



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-3627/1  
MED&EVM:all

## 2017 ASSEMBLY BILL 918

February 5, 2018 - Introduced by Representatives KNODL, TUSLER, HUTTON and DUCHOW, cosponsored by Senator NASS. Referred to Committee on Regulatory Licensing Reform.

1     **AN ACT** *to repeal* 194.41 (6) (b) 2. and 349.24; *to renumber* 194.41 (6) (b) 1.,  
2     subchapter IV (title) of chapter 440 [precedes 440.40], 440.41, 440.42, 440.425,  
3     440.43, 440.435, 440.44, 440.445, 440.45, 440.455, 440.46, 440.48 and 440.495;  
4     *to renumber and amend* 440.40, 440.415, 440.465 and 440.49; *to amend*  
5     121.53 (5) (c), 194.01 (1), 194.01 (2), 340.01 (23g) (b) 4., 346.935 (4) (b) and  
6     440.03 (9) (a) (intro.); and *to create* 440.08 (2) (a) 69., chapter 474 (title) and  
7     subchapter I of chapter 474 [precedes 474.10] of the statutes; **relating to:**  
8     regulation of taxicab companies and taxicab dispatch services, extending the  
9     time limit for emergency rule procedures, providing an exemption from  
10    emergency rule procedures, granting rule-making authority, and providing a  
11    criminal penalty.

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***Analysis by the Legislative Reference Bureau***

This bill eliminates the authority of local governments to regulate and license operators of taxicabs and taxicab businesses and instead requires that taxicab companies and taxicab dispatch services be licensed by the state.

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Under current law, a common council of a city or a village or town board may regulate and license chauffeurs and operators of taxicabs used for hire; may regulate and license a taxicab business by licensing each taxicab used for hire; and may prohibit any person from operating any motor vehicle for taxicab purposes upon the highways of the city, village, or town unless the person is licensed as a chauffeur and operator and unless the taxicab business is licensed by the licensing of each taxicab. Subject to certain exceptions, this bill prohibits a city, village, town, or county from enacting or enforcing an ordinance or from adopting or enforcing a resolution that regulates a taxicab company or taxicab dispatch service or its drivers in connection with taxicab services.

The bill instead provides that no person may own or operate a taxicab company or taxicab dispatch service unless the taxicab company or dispatch service is licensed by the Department of Safety and Professional Services. The bill also prohibits any individual from operating a motor vehicle as a taxicab unless the taxicab is affiliated with a licensed taxicab company or dispatch service. The bill exempts from the licensure requirements individuals who operate taxicabs as employees of or independent contractors for taxicab companies, as well as individuals who are independent owner-operators of taxicabs affiliated with licensed taxicab dispatch services.

The bill requires DSPS to grant a license to an applicant for licensure as a taxicab company or dispatch service if certain application requirements are satisfied, including that the taxicab company or dispatch service pays an initial licensure fee determined by DSPS using a sliding scale. A license entitles the license holder to operate the taxicab company or dispatch service to provide trips to passengers throughout the state, without geographic limitation.

The bill includes a number of requirements applicable to a licensed taxicab company or dispatch service, including all of the following:

1. A taxicab dispatch service must disclose its fare calculation method and rates on its Internet site. If a taxicab is not affiliated with a taxicab dispatch service, the taxicab company must have the fare calculation method and rates for the taxicab disclosed inside the taxicab.

2. A taxicab company or dispatch service must ensure that each taxicab is equipped with a device that can calculate a passenger's fare in a location visible to the passenger. A taxicab company or dispatch service may also, however, use a digital network to calculate a passenger's fare and transmit that fare to the passenger's mobile device.

3. In addition to other nondiscrimination and accessibility requirements, a taxicab company or dispatch service must have in place a policy of nondiscrimination on the basis of trip origin or destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and prospective passengers.

4. A taxicab company or dispatch service must have in place a "zero tolerance" policy prohibiting drivers from using alcohol, or any other intoxicant that may render the driver incapable of safely driving, while the driver is driving for the taxicab company or dispatch service.

