



## **Amend Phoenix City Code Chapter 4 Related to Commercial Ground Transportation Trip Fees (Ordinance G-6650)**

Request to amend Phoenix City Code Chapter 4 to increase existing and set new commercial ground transportation trip fees, to create a process to annually adjust trip fees, and to make conforming, clarifying, and renumbering changes as necessary.

### **Summary**

#### Background

City Council approved changes to commercial ground transportation trip fees on Oct. 16, 2019. It was determined that certain statutory notice requirements had not been met. This item satisfies the notice requirements and finalizes the commercial ground transportation trip fee changes Council approved on Oct. 16, 2019. As the statute (A.R.S. section 9-499.15) prescribes, this item was properly posted on the City's website on Oct. 18, 2019 and on Nov. 26, 2019.

#### Commercial Trip Fees and Annual Increases

City Code requires that, by Jan. 1, 2020, staff conduct a study of peer airports' commercial ground transportation (GT) trip fees. City Code also authorizes GT stakeholders to participate in the selection of the consultant for this review. Beginning fall 2018, staff and GT stakeholders scoped the study and investigated peer airport trip fees. Through summer 2019, staff conducted monthly meetings with GT stakeholders, totaling over 15 large and small group GT stakeholder meetings held.

The completed study reviewed peer airports' GT revenue collection with Phoenix Sky Harbor International Airports' (PHX) revenue. PHX consistently collects less GT revenue compared to its peers. The proposal seeks to increase trip fees for permitted GT providers, establish drop-off trip fees for providers, and provide for predictable, annual trip-fee rate increases.

These fees are calculated to recover PHX's costs for the GT providers' proportionate share of existing and future ground-transportation infrastructure, improvements, and operation/maintenance of this infrastructure, including maintenance of the PHX Sky Train, and to comply with federal law requiring PHX to achieve and maintain economic self-sufficiency.

### Effective Date

If passed, the ordinance - including the new and increased trip fees it establishes - will become effective on Feb. 1, 2020.

### Attachments

- Attachment A - Summary Sheet
- Attachment B - Draft Ordinance

### **Financial Impact**

The revenue will cover the proportional share of the ground transportation expenses.

### **Concurrence/Previous Council Action**

The Transportation, Infrastructure and Innovation Subcommittee recommended approval of this item on Oct. 2, 2019 by a 4-0 vote. The full City Council approved this item on Oct. 16, 2019 by a 7-2 vote.

### **Public Outreach**

Extensive stakeholder outreach was conducted during the peer-review of commercial ground transportation fees as well as stakeholder review of the proposed City Code amendment, which culminated in the previous Council action approving the changes. Additional public outreach involving transportation network companies has also occurred since then.

### **Location**

Phoenix Sky Harbor International Airport, 3400 E. Sky Harbor Blvd.  
Council District: 8

### **Responsible Department**

This item is submitted by Assistant City Manager Deanna Jonovich and the Aviation Department.

## ATTACHMENT A – SUMMARY SHEET

The proposed ordinance will affect Ground Transportation trip fees as follows:

1. Increase certain pick-up fees
2. Create new drop-off fees
3. Provide new incentives for fee reduction
4. Establish a consistent process for future fee changes
5. Ensure equity between fee rates and TNC curb share

GT Mode	Current (pick-up only)	Proposed 2020 fees (pick-up & drop-off)
TNC	\$2.66	\$4.00 <sup>1</sup>
1-8 Seats (Taxi)	\$2.66	\$1.75 <sup>2</sup>
9-23 Seats (Shuttle)	\$3.48	\$2.25 <sup>2</sup>
24+ Seats (Charter Bus)	\$7.38	\$5.00 <sup>2</sup>

<sup>1</sup> Rates increase to \$4.25 in 2021, \$4.50 in 2022, \$4.75 in 2023, \$5.00 in 2024, and in 2025, by greater of CPI or 3% annually

<sup>2</sup> Rates increase at the greater of CPI or 3% annually

These prescribed rates (as adjusted annually) will be discounted by: (1) 10% for each trip made by an alternative-fuel-powered vehicle or 40% for each trip made by a zero-emissions vehicle; and (2) 30% for each trip that initiates or terminates at the 44th Street or 24th Street PHX Sky Train Stations.

Attachment B

THIS IS A DRAFT COPY ONLY AND IS NOT AN OFFICIAL COPY OF THE FINAL,  
ADOPTED ORDINANCE

ORDINANCE G-XXXX

AN ORDINANCE RELATING TO COMMERCIAL GROUND TRANSPORTATION AT PHOENIX AIRPORTS; AMENDING PHOENIX CITY CODE CHAPTER 4, ARTICLE I, SECTION 4-4; ARTICLE IV SECTION 4-67, SECTION 4-68, SECTION 4-75, SECTION 4-77, AND SECTION 4-78; AND CONFORMING AND RENUMBERING CHAPTER 4 OF THE PHOENIX CITY CODE AS NECESSARY.

