2017 ASSEMBLY BILL 918

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

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

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.
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.
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.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 8. 349.24 of the statutes is repealed.

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

440.03 (9) (a) (intro.) Subject to pars. (b) and (c) and s. 474.115 (4), the department shall, biennially, determine each fee for an initial credential for which no examination is required, for a reciprocal credential, and for a credential renewal by doing all of the following:
SECTION 10. 440.08 (2) (a) 69. of the statutes is created to read:

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

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

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

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

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

SECTION 13. 440.41 of the statutes is renumbered 474.41.

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

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

SECTION 15. 440.42 of the statutes is renumbered 474.42.

SECTION 16. 440.425 of the statutes is renumbered 474.425.

SECTION 17. 440.43 of the statutes is renumbered 474.43.

SECTION 18. 440.435 of the statutes is renumbered 474.435.
SECTION 19. 440.44 of the statutes is renumbered 474.44.

SECTION 20. 440.445 of the statutes is renumbered 474.445.

SECTION 21. 440.45 of the statutes is renumbered 474.45.

SECTION 22. 440.455 of the statutes is renumbered 474.455.

SECTION 23. 440.46 of the statutes is renumbered 474.46.

SECTION 24. 440.465 of the statutes is renumbered 474.465, and 474.465 (1), as renumbered, is amended to read:

474.465 (1) Section 349.24 does not apply to a transportation network company or to a participating driver engaged in transportation network services or the participating driver’s personal vehicle used for those services. No city, village, town, or county may enact or enforce an ordinance or adopt or enforce a resolution that regulates a transportation network company or its participating drivers and their personal vehicles in connection with transportation network services.

SECTION 25. 440.48 of the statutes is renumbered 474.48.

SECTION 26. 440.49 of the statutes is renumbered 474.49, and 474.49 (2) (intro.), as renumbered, is amended to read:

474.49 (2) DISCIPLINE. (intro.) Subject to the rules promulgated under s. 440.03 (1), the department may reprimand a licensed company or deny, limit, suspend, or revoke a license granted under s. 440.415 if the department finds that an applicant for licensure or a licensed company has done any of the following:

SECTION 27. 440.495 of the statutes is renumbered 474.495.

SECTION 28. Chapter 474 (title) of the statutes is created to read:

CHAPTER 474

TAXICABS AND TRANSPORTATION NETWORK COMPANIES
SECTION 29. Subchapter I of chapter 474 [precedes 474.10] of the statutes is created to read:

CHAPTER 474

SUBCHAPTER I

TAXICAB COMPANIES

AND DISPATCH SERVICES

474.10 Definitions. In this subchapter:

(1) “Driver” means an individual who operates a taxicab for a licensed company to take passengers to destinations indicated by the passengers or to provide courier services.

(2) “Licensed company” means a taxicab company or taxicab dispatch service that is licensed under s. 474.115.

(3) (a) Subject to par. (b), “taxicab” means a motor vehicle having a passenger carrying capacity of fewer than 15 persons that is held for public hire.

(b) “Taxicab” does not include any of the following:

1. A motor vehicle operated primarily as a funeral car.
2. A motor vehicle of a car pool or van pool operated by private individuals, nonprofit organizations or city, state, or federal governments.
3. A motor vehicle operated primarily as an ambulance.
4. A motor vehicle operated primarily for transporting property.
5. A motor vehicle not designated for use as a taxicab or for public transportation under s. 342.06 (1) (h).
6. A personal vehicle, as defined in s. 474.40 (5) (b), that is used to provide transportation network services, as defined in s. 474.40 (7).
(4) “Taxicab company” means any business that, for compensation, provides transportation to passengers in taxicabs.

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

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

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

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

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

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

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

(a) The applicant submits an application to the department on a form prescribed by the department. The application shall include the applicant’s name, address, tax identification number, and any other information required by the department by rule.
(b) The applicant owns, operates, or proposes to own or operate a taxicab company or taxicab dispatch service in this state.

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

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

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

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

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

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

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

(3) Effect of license. A license issued under this section shall entitle the license holder to operate the taxicab company or taxicab dispatch service to provide transportation in taxicabs to passengers throughout this state, without geographic limitation.
(4) LICENSURE FEES. Fees for initial taxicab company and taxicab dispatch service licenses shall be set by the department by rule using a sliding scale ranging from a minimum of $500 to a maximum of $5,000, with the lowest fee to be paid by an individual who owns and operates his or her own taxicab company and is the sole driver for that taxicab company. Fees for renewing those licenses shall also be set by rule using a sliding scale, but the renewal fee for a taxicab company or dispatch service of a given size may not exceed the amount of the initial licensure fee for a taxicab company or dispatch service of that size.

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

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

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

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

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

(b) A licensed company shall ensure that each taxicab is equipped with a device installed in the taxicab that is capable of calculating and displaying a passenger’s fare and that the device is in a location visible to the passenger. This subsection does
not prohibit a licensed company from using a digital network to calculate a passenger’s fare and transmit that fare to the passenger’s mobile device.

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

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

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

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

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

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

1. The individual’s name, address, and age.

2. A copy of the individual’s driver’s license.
3. The individual's driving history.

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

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

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

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

2. A national sex offender registry database.

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

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

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

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

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

4. An individual who does not possess a valid driver's license.
5. An individual who does not possess proof of motor vehicle registration for each vehicle owned by the individual that the individual will use as a taxicab as a driver for the licensed company.

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

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

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

(3) Vehicle safety and emissions. Each licensed company shall ensure that each motor vehicle a driver uses as a taxicab for the licensed company is a vehicle that satisfies all state vehicle safety and emissions standards for private motor vehicles.

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

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

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

(2) No individual may operate a motor vehicle as a taxicab in this state unless the taxicab is affiliated with a licensed company.
(3) (a) The owner of a vehicle used as a taxicab is subject to s. 344.62, must have proof of financial responsibility, as defined in s. 344.01 (2) (d), and must maintain a motor vehicle liability policy that meets the minimum requirements specified under s. 632.32 (4) (a) and (4m) (e). The owner of the vehicle is solely responsible for obtaining a motor vehicle liability policy.

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

474.15 Nondiscrimination; accessibility. (1) Each licensed company shall adopt 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 and notify all of its drivers of the nondiscrimination policy.

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

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

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

(5) Each licensed company shall provide each prospective passenger an opportunity to indicate whether the passenger requires a wheelchair-accessible vehicle. If a licensed company cannot arrange a wheelchair-accessible taxicab for a prospective passenger who requires wheelchair-accessible services, the licensed
company shall refer the prospective passenger to an alternate provider of wheelchair-accessible transportation, if available.

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

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

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

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

474.19 Disciplinary proceedings and actions. (1) Investigations and hearings. Subject to the rules promulgated under s. 440.03 (1), the department may conduct investigations and hold hearings to determine whether a violation of this subchapter or any rule promulgated under this subchapter or a violation of any other law that substantially relates to the operation of a taxicab company or taxicab dispatch service has occurred.
(2) DISCIPLINE. Subject to the rules promulgated under s. 440.03 (1), the department may reprimand a licensed company or deny, limit, suspend, or revoke a license granted under s. 474.115 if the department finds that an applicant for licensure or a licensed company has done any of the following:

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

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

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

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

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

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

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

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

(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)