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5. A taxicab company or dispatch service must ensure that each driver is licensed to drive and is able to safely operate any vehicle to be used as a taxicab.

The bill requires each vehicle used as a taxicab to satisfy certain requirements, including being marked as a taxi and marked with the name of the taxicab company or dispatch service with which it is affiliated. The bill also specifies that the owner of a vehicle used as a taxicab is required to satisfy the minimum requirements for automobile insurance that apply to vehicle owners generally.

The bill authorizes DSPS to conduct investigations and hold hearings to determine whether a violation of the bill's provisions, a related rule promulgated by DSPS, or any other law that substantially relates to the operation of a taxicab company or dispatch service has occurred. The bill further authorizes DSPS to discipline a licensed taxicab company or dispatch service, and any person who violates the bill's provisions or a related rule promulgated by DSPS may be subject to a fine not to exceed \$1,000.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 121.53 (5) (c) of the statutes is amended to read:

2           121.53 (5) (c) A taxicab regulated by a municipal ordinance under s. ~~349.24~~  
3 subch. I of ch. 474 when used to transport pupils.

4           **SECTION 2.** 194.01 (1) of the statutes is amended to read:

5           194.01 (1) "Common motor carrier" means any person who holds himself or  
6 herself out to the public as willing to undertake for hire to transport passengers or  
7 property by motor vehicle upon the public highways. The transportation of  
8 passengers ~~in taxicab service or~~ in commuter car pool or van pool vehicles that are  
9 designed to carry less than 8 passengers, including the driver, or in a school bus  
10 under s. 120.13 (27) or in a motor vehicle being used to provide transportation  
11 network services, as defined in s. ~~440.40~~ 474.40 (7) or in taxicabs, as defined in s.  
12 474.10 (3), is not transportation by a common motor carrier.

13           **SECTION 3.** 194.01 (2) of the statutes is amended to read:

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1           194.01 (2) "Contract motor carrier" means any person engaged in the  
2 transportation by motor vehicle over a regular or irregular route upon the public  
3 highways of property for hire, including the transportation of buildings, as defined  
4 in s. 348.27 (12m) (a) 1. The transportation of property in a motor vehicle being used  
5 subject to subch. ~~IV of ch. 440 I or II of ch. 474~~ is not transportation by a contract  
6 motor carrier.

7           **SECTION 4.** 194.41 (6) (b) 1. of the statutes is renumbered 194.41 (6) (b).

8           **SECTION 5.** 194.41 (6) (b) 2. of the statutes is repealed.

9           **SECTION 6.** 340.01 (23g) (b) 4. of the statutes is amended to read:

10           340.01 (23g) (b) 4. A motor vehicle being used to provide transportation  
11 network services, as defined in s. ~~440.40~~ 474.40 (7).

12           **SECTION 7.** 346.935 (4) (b) of the statutes is amended to read:

13           346.935 (4) (b) This section does not apply to passengers in a limousine or in  
14 a motor bus who possess any bottle or receptacle containing alcohol beverages that  
15 has been opened, on which the seal has been broken or the contents of which have  
16 been partially removed or released if the vehicle is operated by a chauffeur holding  
17 a valid license and endorsements authorizing operation of the vehicle as provided in  
18 ch. 343 and is in compliance with any local ordinance or regulation adopted under  
19 ~~s. 349.24.~~

20           **SECTION 8.** 349.24 of the statutes is repealed.

21           **SECTION 9.** 440.03 (9) (a) (intro.) of the statutes is amended to read:

22           440.03 (9) (a) (intro.) Subject to pars. (b) and (c) and s. 474.115 (4), the  
23 department shall, biennially, determine each fee for an initial credential for which  
24 no examination is required, for a reciprocal credential, and for a credential renewal  
25 by doing all of the following:

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1           **SECTION 10.** 440.08 (2) (a) 69. of the statutes is created to read:

2           440.08 (2) (a) 69. Taxicab company or dispatch service: March 1 of each  
3 odd-numbered year.

4           **SECTION 11.** Subchapter IV (title) of chapter 440 [precedes 440.40] of the  
5 statutes is renumbered subchapter II (title) of chapter 474 [precedes 474.40].