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BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. The Phoenix City Code, Chapter 4, Article I, Section 4-4 is amended to read:

**Sec. 4-4. Written permission required for commercial activities and solicitation at the airport.**

The use of any portion of the airport for revenue-producing commercial activities or to solicit business or funds is prohibited unless authorized by the Aviation Director by lease, permit or license agreement under such terms and conditions that may be required by the Aviation Director for the safe, efficient and orderly use of the airport. EXCEPT WHERE OTHERWISE SPECIFICALLY PROVIDED IN THIS CHAPTER OR SECTION 36-156.02, A VIOLATION OF THE REQUIREMENTS OF THIS ARTICLE SHALL BE DEEMED A CLASS 1 MISDEMEANOR.

SECTION 2. The Phoenix City Code, Chapter 4, Article IV, Section 4-67, is amended to read:

**Sec. 4-67. Definitions.**

In this article, unless the context otherwise requires:

*Airport terminal zone* means those parts of Phoenix Sky Harbor International Airport that are within 500 feet of any AIR passenger terminal., ~~including the Lincoln J. Ragsdale Executive Terminal.~~

*Alternative fuel* means the energy source, other than gasoline or diesel, used to power a motor vehicle, as prescribed in airport rules and regulations.

*Authorized provider* means a person, authorized by the Aviation Director under permit or contract, to engage in commercial ground transportation.

*Authorized signer* means a designated representative of an authorized provider, who is authorized to act on behalf of the provider, including requesting or certifying identification media for a driver, and including accepting service of a notice of violation and civil citation.

*Automated vehicle identification (AVI)* means radio frequency identification used to track a ground transportation motor vehicle while on an airport.

*Automated vehicle identification tag (AVI Tag)* means a radio frequency identification transponder placed on a ground transportation motor vehicle for the purpose of tracking ground transportation operations on an airport.

*Bus* means a motor vehicle designed for carrying 16 or more passengers, including the driver.

*Commercial ground transportation* means the use of a ground transportation motor vehicle for commercial activity.

*Commercial ground transportation permit or permit* means written permission issued by the Aviation Director to authorize a person to engage in commercial ground transportation.

*Commercial ground transportation provider or provider* means a person that engages in commercial ground transportation. FOR PURPOSES OF THIS ARTICLE, ANY PERSON ENGAGING IN COMMERCIAL PICK-UPS AND DROP-OFFS AT THE AIRPORT OR COMMERCIAL PICK-UPS ONLY IS DEEMED TO BE A COMMERCIAL GROUND

TRANSPORTATION PROVIDER. ANY PERSON WHO ENGAGES IN COMMERCIAL DROP-OFFS ONLY AT THE AIRPORT IS DEEMED NOT TO BE A COMMERCIAL GROUND TRANSPORTATION PROVIDER.

*Courtesy vehicle* means a motor vehicle operated by an authorized provider for the purpose of picking up OR DROPPING OFF a passenger at an airport and transporting the passenger to an off-airport location, including a hotel, motel or commercial parking lot, where the authorized provider or driver does not directly charge or receive a fee from the passenger for the transportation service.

*Designated local point of contact* means a representative of an authorized provider, who is authorized to act as an authorized signer in all ways except for signing the permit.

*Designated waiting area* means an area on an airport designated by the Aviation Director where an authorized provider or driver operating under an authorized provider's permit or contract may stop, stand, or park a ground transportation motor vehicle.

*Digital network or software application* means any online-enabled application, software, website, or system that is offered or used by an authorized provider and that enables a potential passenger to arrange a ride with a transportation network driver.

*Disabled services vehicle* means a van or any other motor vehicle that is designated by the Aviation Director as a disabled services vehicle authorized to operate on an airport in accordance with this article.

*Driver* means any PERSON individual who drives, is driving, or is in actual physical controls of, a ground transportation motor vehicle.

*Geofence* means an electronic perimeter, designated by the Aviation Director, of airport property and sub-perimeters within airport property.

*Global positioning satellite (GPS)* means any global positioning satellite technology, approved by the Aviation Director, used to track a ground transportation motor vehicle while on an airport.

*Ground transportation motor vehicle* means a motor vehicle used for commercial activity, including a bus, courtesy vehicle, disabled services vehicle, motorcycle, off-airport rental car company vehicle, shared ride van, taxicab, other designated vehicle, prearranged vehicle, transportation network company vehicle, or intercity provider vehicle.

*Identification media* means a physical identification or digital identification that identifies a driver as required in this article, issued or approved by the Aviation Director.

*Include or including* means including, but not limited to; and, including, without limitation.

*INDEPENDENT OPERATOR PARCEL MEANS THE AREA IN THE RENTAL CAR CENTER THAT PROVIDES SHARED SPACE FOR UP TO FIVE RENTAL CAR COMPANIES, EACH OF WHOM HAS A MARKET SHARE OF THE TOTAL PHOENIX AREA RENTAL CAR MARKET OF APPROXIMATELY ONE PERCENT OR LESS.*

*Intercity provider* means an authorized provider that uses an intercity provider vehicle.

