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City of Milwaukee information relative to Assembly Bill 143 and Senate Bill 106

The new City of Milwaukee ordinance regulating “transportation network providers” such as Uber and Lyft took effect in September 1, 2014. In deliberating this issue, the Milwaukee Common Council chose to enact a regulatory scheme that treats these providers in a similar manner to traditional taxi companies, thereby creating a level playing field for all Public Passenger Vehicle providers (PPVs) in Milwaukee. The number of licensed PPV drivers has risen substantially since the ordinance was enacted. We believe the PPV ordinance is working well and has been received with content by all sides of the issue.

Dissimilar to this legislation, Milwaukee’s ordinance licenses both drivers and vehicles. This two-prong approach ensures that consumers are being transported both in a safe vehicle and by a safe person. Safe vehicles are ensured by requiring a randomly-scheduled vehicle safety inspection during each two-year license period and safe drivers are ensured by requiring the drivers to undergo a thorough, city-conducted annual background check. We chose not to permit network providers to conduct their own background checks and perform their own vehicle inspections because we believed both would be more thorough and impartial if conducted by the City.

Complaints regarding the behavior or performance of PPV licensees or the condition of their vehicles are currently fielded by staff of the Milwaukee City Clerk and referred to the Public Works Committee of the Milwaukee Common Council. In this legislation, consumer complaints would be filed with the DSPS and only against the company as a whole. There does not appear to be an immediate remedy evident for resolving with problems with any individual driver. It is unclear how functional it would be for DSPS to only be enabled to take action to suspend or revoke the entirety of the transportation network provider’s license, should an individual driver become problematic.

Recommendations:

- Ensure safe vehicles by requiring randomized vehicle safety inspections.
- Ensure safe drivers by requiring a thorough criminal background check of drivers to be conducted by an impartial third party.
- Ensure consumers are protected by creating a fully-staffed state process by which to resolve complaints about both drivers and vehicles as well as the company as a whole.

Other PPV information:

- We have 217 licensed network vehicles. We assume that this equates to 217 PPV driver’s licenses.
- A new vehicle license is \$284 and has a duration of two years.

- A new PPV driver's license is \$75 and has a duration of two years.
- Total fiscal impact: \$77,903 per two year period. This amount roughly covers the cost of staff time to process licenses, to conduct background checks, to conduct vehicle inspections and to field consumer complaints.

Public Passenger Vehicle (PPV) drivers are licensed for a two-year period. Each driver must submit an application which requires information about which driving permit they would like to obtain (passenger, handicap, etc.), driver license number, name, address, and date of birth. In addition, each applicant is subject to fingerprinting for the purpose of a criminal background check by the Milwaukee Police Department (MPD).

If the criminal background check is clean, the license may be issued. If there are items on the police report that are objectionable, the MPD will file an objection and the applicant is scheduled for a hearing before the Public Works Committee. Matters that may be considered the basis of an objection include:

1. Three or more moving violations within the previous two years
2. A felony conviction within the previous ten years
3. The individual is currently on probation or parole
4. The individual has criminal convictions substantially related to the license requested

The committee consists of five council members who conduct a hearing questioning the applicant in a public, televised forum to determine if the license application should be recommended for granting. The committee votes to recommend approval or denial of the license, and that recommendation is passed to the full Common Council for consideration.

Throughout the license period and whenever the license is up for renewal any individual can file a complaint against the licensee. Complaints trigger an objection and will, at a minimum, warrant a hearing before the Public Works Committee when the license is up for renewal. If the accusation is severe enough the Public Works Committee can schedule a revocation hearing at any point during the license period.

When the license is up for renewal the licensee is subject to another criminal background check by the MPD and may be brought before the Public Works Committee as outlined above. The committee may recommend renewal, the issuance of a warning letter to be placed on file, suspension, or non-renewal of the license based on the hearing. The recommendation is forwarded to the full Common Council for its consideration.

In addition to licensing the drivers, PP vehicles also require a license. The vehicle license is valid for two years. The main reason to license vehicles is to check their safety to establish proof of insurance. Each vehicle is inspected randomly during the license period. The inspection is in-depth and prevents hazardous vehicles from transporting unsuspecting customers. The inspection covers the engine, steering, brakes, exhaust, seat belts, gauges as well as the condition of the vehicle's interior and exterior.