6           **SECTION 12.** 440.40 of the statutes is renumbered 474.40, and 474.40 (2) and  
7 (6), as renumbered, are amended to read:

8           474.40 (2) “Licensed company” means a transportation network company that  
9 is licensed under s. 440.415 474.415.

10           **(6)** “Transportation network company” means a business that, for  
11 compensation, uses a digital network to connect passengers to participating drivers  
12 for the purpose of providing transportation network services to those passengers.  
13 “Transportation network company” does not include a taxicab, company, as defined  
14 in s. 474.10 (4), a taxicab dispatch service, as defined in s. 474.10 (5), or a limousine,  
15 shuttle, or other for-hire vehicle service.

16           **SECTION 13.** 440.41 of the statutes is renumbered 474.41.

17           **SECTION 14.** 440.415 of the statutes is renumbered 474.415, and 474.415 (1) (c),  
18 as renumbered, is amended to read:

19           474.415 (1) (c) The applicant demonstrates to the satisfaction of the  
20 department that it satisfies all applicable requirements under ss. ~~440.42, 440.44,~~  
21 ~~440.45, and 440.48~~ 474.42, 474.44, 474.45, and 474.48.

22           **SECTION 15.** 440.42 of the statutes is renumbered 474.42.

23           **SECTION 16.** 440.425 of the statutes is renumbered 474.425.

24           **SECTION 17.** 440.43 of the statutes is renumbered 474.43.

25           **SECTION 18.** 440.435 of the statutes is renumbered 474.435.





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1           (4) “Taxicab company” means any business that, for compensation, provides  
2 transportation to passengers in taxicabs.

3           (5) “Taxicab dispatch service” means any business that, for compensation,  
4 connects passengers to drivers of taxicabs for the purpose of providing  
5 transportation to those passengers.

6           **474.11 License required.** (1) No person may own or operate a taxicab  
7 company or taxicab dispatch service in this state unless the taxicab company or  
8 taxicab dispatch service is a licensed company. Persons required to be licensed under  
9 this subsection include an independent owner-operator of a taxicab not affiliated  
10 with a taxicab dispatch service.

11           (2) Subsection (1) does not require a license for any of the following:

12           (a) An individual who operates a taxicab as an employee of, or an independent  
13 contractor for, a licensed company.

14           (b) An independent owner-operator of a taxicab affiliated with a taxicab  
15 dispatch service that is a licensed company.

16           **474.115 Licensure of taxicab companies and taxicab dispatch services.**

17           (1) INITIAL LICENSE. The department shall, subject to s. 474.19, grant a license to  
18 operate a taxicab company or taxicab dispatch service in this state to an applicant  
19 for licensure if the department determines that all of the following requirements are  
20 met:

21           (a) The applicant submits an application to the department on a form  
22 prescribed by the department. The application shall include the applicant’s name,  
23 address, tax identification number, and any other information required by the  
24 department by rule.



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1 (b) The applicant owns, operates, or proposes to own or operate a taxicab  
2 company or taxicab dispatch service in this state.

3 (c) The applicant demonstrates to the satisfaction of the department that it  
4 satisfies all applicable requirements under ss. 474.12, 474.14, 474.145, 474.147, and  
5 474.15. If the applicant is an individual who will also be a driver for a taxicab  
6 company, the applicant shall also submit the information identified in s. 474.145 (1)  
7 to the department.

8 (d) The applicant pays an initial licensure fee determined by the department  
9 in accordance with the sliding scale under sub. (4).

10 (e) The applicant provides the department with a list of all taxicabs that are  
11 affiliated with the taxicab company or taxicab dispatch service, in the manner  
12 prescribed by the department.

13 **(2) RENEWAL.** The renewal date for a license granted under sub. (1) is specified  
14 in s. 440.08 (2) (a) 69. A renewal application shall be submitted to the department  
15 on a form prescribed by the department and shall include all of the following:

16 (a) The renewal fee determined by the department in accordance with the  
17 sliding scale under sub. (4).