*Intercity provider vehicle* means a motor vehicle used to transport passengers and baggage from Phoenix Sky Harbor International Airport to cities or towns located farther than a 35-mile radius from Phoenix Sky Harbor International Airport, and that are otherwise outside of the service areas of other authorized providers under contract with the City to operate at Phoenix Sky Harbor International Airport.

*Motor vehicle* means a device ~~IN OR ON~~ upon which any individual PERSON is or may be transported upon a public highway, excepting a device moved by human power or used exclusively upon stationary rails or tracks.

*Motorcycle* means a motor vehicle that has a seat or saddle for the use of the rider and that is designed to travel on not more than three wheels in contact with the ground.

*Notice of violation (NOV)* means a violation of this article that resulted in the Aviation Director issuing a notice to the authorized provider.

*Off-airport rental car company vehicle* means a motor vehicle operated by or on behalf of an off-airport rental car company for the purpose of transporting customers and baggage between the Rental Car Center (RCC) and an off-airport rental car company facility located off the airport, where no direct fee is paid by the person or baggage transporter for the service so rendered.

*Other designated vehicle* means a motor vehicle of a type not otherwise defined herein that may be designated by the Aviation Director as a ground transportation motor vehicle authorized to operate on an airport in accordance with this article.

*Permittee* means any person to whom the Aviation Director has issued a commercial ground transportation permit as provided in this article.

*Person* means an individual, association, company, corporation, joint venture, limited liability company, organization, partnership, two or more individuals acting as a unit, and any other entity.

*Prearranged provider* means an authorized provider that uses a prearranged vehicle.

*Prearranged vehicle* means a ground transportation motor vehicle used to pick up a passenger(s) on an airport, where the authorized provider has scheduled the pick-up OR DROP-OFF OF A PASSENGER prior to BEFORE THE PROVIDER enterEDing an airport, or while parked in a designated waiting area.

*Safety regulations* means those parts of Title 49 C.F.R. adopted by the Arizona Department of Transportation—Motor Vehicle Division, as published in the Arizona Administrative Code as R17-5-202, as the same are amended from time to time.

*Shared ride* means nonexclusive use of a ground transportation motor vehicle by two or more unrelated passengers, to predetermined destinations or destinations agreed upon by the passengers and driver.

*Shared ride van service* means operation of a fleet of multi-passenger vans, under contract with the City of Phoenix, to conduct shared ride commercial ground transportation.

~~*Small operator parcel* means the area in the rental car center that provides shared space for up to five rental car companies, each of whom has a market share of the total Phoenix area rental car market of approximately one percent or less.~~

*Taxicab* means a motor vehicle authorized under a contract with the City of Phoenix, with a designated seating capacity of less than seven passengers, excluding the driver, having four doors for passenger ingress and egress, furnished for hire on an exclusive basis.

*Taxicab meter* means a meter device that conforms to the standards established by the City Manager pursuant to Section 36-202, and that otherwise measures the distance driven and/or time upon which the fare is based, and numerically displays in dollars and cents the fare in a manner readily visible to the passengers.



*Trade dress* means a distinct logo, insignia or emblem attached to, and visible from 50 feet in front of, a ground transportation motor vehicle, as approved by the Aviation Director.

*Transportation network company* means an entity that has been issued a permit by the State of Arizona, that operates in the State of Arizona, that uses a digital network or software application to connect passenger(s) to transportation network services provided by transportation network company drivers, and that may but is not deemed to own, operate or control a personal motor vehicle of a transportation network driver.

**TRANSPORTATION NETWORK COMPANY CURB SHARE (OR "TNC CURB SHARE")** MEANS THE MINIMUM PERCENTAGE OF TERMINAL CURB LINEAR FEET ALLOCATED FOR TRANSPORTATION NETWORK COMPANIES, COMPARED TO THE TOTAL TERMINAL CURB LINEAR FEET ALLOCATED FOR ALL AUTHORIZED PROVIDERS.

*Transportation network company vehicle* means a motor vehicle with a seating capacity not exceeding eight passenger(s), including the driver, that is authorized by a transportation network company, and that is used by a transportation network driver to provide transportation network services.

*Transportation network driver* means an individual PERSON who receives connections to potential passenger(s) and related services from a transportation network company in exchange for payment of a fee to the transportation network company and who operates a transportation network company vehicle.

*Transportation network services* means the transportation of a passenger between points chosen by the passenger and arranged with a transportation network driver through the use of a transportation network company's digital network or software application.

*Trip* means an authorized provider picking up OR DROPPING OFF a passenger on an airport.

*Trip fee* means a fee imposed pursuant to Section 4-78.

*Virtual waybill* means a digital identification of the authorized provider's company, the driver's name, the vehicle make, model, and license plate number, the passenger's name, and the date and time of the transaction.

*Waybill* means a physical document identifying a passenger pick-up including the date, time, company, terminal, license plate number, driver, airline, flight number, and passenger name.

