
TO: CITY MANAGER **DATE:** 2019 Nov 27

FROM: DIRECTOR - PUBLIC SAFETY AND
COMMUNITY SERVICES

**SUBJECT: INTERIM BUSINESS LICENCE FOR TRANSPORTATION NETWORK
SERVICE BUSINESSES**

PURPOSE: To inform Council of Transportation Network Services being issued
business licences to operate in Burnaby.

RECOMMENDATION:

1. **THAT** Council receives this report for information purposes.

REPORT

1.0 INTRODUCTION

On 2019 September 16, Provincial amendments to the Passenger Transportation Act came in to effect that permit *Transportation Network Services* (TNS) to operate in British Columbia. Commonly referred to as ride-hailing services, a TNS is a company that offers the connection of drivers and passengers who hail and pay for the services through the use of an online platform. Under the legislation, a ride-hailing vehicle will be considered a *Passenger Directed Vehicle* (PDV), a class of vehicle which also includes taxis and limousines.

The new legislation distinguishes the services that TNS providers are entitled to provide from those traditional taxi services. For instance, PDVs operated by ride-hailing companies are not permitted to use cash as a means of payment as all transactions must use a credit card and take place through the online platform. PDVs are also not permitted to pick-up street hailed fares. Unlike the regulations applied to taxis, the TNS companies will have no limit placed on fleet sizes and will not be contained under the same geographical boundaries as taxi operators.

Since September 2019, 14 individual companies have submitted applications to the Provincial Transportation Board (PTB) requesting permission to operate a TNS business within the lower mainland area. Large international companies such as Uber and Lyft are included in this group as well as smaller regional start-ups. PTB approval for the provincially required TNS licenses is anticipated to occur at some point in 2019

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December, after which TNS companies will seek to become operational. The final step for these TNS companies will be to obtain municipal business licenses prior to providing services to the public.

2.0 POLICY SECTION

The recommended action is aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the plan:

- A Safe Community
 - Transportation safety
- A Connected Community
 - Geographic connection
- A Thriving Organization
 - Technology and innovation

3.0 BACKGROUND

Ride-hailing is generally viewed by the public as a consumer-friendly service intended to increase travel options within the lower mainland. The service can provide improved connections to transit systems, has the potential to reduce impaired driving, and can encourage car-free and car-light lifestyles. The introduction of ride-hailing also provides economic opportunities for vehicle owner/drivers to generate income on a part-time or full-time basis. Media reports have indicated strong public support for the introduction of this service.

Despite the perceived benefits, as ride-hailing services have rolled out in North America and the world, there have been reports of increases in vehicle trips and congestion, declining transit ridership, and reduced walking and cycling by the public. In light of this, the operational impact of TNS on the lower mainland transportation network will require continuing analysis and there may be additional regulations required in the future.

4.0 ISSUANCE OF MUNICIPAL TNS BUSINESS LICENCE - FUTURE AND INTERIM

When TNS companies become operational, it is certain these companies will be conducting business across municipal boundaries. Passenger trips that originate in one municipality will terminate in another and vice versa. Trips could also include stops and/or drop offs in multiple jurisdictions. Recognizing this type of usage will most likely be a regular occurrence, staff discussions have been underway amongst municipalities and

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other agencies, to establish an *Inter-Municipal Business Licence* (IMBL) for TNS business activity.

Initial support amongst neighboring communities for creating an IMBL permitting TNS operators to conduct business in multiple cities under a single licence, appears to be very strong. Early discussions have included representatives from multiple lower mainland cities and in addition, Translink, YVR, and UBC have also expressed interest in creating an IMBL for TNS businesses.

To date, IMBL discussions have begun to explore issues such as;

- requirement for TNS companies to provide data reporting
- methods for the collection and disbursement of data
- cost for the licence, and
- implementation of a congestion management permit.

Although discussions are currently underway with favorable support, it is estimated the earliest an IMBL could be implemented is end of June 2020 and possibly not until 2020 December. With ride-hailing companies expecting to receive Provincial licenses by 2019 December, municipalities in the region are considering how best to permit TNS businesses to operate in the interim period, until such time that an IMBL agreement has been reached and enabling bylaws passed (attachment #1).

With the noted exception of Vancouver, most municipalities currently do not have a specific licensing category that accurately captures TNS business activity. In early October 2019, Vancouver passed bylaw amendments that will enable TNS businesses to be licensed as a distinct business.