18 (b) An updated list of all taxicabs that are affiliated with the taxicab company  
19 or taxicab dispatch service, in the manner prescribed by the department.

20 (c) Any other information required by the department by rule.

21 **(3) EFFECT OF LICENSE.** A license issued under this section shall entitle the  
22 license holder to operate the taxicab company or taxicab dispatch service to provide  
23 transportation in taxicabs to passengers throughout this state, without geographic  
24 limitation.

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1           **(4) LICENSURE FEES.** Fees for initial taxicab company and taxicab dispatch  
2 service licenses shall be set by the department by rule using a sliding scale ranging  
3 from a minimum of \$500 to a maximum of \$5,000, with the lowest fee to be paid by  
4 an individual who owns and operates his or her own taxicab company and is the sole  
5 driver for that taxicab company. Fees for renewing those licenses shall also be set  
6 by rule using a sliding scale, but the renewal fee for a taxicab company or dispatch  
7 service of a given size may not exceed the amount of the initial licensure fee for a  
8 taxicab company or dispatch service of that size.

9           **474.12 Agent.** Each licensed company shall maintain an agent for service of  
10 process in this state.

11           **474.125 Taxicab fares. (1)** A licensed company may, subject to s. 474.15,  
12 determine the fares to be charged to passengers for trips provided by the licensed  
13 company.

14           **(2) (a)** A taxicab dispatch service licensed under this subchapter shall disclose  
15 its fare calculation method and rates on its Internet site.

16           **(b)** If a taxicab is not affiliated with a taxicab dispatch service licensed under  
17 this subchapter, the taxicab company shall have the fare calculation method and  
18 rates for the taxicab disclosed inside the taxicab.

19           **(3) (a)** In this subsection, “digital network” means any Internet site or  
20 online-enabled application, software, or system that permits the prearrangement of  
21 transportation of passengers in taxicabs.

22           **(b)** A licensed company shall ensure that each taxicab is equipped with a device  
23 installed in the taxicab that is capable of calculating and displaying a passenger’s  
24 fare and that the device is in a location visible to the passenger. This subsection does

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1 not prohibit a licensed company from using a digital network to calculate a  
2 passenger's fare and transmit that fare to the passenger's mobile device.

3 **474.14 Zero tolerance for use of drugs or alcohol. (1) POLICY.** Each  
4 licensed company shall develop, implement, and make available a written policy  
5 prohibiting any driver for the company from using alcohol, or any other intoxicant  
6 that may render the driver incapable of safely driving, while the driver is driving for  
7 the licensed company.

8 **(2) COMPLAINTS.** (a) Each licensed company shall develop, implement, and  
9 make available complaint procedures for reports of suspected violations of the policy  
10 under sub. (1).

11 (b) Upon receipt of a complaint concerning a violation of a licensed company's  
12 policy under sub. (1), the licensed company shall immediately suspend the driver and  
13 investigate the complaint. The suspension shall continue until the complaint is  
14 resolved.

15 (c) Each licensed company shall maintain all records of each investigation  
16 under par. (b), including the results of that investigation and any action taken based  
17 on that investigation, for at least 2 years after the date the complaint was received  
18 by the licensed company.

19 **474.145 Certain requirements for drivers and their vehicles. (1)**  
20 **APPLICATION.** Before a licensed company allows an individual to be a driver for the  
21 licensed company, the licensed company shall do all of the following:

22 (a) Require the individual to submit an application to the licensed company  
23 that includes at least all of the following:

- 24 1. The individual's name, address, and age.
- 25 2. A copy of the individual's driver's license.

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1           3. The individual's driving history.

2           4. Proof of motor vehicle registration for each vehicle owned by the individual  
3 that the individual will use as a taxicab as a driver for the licensed company.

4           5. A copy of the individual's automobile liability insurance policy for each  
5 vehicle owned by the individual that the individual will use as a taxicab as a driver  
6 for the licensed company.

7           (b) Conduct, or have a 3rd party conduct, a local and national criminal  
8 background check for the individual that includes all of the following:

9           1. A multistate and multijurisdictional criminal records locator or other similar  
10 commercial nationwide database with validation.