*ZERO-EMISSIONS VEHICLE MEANS A VEHICLE THAT EMITS NO EXHAUST GAS FROM THE ONBOARD SOURCE OF POWER.*

SECTION 3. The Phoenix City Code, Chapter 4, Article IV, Section 4-68 is amended to read:

**Sec. 4-68. Commercial ground transportation; permit required; application; requirements; expiration.**

A. No person may engage in commercial ground transportation, including the commercial activity of picking up OR DROPPING OFF A passenger(s) ~~on~~ AT an airport, without a valid commercial ground transportation permit, EXCEPT A PERSON WHO ENGAGES IN COMMERCIAL DROP-OFFS ONLY OR except as specified in Sections 4-82 and 4-84.

B. Commercial ground transportation permit application. An applicant for a commercial ground transportation permit or renewal shall complete or update an application form provided by the Aviation Director and shall provide information and certifications deemed necessary by the Aviation Director, including:

1. The name, address, and billing address of the applicant.
2. A list of authorized signers and designated local points of contact.
3. An acceptable certificate of automobile liability insurance with at least the minimum amounts of coverage required by Arizona law and airport rules and regulations.
4. An indemnification agreement in favor of the City of Phoenix.
5. A statement of whether the applicant will operate on a prearranged or courtesy basis.
6. A certification that all statements of the applicant are true and complete, and an acknowledgment that any falsification or material omission will void the permit.

7. A statement that the applicant complies with all applicable Federal, State, and local laws, including the Americans with Disabilities Act, 42 U.S.C. Secs. 12101 et seq., and Section 504 of the Rehabilitation Act, and that the applicant will provide accessible ground transportation to customers protected by these laws or, if unable to do so, make alternative arrangement for accessible transportation within 30 minutes after learning of the customer's needs.

8. A statement indicating whether the applicant will use automated vehicle identification (AVI), global positioning satellite (GPS) technology, or other technology approved by the Aviation Director to track the motor vehicle(s) to be used for commercial activity on an airport.

9. A statement indicating which of the background check options in subsection (C)(1) of this section the applicant will require drivers operating under the applicant's permit to complete.

10. A statement that the applicant will require all authorized signers and designated local points of contact to undergo background checks as prescribed in airport rules and regulations.

11. A statement that all vehicles operated on behalf of the applicant will undergo and pass an industry standard inspection, as designated by the Aviation Director, at a minimum of once every 12 months.

12. A statement indicating whether the applicant will use a vehicle decal, issued by the Aviation Director, or a valid trade dress, approved by the Aviation Director, for vehicles operated under the applicant's permit.

13. An applicant applying to operate using trade dress for vehicle identification shall provide a sample of its trade dress to the Aviation Director with the permit application.

14. A statement indicating which driver identification method, as described in Section 4-69, the applicant will require drivers operating under the applicant's permit to use.

15. A statement verifying applicant and all drivers operating under the applicant's permit have been informed of and will comply with airport rules and regulations.

C. Permittee requirements.

1. Permittee may only use one of the following options for all drivers operating under that permittee's permit:

a. A permittee that uses the Aviation Department criminal history records check with security threat assessment background check for all drivers and authorized signers operating under that permittee's permit shall do so in accordance with the following:

(1) Applicant shall have each driver and authorized signer operating under permittee's permit go to the Aviation Department offices to submit one full set of fingerprints;

(2) Applicant shall submit documents that establish identity, employment eligibility, and citizenship status in accordance with 49 C.F.R. Part 1542 and other Department of Homeland Security Transportation Security Administration (TSA) requirements, including security directives, and shall be required to obtain authorization from the TSA in compliance with the requirements of the security threat assessment;

(3) The criminal history records check shall be designed to identify, at a minimum, the crimes identified in 49 C.F.R. 1542.209(d); and

(4) The Aviation Department will submit or electronically transmit all completed fingerprint cards to the Department of Public Safety, appropriate Federal agency, or other authorized agency or contractor to conduct a criminal history records check. Criminal history records checks conducted by the Department of Public Safety will be conducted pursuant to Section 41-1750, Arizona Revised Statutes, and Public Law 92-544, as amended. The Department of Public Safety is authorized to exchange the submitted fingerprint card information with the Federal Bureau of Investigation for a national criminal history records check.

b. A permittee that uses the enhanced third-party name-based background check for all drivers and authorized signers operating under that permittee's permit shall do so in accordance with the following:

- (1) The background check shall include a local and national criminal background check that includes a search of a multijurisdictional criminal records locator or similar, validated commercial nationwide database and a national sex offender registry database;
- (2) The background check shall be conducted at least once every two years by a consumer reporting agency accredited by the National Association of Professional Background Screeners;
- (3) Data point identifiers shall include, at a minimum, the name, date of birth, address, and social security number of the applicant;
- (4) The background check shall include an adjudication process;
- (5) The background check shall be designed to identify any criminal history for a minimum of the past ten years;
- (6) The background check shall be designed to identify, at a minimum, the crimes identified in 49 C.F.R. 1542.209(d);
- (7) The permittee shall obtain authorization from the TSA in compliance with the requirements of the security threat assessment for anyone operating under permittee's permit; and
- (8) The permittee shall permit the Aviation Director to conduct a random monthly background check audit, at any time throughout the term of the commercial ground transportation permit, of up to ten percent of the pool of drivers operating under that permittee's permit, who have made a pick-up OR DROP-OFF AT an airport in the month preceding the audit request date. The audit will be conducted as follows:
  - (A) The audit will be performed by a third party accredited by the National Association of Professional Background Screeners and selected by the Aviation Director;

