

## **DISTRICT OF COLUMBIA TAXICAB COMMISSION**

### **NOTICE OF FINAL RULEMAKING**

The District of Columbia Taxicab Commission (“Commission”), pursuant to the authority set forth in Sections 8(c) (2), (7), (19) and (20), 14, and 20l, of the District of Columbia Taxicab Commission Establishment Act of 1985 (“Establishment Act”), effective March 25, 1986, as amended by the Vehicle-for-Hire Innovation Amendment Act of 2014 (“Vehicle-for-Hire Act”), effective March 10, 2015 (D.C. Law 6-97; D.C. Official Code §§ 50-307(c) (2), (7), (19) and (20), 50-313, and 50-329 (2012 Repl. & 2015 Supp.)), hereby gives notice of its intent to adopt amendments to Chapter 7 (Enforcement) and Chapter 16 (Dispatch Services and District of Columbia Taxicab Industry Co-op) of Title 31 (Taxicabs and Public Vehicles For Hire) of the District of Columbia Municipal Regulations (DCMR).

This notice of final rulemaking amends Chapter 16 to establish a new requirement in § 1605 that all digital dispatch services (DDSs) provide the Office of Taxicabs with one or more bonds to secure the payments to the District of taxicab surcharges and one percent of gross receipts required by § 1604.7 and the Establishment Act, which are vital to support the operations of the Commission and the Office. The Commission finds that bonds must be provided to the Office by all DDSs to secure the payments of taxicab surcharges and one percent of gross receipts, as required by § 1604.7 and the Establishment Act, to reduce the possibility that the District will fail to receive a required payment.

The Commission finds it necessary to impose this requirement after two incidents in which businesses obligated to make payments of surcharges or one percent of gross receipts failed to do so. In one incident, a payment service provider (PSP) ceased operations in the District without paying all owed taxicab surcharges, but, because it had provided the Office with a bond pursuant to Chapter 4 of Title 31, the Office was able to recover a substantial portion of the unpaid surcharges. In a more recent incident, a DDS for private sedans ceased operations while still owing a payment for one percent of gross profits. Because DDSs are not required under the current, permanent (non-emergency) rules in Chapter 16 to provide a bond, when the DDS ceased operations, there was no bond available cover its outstanding payment. To prevent a recurrence, the new bond requirement applies to all DDSs, including all those which are currently registered with the Office. This rulemaking also amends Chapter 7 to add an enforcement provision allowing the Office to suspend the registration of a registered digital dispatch service which fails to provide a bond within the time required under the new rules in § 1605.

A notice of emergency and proposed rulemaking was adopted by the Commission on February 10, 2016, and was published in the *D.C. Register* on May 20, 2016 at 63 DCR 007704. The Commission received two comments during the comment period, which expired on June 20, 2016. Changes made in this final rulemaking from the proposed rulemaking were to correct grammatical and typographic errors, and clarify the Commission’s intent. In addition, the following changes were made in § 1605.5 in part due to the comments, which lessen the burdens on affected stakeholders: (1) a digital dispatch service may, for each public or private vehicle-for-hire service other than taxicabs, provide bond(s) of either two hundred fifty thousand dollars

(\$250,000), or, pursuant to an administrative issuance, one hundred thousand dollars (\$100,000) to two hundred fifty thousand dollars (\$250,000), inclusive, if the digital dispatch service voluntarily maintains with the Office current information relevant to establishing a risk profile for the non-payment of amount(s) owed to the District pursuant to the § 1604.7, such as the number of the digital dispatch service's associated vehicles; and (2) a bond shall not be required during the first six months that any business digitally dispatches rides pursuant to a donation agreement or through a live field testing program approved by the Office pursuant to § 1612.6 *et seq.* No substantial changes have been made from the proposed rules.

The Commission voted to adopt these rules as final on June 23, 2016, and they will become effective upon publication in the *D.C. Register*.

**CHAPTER 7, ENFORCEMENT, of Title 31, TAXICABS AND PUBLIC VEHICLES FOR HIRE, of the DCMR is amended as follows:**

**A new section 716 is added to read as follows:**

**716 IMMEDIATE SUSPENSION OF A DIGITAL DISPATCH SERVICE REGISTRATION**

716.1 In addition to any other enforcement action available under this chapter, a digital dispatch service registered with the Office under § 1605 which fails to comply with § 1605.6 shall be subject to the immediate suspension of its registration until the digital dispatch service provides the Office with the bond(s) required by § 1605.5, consistent with any applicable administrative issuance.

**Chapter 16, DISPATCH SERVICES AND DISTRICT OF COLUMBIA TAXICAB INDUSTRY CO-OP, of Title 31, TAXICABS AND PUBLIC VEHICLES FOR HIRE, of the DCMR, is amended as follows:**

**Section 1605, DIGITAL DISPATCH SERVICES – REGISTRATION, is amended as follows:**

**Subsection 1605.5 is amended to read as follows:**

- 1605.5 Each registration application form filed under § 1605.3 shall be:
- (a) Executed under oath by an individual with authority to complete the filing;
  - (b) Accompanied by a filing fee of five hundred dollars (\$500) regardless of the number of vehicle-for-hire services dispatched by the digital dispatch service; and
  - (c) Accompanied by one (1) or more bond(s) naming the District of Columbia as obligee for the purpose of securing the amount(s) owed to the District pursuant to § 1604.7. Such bond(s) shall:

- (1) Be in effect throughout the digital dispatch service's registration period and for one (1) year thereafter; and
- (2) Be in the amount of:
  - (A) For taxicabs: one hundred thousand dollars (\$100,000); and
  - (B) For each public or private vehicle-for-hire service other than taxicabs:
    - (i) Two hundred fifty thousand dollars (\$250,000); or
    - (ii) Pursuant to an administrative issuance, one hundred thousand dollars (\$100,000) to two hundred fifty thousand dollars (\$250,000), inclusive, if the digital dispatch service voluntarily maintains with the Office current information relevant to establishing a risk profile for the non-payment of amount(s) owed to the District pursuant to the § 1604.7, such as the number of the digital dispatch service's associated vehicles.
- (d) Notwithstanding the requirements of paragraph (c) of this subsection, a bond shall not be required during the first six (6) months that any business digitally dispatches rides pursuant to a donation agreement with the Office or a live field testing program approved by the Office pursuant to § 1612.6 *et seq.*

**Existing subsections 1605.6 through 1605.9 are renumbered as subsections 1605.7 through 1605.10.**

**A new Subsection 1605.6 is added to read as follows:**

1605.6 Not later than thirty (30) days after the effective date of these regulations, each digital dispatch service registered with the Office shall provide such bond(s) to the Office as are required by § 1605.5.

**A new Subsection 1605.11 is added to read as follows:**

1605.11 A claim may be made by the Office against any bond provided by a digital dispatch service pursuant to § 1605.5 for any amount owed to the District of Columbia by the digital dispatch service under § 1604.7 which remains unpaid for more than thirty (30) days. The Office shall give written notice to the digital

dispatch service of its intent to make a claim against a bond not less than ten (10) days prior to taking the action.