11           2. A national sex offender registry database.

12           (c) Obtain and review a driving history research report for the individual.

13           **(2) WHO MAY NOT BE A DRIVER.** (a) A licensed company may not allow any of the  
14 following individuals to be a driver of a taxicab for the licensed company:

15           1. An individual who has had more than 3 moving violations, as defined in s.  
16 343.01 (2) (cg), in the past 3 years, or one conviction in the past 3 years for an offense  
17 listed under s. 351.02 (1) (a).

18           2. An individual who, in the last 7 years, committed an offense that resulted  
19 in a suspension, revocation, or other conviction counted under s. 343.307 (1) or was  
20 convicted of a sex offense, as defined in s. 301.45 (1d) (b), or of any crime involving  
21 fraud, theft, damage to property, violence, acts of terror, or the use of a motor vehicle  
22 in the commission of a felony.

23           3. An individual whose information is contained in the sex offender registry  
24 under s. 301.45 or on the National Sex Offender Public Website.

25           4. An individual who does not possess a valid driver's license.

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1           5. An individual who does not possess proof of motor vehicle registration for  
2 each vehicle owned by the individual that the individual will use as a taxicab as a  
3 driver for the licensed company.

4           6. An individual who does not possess proof of automobile liability insurance  
5 for each vehicle owned by the individual that the individual will use as a taxicab as  
6 a driver for the licensed company.

7           7. An individual who is not at least 18 years of age.

8           (b) A driver who is convicted of any moving violation or of any felony or  
9 misdemeanor anywhere shall immediately notify the licensed company for which the  
10 driver operates a taxicab of the conviction, except that if the driver is a licensed  
11 company, the driver shall immediately notify the department.

12           **(3) VEHICLE SAFETY AND EMISSIONS.** Each licensed company shall ensure that  
13 each motor vehicle a driver uses as a taxicab for the licensed company is a vehicle that  
14 satisfies all state vehicle safety and emissions standards for private motor vehicles.

15           **474.147 Taxicabs; requirements and prohibitions.** (1) Each vehicle used  
16 by a licensed company as a taxicab shall satisfy all of the following requirements:

17           (a) The vehicle must be marked as a taxicab by posting the word “taxi” or  
18 “taxicab” on each side of the vehicle. Evidence supplied by the department that the  
19 vehicle is affiliated with a licensed company and legal to operate shall be posted on  
20 the vehicle as directed by the department.

21           (b) The vehicle must be marked with the name of the licensed company with  
22 which the vehicle is affiliated.

23           **(2)** No individual may operate a motor vehicle as a taxicab in this state unless  
24 the taxicab is affiliated with a licensed company.

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1           **(3)** (a) The owner of a vehicle used as a taxicab is subject to s. 344.62, must have  
2 proof of financial responsibility, as defined in s. 344.01 (2) (d), and must maintain a  
3 motor vehicle liability policy that meets the minimum requirements specified under  
4 s. 632.32 (4) (a) and (4m) (e). The owner of the vehicle is solely responsible for  
5 obtaining a motor vehicle liability policy.

6           (b) A taxicab dispatch service with which an independent owner-operator of  
7 a taxicab is affiliated may not be held liable for damages caused by the owner or  
8 driver of the taxicab.

9           **474.15 Nondiscrimination; accessibility.** (1) Each licensed company shall  
10 adopt a policy of nondiscrimination on the basis of trip origin or destination, race,  
11 color, national origin, religious belief or affiliation, sex, disability, age, sexual  
12 orientation, or gender identity with respect to passengers and prospective  
13 passengers and notify all of its drivers of the nondiscrimination policy.

14           **(2)** A driver may not discriminate against any passenger or prospective  
15 passenger on the basis of trip origin or destination, race, color, national origin,  
16 religious belief or affiliation, sex, disability, age, sexual orientation, or gender  
17 identity.

18           **(3)** Each driver shall permit service animals to accompany passengers when  
19 riding in the taxicab operated by the driver.

20           **(4)** A licensed company may not impose additional charges for providing rides  
21 to persons with disabilities because of those disabilities.