(B) The Aviation Director will provide permittee with a list of driver names or unique driver identification numbers. Any driver declining to consent to a background check will be ineligible to conduct pick-ups on an airport until the consent is granted;

(C) Permittee shall provide identifying information, which shall include, at a minimum, the name, date of birth, address, and social security number, for the drivers selected by the Aviation Director to the third-party background check provider;

(D) Permittee shall certify to the Aviation Director, in a manner approved by the Aviation Director, the results of the audit; and

(E) In the event that an audited driver fails the background check according to the criteria in subsection (C)(3) of this section, the permittee shall remove the driver's authority to operate on an airport within 24 hours.

c. A permittee that uses the name-based background check for all drivers operating under permittee's permit shall do so in accordance with the following:

(1) The background check shall include a local and national criminal background check that includes a search of a multijurisdictional criminal records locator or similar, validated commercial nationwide database and a national sex offender registry database;

(2) Data point identifiers shall include, at a minimum, the name, address, age, and driver's license number;

(3) The background check shall include an adjudication process; and

(4) The permittee shall permit the Aviation Director to conduct a random monthly background check audit, at any time throughout the term of the commercial ground transportation permit, of up to ten

percent of the pool of drivers operating under that permittee's permit, who have made a pick-up on an airport in the month preceding the audit request date. The audit will be conducted as follows:

(A) The audit will be performed by a third party accredited by the National Association of Professional Background Screeners and selected by the Aviation Director;

(B) The Aviation Director will provide permittee with a list of driver names or unique driver identification numbers. Any driver declining to consent to a background check will be ineligible to conduct pick-ups OR DROP-OFFS AT an airport until the consent is granted;

(C) Permittee shall provide identifying information, which shall include, at a minimum, the name, address, age, and driver's license number, for the drivers selected by the Aviation Director to the third-party background check provider;

(D) Permittee shall certify to the Aviation Director, in a manner approved by the Aviation Director, the results of the audit; and

(E) In the event that an audited driver fails the background check according to the criteria in subsection (C)(4) of this section, the permittee shall remove the driver's authority to operate on an airport within 24 hours.

2. Any permittee that uses the background check option identified in subsection (C)(1)(a) of this section shall not allow anyone to operate under that permittee's permit who:

a. Is identified as a disqualified individual as set forth in 49 C.F.R. Part 1542; or

b. Is identified as a disqualified individual as set forth in Department of Homeland Security Transportation Security Administration requirements, including security directives.

3. Any permittee that uses the background check option identified in subsection (C)(1)(b) of this section shall not allow anyone to operate under its permit who:

a. Has had more than three moving violations, or one major violation, pursuant to Title 28, Arizona Revised Statutes, in the preceding three years. Major violations include attempting to evade the police, reckless driving or driving on a suspended or revoked license; or

b. Has been convicted within the preceding ten years of violation of Section 13-706, 28-1381, 28-1382 or 28-1383 or Title 13, Chapter 14, 19, 22, 23, 34 or 35.1, Arizona Revised Statutes, or a violation of any crime identified in 49 C.F.R. 1542.209(d); or

c. Is listed in a national sex offender registry database.

4. Any permittee that uses the background check option identified in subsection (C)(1)(c) of this section shall not allow anyone to operate under its permit who:

a. Has had more than three moving violations, or one major violation, pursuant to Title 28, Arizona Revised Statutes, in the preceding three years. Major violations include attempting to evade the police, reckless driving or driving on a suspended or revoked license; or

b. Has been convicted within the preceding seven years of violation of Section 13-706, 28-1381, 28-1382 or 28-1383 or Title 13, Chapter 14, 19, 22, 23, 34 or 35.1, Arizona Revised Statutes; or

c. Is listed in a national sex offender registry database.

5. Any permittee that uses the background check option identified in subsection (C)(1)(a) of this section shall remove a driver's authority to operate under that permittee's permit within 24 hours of discovering that the driver's background check no longer complies with subsection (C)(1)(a) or (C)(2) of this section.

6. Any permittee that uses the background check option identified in subsection (C)(1)(b) of this section shall remove a driver's authority to operate under permittee's permit within 24 hours of discovering that the driver's background check no longer complies with subsection (C)(1)(b) or (C)(3) of this section.



7. Any permittee that uses the background check option identified in subsection (C)(1)(c) of this section shall remove a driver's authority to operate under that permittee's permit within 24 hours of discovering that the driver's background check no longer complies with subsection (C)(1)(c) or (C)(4) of this section.