Staff have held discussions with other municipalities in Metro Vancouver and there are two unique approaches being considered to accommodate ride-share operations in the interim;

1. Using an existing licensing mechanism without undertaking any bylaw amendments in order to provide an interim business licence solution. This will require using an existing general licensing category that was not initially created to address TNS activity. The cities of Abbotsford, Maple Ridge and Chilliwack are considering using this approach.
2. Permitting TNS operators to initially carry on business without first obtaining a municipal license. Cities considering this option expect to have a licensing scheme in place in 2020, either through an IMBL agreement or under their own licensing requirements. North Shore, Port Moody and Coquitlam are electing this option with the aim of having a new license category in place for Jan 2020.

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In Burnaby, all TNS businesses will be required to obtain a business licence in the interim period. Licences will be issued under the existing licensing category of "Miscellaneous Resident". This licence classification is a wide-ranging category and is normally used when applicants do not readily fit under more descriptive classifications. The fees for a Miscellaneous Resident business are \$600 for the first year of business (prorated to \$450 after July 1st) and \$180 per year for subsequent yearly renewals.

Section 3.2 of the *Burnaby Business Licence Bylaw 2017* permits the Chief Licence Inspector to impose terms and conditions with respect to a business licence and the business licences provided to TNS companies will be issued with conditions that require businesses to provide operational data to the City. The data will be provided in a format and frequency as determined by the City. Transportation staff from the Planning Department will advise on the data requirements.

In addition to the business licences issued to TNS companies, business licences will also be required for each of the individual PDVs that will be used in each TNS company. Historically it has been a common practice among lower mainland municipalities including Burnaby, to licence both the taxi company and each individual taxi used in the operation. These fees vary amongst municipalities and Burnaby charges \$600 for the first year and \$180 for subsequent years for each business renewal licence and \$510 for each taxi vehicle for the first year of operation and \$280 for the second and following years. The proposed IMBL will need to address the issue of any fee disparity and establish an equitable fee scale.

In the interim TNS licensing period prior to an IMBL being established, staff have examined options as to how to proceed while also recognizing the need to address businesses equitably. With this approach in mind, the TNS companies and PDVs would be licenced with similar fees as the taxi industry. Should a TNS company apply for a business licence in December 2019, they would pay a prorated business licence fee of \$450 with a renewal fee in January 2020 of \$180. If a TNS company initially applied for a business licence in January 2020, they would pay a fee of \$600 and a subsequent renewal fee in 2021 of \$180. The PDVs would be licenced in the same manner. If a PDV applies for a business licence in December 2019, they would pay a prorated fee of \$390 and a subsequent renewal fee in January 2020 of \$280. Should they initially apply for a business licence in January 2020, a PDV would pay \$510 and a subsequent renewal fee in 2021 of \$280.

This approach is consistent with the licensing requirements currently applied to taxi companies under the Burnaby Cab Regulations Bylaw 2009. Under that bylaw, TNS PDVs do meet the definition of a "Cab" and therefore are required to obtain individual business licences. As a condition of licensing, all TNS companies will also be required to provide the Burnaby Licence Office with the number of PDVs within their operation.

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5.0 FUTURE BYLAW AMENDMENTS

At the same time the provincial legislative amendments came into effect permitting TNS operations, the Province also reduced the authority of municipalities to regulate taxis. Key changes were the removal of municipal authority to regulate fleet size, vehicle standards, and the issuance of Chauffeur's Permits.

In the coming months staff will undertake a review of various bylaws in order to align the bylaw regulations with the decreased authority. Staff also plan on examining the business licence fees currently charged to taxis operators in order to ensure that TNS companies and taxi companies are treated equally.

6.0 RECOMMENDATIONS

It is recommended that Council receives this report for information purposes as staff will issue TNS and PDV business licences once PTB approval for the provincial TNS licences has been provided.



Dave Critchley
Director – Public Safety & Community Services

DC:dl

Copied to: Director of Finance
Director of Planning & Building
City Solicitor
Chief Licence Inspector

Attachment: Table of Neighboring Municipal Fees

Attachment 1

City	Licence TNS Company	Licence TNS Vehicles	Business Licence Fee(s)
Burnaby (proposed)	Yes	Yes	\$450 prorated first year and \$180 for renewal for each business and \$390 prorated for first year and \$280 for renewal per vehicle (same as taxis)
Delta	No	Yes	\$110 for first 2 vehicles and \$25/vehicle after that to max of \$1500 (same as taxis)
New Westminster	Yes	Yes	\$262.44 for company (based on 10 employees); \$202.99 per vehicle (same as taxis)
Richmond	Yes	Yes	\$143 for company and \$132 per vehicle; to a company max of \$4,007 (same as taxis)
Surrey	Not Determined	Yes	\$149.75/an for Taxi company; \$409.00/an per taxi subject to annual increases; Not determined on TNS
Vancouver	Yes	Yes	\$155 for company and \$100/vehicle (same as taxis)