22           **(5)** Each licensed company shall provide each prospective passenger an  
23 opportunity to indicate whether the passenger requires a wheelchair-accessible  
24 vehicle. If a licensed company cannot arrange a wheelchair-accessible taxicab for  
25 a prospective passenger who requires wheelchair-accessible services, the licensed

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1 company shall refer the prospective passenger to an alternate provider of  
2 wheelchair-accessible transportation, if available.

3 **474.165 Limitations on local and other regulation. (1)** No city, village,  
4 town, or county may enact or enforce an ordinance or adopt or enforce a resolution  
5 that regulates a taxicab company or taxicab dispatch service or its drivers in  
6 connection with taxicab services.

7 **(2)** Notwithstanding sub. (1), a city, village, town, or county may do any of the  
8 following:

9 (a) To the extent necessary to comply with assurances under 49 USC 47107,  
10 impose fees or charges under s. 114.14 (1) for the use of an airport by taxicab drivers.  
11 Any such fees or charges shall be imposed on taxicab companies or taxicab dispatch  
12 services and may not exceed fees or charges imposed under s. 114.14 (1) for the use  
13 of an airport by limousines, shuttles, or other for-hire vehicles.

14 (b) Require a taxicab company or taxicab dispatch service to comply with a  
15 permit developed by an airport and issued to the taxicab company or taxicab dispatch  
16 service regarding the manner of operation on airport property by its drivers. A single  
17 permit under this paragraph shall be issued to each taxicab company or taxicab  
18 dispatch service and shall apply to all of its drivers.

19 **474.19 Disciplinary proceedings and actions. (1)** INVESTIGATIONS AND  
20 HEARINGS. Subject to the rules promulgated under s. 440.03 (1), the department may  
21 conduct investigations and hold hearings to determine whether a violation of this  
22 subchapter or any rule promulgated under this subchapter or a violation of any other  
23 law that substantially relates to the operation of a taxicab company or taxicab  
24 dispatch service has occurred.

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1           **(2) DISCIPLINE.** Subject to the rules promulgated under s. 440.03 (1), the  
2 department may reprimand a licensed company or deny, limit, suspend, or revoke a  
3 license granted under s. 474.115 if the department finds that an applicant for  
4 licensure or a licensed company has done any of the following:

5           (a) Intentionally made a material misstatement in an application for a license  
6 or license renewal.

7           (b) Advertised in a manner that is false or misleading.

8           (c) Obtained or attempted to obtain compensation through fraud or deceit.

9           (d) Violated this subchapter or any rule promulgated under this subchapter or  
10 violated any other law that substantially relates to the operation of a taxicab  
11 company or taxicab dispatch service.

12           (e) Failed to cooperate with the department, or failed to timely respond to a  
13 request for information by the department, in connection with an investigation  
14 under this section.

15           **(2m) DENIAL OR REVOCATION.** Subject to the rules promulgated under s. 440.03  
16 (1), the department shall deny or revoke a license granted under s. 474.115 to an  
17 individual who is a driver for a licensed company that is a taxicab company if the  
18 department finds that anything specified in s. 474.145 (2) (a) applies to the  
19 individual.

20           **(3) FORFEITURES.** In addition to or in lieu of a reprimand or other action under  
21 sub. (2), the department may assess against a licensed company, for the violations  
22 enumerated under sub. (2), a forfeiture of not more than \$1,000 for each separate  
23 offense.

24           **474.195 Penalties.** Any person who violates this subchapter or any rule  
25 promulgated under this subchapter may be fined not more than \$1,000.



**ASSEMBLY BILL 918****SECTION 30. Nonstatutory provisions.**

(1) EMERGENCY RULES. The department of safety and professional services may promulgate emergency rules under section 227.24 of the statutes implementing subchapter I of chapter 474 of the statutes. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until June 30, 2020, or the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

**SECTION 31. Effective dates.** This act takes effect on the first day of the 3rd month beginning after publication, except as follows:

(1) Section 30 (1) of this act takes effect on the day after publication.

(END)