINES, TRANSPORTATION NETWORK COMPANIES, AND OTHER FOR-HIRE TRANSPORTATION PROHIBITED. Prohibits a municipality from licensing, controlling, or otherwise regulating a person who, for compensation:

(1) provides passenger transportation using a vehicle designed to accommodate 15 or fewer passengers, including street-hail taxicab services, prearranged limousine or other car transportation services, or prearranged rides through an online-

enabled application, software, website, or system designed to connect passengers with drivers; or

(2) operates an online-enabled application, software, website, or system designed to connect passengers with drivers.

Deletes existing text authorizing municipalities to regulate certain vehicle transportation services.

SECTION 3. Amends Section 215.073, Local Government Code, as follows:

Sec. 215.073. New heading: VEHICLES. Authorizes municipalities to regulate certain vehicle transportation services, except as provided by Section 215.004.

SECTION 4. Amends Section 22.082, Transportation Code, as follows:

Sec. 22.082. RULES. Provides that a resolution, rule, or order of a joint board dealing with a subject authorized by Section 22.014 (Rules and Jurisdiction), rather than Section 22.014 or 22.081 (Licensing of Vehicles for Hire and Passenger Transportation Services), is effective only on approval of the governing authorities of the constituent agencies.

SECTION 5. Repealer: Section 22.081, Transportation Code.

SECTION 6. Makes application of this Act prospective.

SECTION 7. Effective date: September 1, 2017.