8. Permittee shall require authorized signers and designated local points of contact to undergo background checks as prescribed in airport rules and regulations.

9. Permittee shall ensure that each driver operating under that permittee's permit obtains a driver's identification media as provided in Section 4-69 and has a physical or virtual waybill for each pick-up. Permittee shall require that drivers make that identification media and waybill available to airport representatives upon request.

10. A permittee that uses trade dress shall require each driver operating under that permittee's permit to display the permittee's trade dress, approved by the Aviation Director, at all times while on an airport and that the driver will make available to airport representatives, upon request, a waybill indicating a transaction that matches the permittee's trade dress.

11. Permittee shall ensure each vehicle operated under that permittee's permit has undergone and passed an industry standard inspection, as designated by the Aviation Director, within the previous 12 months. Permittee shall allow the Aviation Director to conduct an audit, at any time throughout the term of the commercial ground transportation permit, of the vehicle inspection records.

12. Any permittee that uses GPS trip tracking shall electronically notify airport representatives of the tracking information required by the Aviation Director, including the driver's unique identifier, immediately upon the driver entering on an airport. Permittees using GPS trip tracking shall make available to the City upon request the name of the driver associated with the driver's unique identifier.

13. Except as approved by the Aviation Director, any permittee that uses GPS trip tracking shall disable its mobile application's functionality and ability for a driver operating under that permittee's permit to accept a reservation while that driver is on an airport within the geofence established by the Aviation Director, unless the driver is in a designated waiting area.

14. Any permittee that uses GPS trip tracking shall provide clear wayfinding directions to passengers who are being picked up on an airport, through the permittee's mobile application, to direct them to the proper pick-up location. Upon written notice from the Aviation Director of any nonconformity with this section, the permittee shall take all steps necessary to remedy the condition, conduct, and/or violation immediately.

15. Unless permittee demonstrates that exigent circumstances exist that prevent compliance, permittee shall provide accessible ground transportation to customers protected by all applicable Federal, State, and local laws, including the Americans with Disabilities Act, 42 U.S.C. Secs. 12101 et seq., and Section 504 of the Rehabilitation Act, or, if unable to do so, make alternative arrangement for accessible transportation within 30 minutes after learning of the customer's needs.

16. Permittee shall require all authorized signers and designated local points of contact to accept service of all notices of violation and citations issued to that permittee.

17. Permittee shall immediately terminate a driver's authorization to operate under that permittee's permit if the driver's identification media is revoked under Section 4-75.

a. Permittee shall retrieve any placard issued to the driver under Section 4-69(B) and return the placard to the Aviation Director within five days of notification.

b. Permittee shall retrieve any placard issued to the driver under Section 4-69(C)(1) within five days of notification.

18. Permittee shall notify the Aviation Director of any addition or removal of a name to the permittee's list of authorized signers or designated local points of contact authorized to operate under that permittee's permit within five days of the change.

19. Permittee and all authorized signers, designated local points of contact and drivers operating under that permittee's permit shall comply with all airport rules and regulations.

D. A permit will expire, unless terminated sooner, two years from the date the permit was issued.

E. The Aviation Director will not issue a permit to, or renew a permit for, an applicant that is not in good financial standing with the City.

F. The Aviation Director may issue a temporary or daily use permit as the Aviation Director deems necessary for the safe, efficient and orderly operation on an airport.

G. To ensure the safe, orderly, and efficient use of an airport, the Aviation Director may regulate and restrict the number of ground transportation motor vehicles on an airport.

H. A commercial ground transportation permit shall not be construed to be a contract, agreement or grant of a franchise or any property right to engage in commercial activity on an airport and is revocable.

I. A permit applicant requesting reconsideration of the Aviation Director's decision to deny its permit shall have five calendar days after date of service of notice if personally served, or 14 calendar days from the date of mailing by certified mail at the last address submitted to the Aviation Department, to request reconsideration by the Aviation Director. The request for reconsideration of the denial of a permit shall be in writing and shall state the specific allegations in the Aviation Director's decision with which the permit applicant disagrees. The request for reconsideration shall either be personally delivered to the Aviation Director or deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to the Office of the Aviation Director, within the above-stated time. Unless the Aviation Director requires additional information, or in the event of exigent circumstances, the Aviation Director will notify the permit applicant in writing of the Aviation Director's final decision within ten business days after the request for reconsideration is received.

J. If a permittee violates any provisions of this article, the permittee is subject to Sections 4-75, 4-77, and 4-80, and the Aviation Director may deny the renewal of the permittee's permit.

SECTION 4. The Phoenix City Code, Chapter 4, Article IV, Section 4-75,

is amended to read:

**Sec. 4-75. Notices of violation; suspension of operating privileges; revocation of operating privileges; effect of revocation.**

A. When reasonable grounds exist to believe that an authorized provider, or a driver, has by act or omission violated a provision of this article, or any rules and regulations promulgated in connection therewith, the Aviation

Director may issue a notice of violation, which may include suspension or revocation of a permit, and suspension or revocation of identification media.

