

Motor Vehicle Division Policy Memo #18-04

2018 Legislation – Taxi Regulation

DATE: May 31, 2018

FROM: Angel Robinson, Director, Office of Vehicle & Motor Carrier Services

TO: All Office of Vehicle & Motor Carrier Services (OV&MCS) staff, Bureau of Investigation & Identity Protection staff, and Motor Vehicle Enforcement staff

SUBJECT

This policy memo explains legislative changes requiring the department to begin regulating taxicab service companies in Iowa, including requiring taxicab companies to begin applying for a taxicab motor carrier certificate.

SUMMARY

Senate File 2271 amended Iowa Code chapter 325A and specifies that “motor carrier” now includes motor carriers of passengers for the purposes of Code chapter 325A. A motor carrier of passengers is newly defined as any person transporting passengers on any highway of this state for hire, other than a transportation network company or a transportation network company driver. The legislation also defines “taxicab service” as a person engaged in the for-hire transportation of passengers in a taxicab having a seating capacity of less than seven passengers and not operating on a regular route or between specified points.

The legislation provides that motor carriers providing taxicab services must obtain a motor carrier certificate. To obtain the certificate, motor carriers providing taxicab services must submit an Iowa Application for Intrastate Motor Carrier Permit/Certificate (Form 441052) to us. The application must include verification of primary automobile insurance in the amount of at least one million dollars, as required by Iowa Code section 325A.6. Additionally, the application must include the applicant’s interstate motor carrier number or intrastate motor carrier number which means a USDOT number obtained from the Federal Motor Carrier Safety Administration (FMCSA). Upon approval of the application, all vehicles must be marked with the motor carrier number in accordance with Iowa Code section 325A.8 prior to transporting passengers.

The legislation prohibits a taxicab company from transporting passengers by motor vehicle for hire without first having obtained a motor carrier certificate from the DOT. The legislation further provides that the certificate issued by the DOT does not authorize a taxicab company to transport passengers within the boundaries of a local authority, i.e., city, that licenses or regulates such vehicles pursuant to Iowa Code section 321.236(7), unless the taxicab company is in compliance with all applicable regulations of the local authority.

The legislation is effective July 1, 2018.

LINK TO LEGISLATION

2018 Iowa Acts, Senate File 2271:

<https://www.legis.iowa.gov/docs/publications/LGI/87/SF2271.pdf>

HELPFUL QUESTIONS AND ANSWERS

The following questions and answers provide information regarding new procedures, which will be helpful to you as you process applications for a taxicab passenger certificate.

WERE TAXICAB COMPANIES REGULATED PREVIOUSLY?

Yes, taxicab companies used to be regulated by the local authority, i.e., city, that it operated within. However, when the Transportation Network Company (TNC) legislation was adopted in 2016 requiring TNCs to be regulated by the DOT, many local authorities opted out of regulating taxicab companies. This left a void in oversight as the DOT did not have the authority to regulate taxicab companies, only TNCs.

WILL THE APPLICATION FORM BE UPDATED TO INCORPORATE TAXICAB COMPANIES?

Yes, Form 441052, Iowa Application for Intrastate Motor Carrier Permit/Certificate is being updated so that the application can be utilized by a taxicab company to apply for a passenger certificate.

WHAT DOES A TAXICAB COMPANY HAVE TO SUBMIT TO THE DOT TO OBTAIN A MOTOR CARRIER PASSENGER CERTIFICATE?

Applicants must submit DOT Form 441052 and include the following:

1. The USDOT number. A free US DOT number can be obtained from the Federal Motor Carrier Safety Administration at <https://www.fmcsa.dot.gov/registration> and must be displayed on the vehicle(s).
2. Proof of the required minimum insurance policy of \$1 million as required by Iowa Code section 325A.6 (Form E).
3. Payment of the one-time required certificate fee of \$150.
4. Signature under penalty of perjury that all equipment operated under the certificate complies with Iowa and FMCSA safety rules and regulations.

DO LOCAL AUTHORITIES STILL HAVE THE ABILITY TO REGULATE TAXICAB COMPANIES?

Yes, local authorities, such as cities, or for example, the Des Moines Airport Authority, still have the authority to regulate taxicab companies that operate within its area of authority under Iowa Code section 321.236. The legislation provides that a passenger certificate issued to a taxicab company by the DOT does not authorize the company to operate within the jurisdiction of a local authority that licenses and regulates taxicab companies, unless the taxicab company complies with all applicable regulations of the local authority. In other words, home rule authority still applies, and companies will have to comply with the local regulations in addition to obtaining its motor carrier certificate from us.

MAY A TAXICAB COMPANY OPERATE IN IOWA WITHOUT BEING ISSUED A PASSENGER CERTIFICATE BY THE DOT?

No, starting July 1, 2018, all taxicab companies wishing to operate in Iowa are required to apply and be issued a passenger certificate and otherwise comply with the requirements in Iowa Code chapter 325A. A violation of these requirements is punishable by a scheduled fine of \$250 and may result in the revocation or suspension of the person's motor carrier passenger certificate.

WILL THERE BE ANY OUTREACH TO TAXICAB COMPANIES ABOUT THE NEW REQUIREMENTS?

Yes, while lobbyists for the taxicab industry were aware of the new legislation, there may not be widespread knowledge about the new requirements going into effect July 1, 2018. To that end, we are working with Strategic Communications to develop an outreach and awareness plan.