B. An authorized provider may request a review of a notice of violation by an airport representative as prescribed by the rules and regulations promulgated by the Aviation Director. The request for review shall be filed with the Aviation Director within five calendar days after date of service of the notice of violation if personally served or served to the last e-mail address the authorized provider submitted to the Aviation Department, or within seven calendar days from the date of mailing by certified mail at the last address submitted to the Aviation Department. As part of the request, if the authorized provider submits evidence to demonstrate that the authorized provider has promptly remedied the violation and that remedy is deemed sufficient by the airport representative, then a suspension or revocation of the permit, or the suspension or revocation of identification media, will be voided.

C. If a review by an airport representative is not requested or the suspension or revocation is not voided by the reviewing airport representative, the suspension or revocation will take effect immediately. Suspensions in excess of five days will automatically be stayed upon the filing of an appeal.

D. An authorized provider that has completed a review of a notice of violation by an airport representative, and is aggrieved by the airport representative's determination, may file a notice of appeal with the hearing officer so designated by the Aviation Director within:

1. Ten calendar days after date of service of the ~~notice of violation~~ AIRPORT REPRESENTATIVE'S DETERMINATION if personally served or served to the last e-mail address the authorized provider submitted to the Aviation Department; or
2. Fifteen calendar days from the date of mailing by certified mail at the last address submitted to the Aviation Department.

E. The notice of appeal shall set forth the specific objections to the notice of violation. The objections form the basis of the appeal.

F. The hearing officer shall set a time and place for the hearing as soon as practicable, but no later than 15 business days after receipt of the notice of appeal.

G. The hearing shall be conducted in an informal manner to determine whether there is a sufficient factual and legal basis to support the notice of violation. The hearing officer shall not be bound by the technical rules of evidence in the conduct of the hearing; provided, that the decision of the hearing officer shall in all cases be based upon substantial and reliable evidence. All

parties to the hearing shall have the right to present evidence. The burden of proof shall be at all times upon the party or parties appealing the notice of violation.

H. The decision of the hearing officer shall be rendered within 15 business days after close of the record and shall be based upon the evidence presented. The hearing officer's decision may include one of the following:

1. Affirm the notice of violation;
2. Modify the notice of violation; or
3. Reverse the notice of violation.

I. The decision of the hearing officer is final.

J. The Aviation Director may serve a notice of violation on an authorized provider through its authorized signer or designated local point of contact.

K. A person whose conduct by act or omission was responsible for the revocation of a permit or driver identification media, may not apply for a commercial ground transportation permit or driver identification media.

L. A person whose conduct was responsible for the suspension or revocation of a permit or driver identification media may not operate under any authorized provider's permit or contract on an airport during the term of the suspension or revocation.

M. It is unlawful to continue to operate on an airport during the period of time a suspension or revocation of a permit or driver identification media is in place.

SECTION 5. The Phoenix City Code, Chapter 4, Article IV, Section 4-77, is amended to read:

**Sec. 4-77. Prohibited acts.**

A. It is unlawful for a driver to violate, through act or omission, any of the following:

1. A driver shall not stop, stand, or park a ground transportation motor vehicle except in areas designated for its category of passenger pick-up OR DROP-OFF as posted by the Aviation Director.

2. A driver shall not pick-up OR DROP-OFF passengers except in parking garages, or in designated loading OR UNLOADING zones posted by the Aviation Director for that activity.
3. A driver shall not leave a motor vehicle unattended while in a posted PICK-UP OR DROP-OFF loading OR UNLOADING zone on an airport. For purposes of this subsection, a vehicle is "unattended" when the driver is not within 15 feet from the vehicle.
4. A driver shall not stop, stand, or park a motor vehicle on an airport without displaying the following information in a manner prescribed in rules and regulations:
  - a. The fare to be charged;
  - b. The name of the driver;
  - c. The name of the provider;
  - d. How and where to lodge a complaint; and
  - e. A valid vehicle decal or trade dress.
5. Except in designated waiting areas, a driver operating under a permit for a prearranged provider shall not stop or park a ground transportation motor vehicle on an airport without having a prearranged customer.
6. A driver shall not stop, stand or park a ground transportation motor vehicle at Phoenix Sky Harbor International Airport unless the vehicle is properly equipped with an automated vehicle identification (AVI) tag or the driver is using global positioning satellite (GPS) trip tracking as required in Section 4-72 and airport rules and regulations.
7. A driver shall not take a route that is not the most direct and rapid route to the passenger's destination unless agreed upon by the passenger.
8. A driver shall not engage in any physical fighting or loud, boisterous verbal disputes while on an airport or while transporting passengers from an airport.
9. A driver shall not solicit passengers for hire on an airport, except as authorized by the Aviation Director by written agreement designating specific locations and conditions for that activity.

Except as authorized by the Aviation Director, fare negotiations with passengers shall take place outside of the AIR terminals and only in areas designated by the Aviation Director.

10. A driver shall meet a passenger(s) in the AIR terminals only in areas designated by the Aviation Director. The driver shall have in physical possession, at all times while in AN AIR terminal for the purpose of meeting a passenger, the driver's identification placard and a waybill for the passenger pick-up.

11. A driver shall not pick up OR DROP-OFF passengers except as authorized by a permittee under Section 4-68 or contracted taxicab provider under Section 4-82 or shared ride van service under Section 4-84.

12. A driver operating under the permit of a prearranged provider shall not charge more than the rate agreed upon with the passenger in that specific prearranged transaction.

13. A driver shall not alter, deface, tamper with, or damage an AVI tag or GPS trip tracking device. A driver shall not attempt to circumvent a trip tracking system.

14. A driver operating under the permit or contract of an authorized provider authorized to operate using GPS trip tracking shall maintain that authorized provider's mobile application open at all times while on an airport.

15. A driver shall not alter, tamper with, deface, or damage an identification media, a vehicle decal, or vehicle trade dress.

16. A driver shall:

- a. Obtain and maintain a valid vehicle decal or trade dress as required in Section 4-71;
- b. Obtain, maintain and make available to airport representatives upon request a valid driver identification media as required in Section 4-69;
- c. Have proof of valid insurance meeting requirements set forth in Section 4-68(B)(3);
- d. Make the driver identification media, and physical or virtual waybill, or copy of the written agreement with the

prearranged passenger, available to airport representatives upon request; and

e. Leave the passenger pick-up area immediately after pick-up, if the passenger cancels the reservation, or as otherwise directed by the Aviation Department.

**F. LEAVE THE PASSENGER DROP-OFF AREA IMMEDIATELY AFTER DROP-OFF OR AS OTHERWISE DIRECTED BY THE AVIATION DEPARTMENT.**

17. A taxicab driver shall not park in a posted loading zone on an airport without having a properly installed, approved and sealed taxicab meter that is correctly set to calculate the fare or rate displayed on the outside of the vehicle; and without having a roof or top sign mounted on the taxicab that readily identifies the vehicle as a taxicab.

18. A taxicab driver shall not charge more than the fare prescribed in Section 4-83.

B. It is unlawful for a commercial ground transportation provider to violate, through act or omission, any of the following:

1. A provider may only stop, stand, or park a motor vehicle, or allow a motor vehicle to stop, stand, or park, in parking garages or areas designated for its category of passenger pick-up OR DROP-OFF as posted by the Aviation Director.

2. A provider shall not stop, stand, or park a motor vehicle, or allow a vehicle to stop, stand, or park on an airport without displaying the following information in a manner prescribed in rules and regulations:

- a. The fare to be charged;
- b. The name of the driver;
- c. The name of the provider;
- d. How and where to lodge a complaint; and
- e. A valid vehicle decal or trade dress.

3. A provider shall not solicit passengers for hire on an airport, except as authorized by the Aviation Director by written agreement



designating specific locations and conditions for that activity. Except as authorized by the Aviation Director, fare negotiations with passengers shall take place outside of the terminals and only in areas designated by the Aviation Director.

4. Prearranged providers shall not charge more than the rate agreed upon with the passenger in that specific prearranged transaction.

5. A taxicab provider shall not charge more than the fare prescribed in Section 4-83, and displayed on the vehicle, or the amount visibly shown on the meter.

6. A permittee shall not fail to comply with the requirements of Section 4-68.

7. A provider shall not misrepresent the nature, scope, or quality of its driver background checks.

8. A taxicab provider shall not fail to have a properly installed, approved and sealed taxicab meter that is correctly set to calculate the fare or rate displayed on the outside of the taxicab; and shall not fail to have a roof or top sign mounted on the taxicab that readily identifies the vehicle as a taxicab.

9. Rental car companies shall use only the common transportation system, provided by the City, as the exclusive means to transport customers to and from the airport terminal zone.

Off-airport rental car companies shall pick up and drop off passengers only at the curb position at the RCC designated for off-airport rental car companies.

The requirements in this subsection (B)(9) do not apply to disabled services vehicles picking up OR DROPPING OFF customers with special needs or to rental car customers renting from a facility located in space subleased from a fixed base operator.

10. Loading and unloading at the curb position at the RCC designated for off-airport rental car companies and at the curb positions for the common transportation system are governed by airport rules and regulations posted on the airport's website.

11. A provider shall not alter, deface, tamper with, or damage an AVI tag or GPS trip tracking device. A provider shall not attempt to circumvent a trip tracking system.

12. A provider shall not alter, tamper with, deface, or damage an identification media, a vehicle decal, or vehicle trade dress.

13. A provider shall not stop, stand or park a ground transportation motor vehicle at Phoenix Sky Harbor International Airport unless the vehicle is properly equipped with an automated vehicle identification (AVI) tag or the provider is using global positioning satellite (GPS) trip tracking as required in Section 4-72 and airport rules and regulations.

C. It is unlawful for an authorized signer or designated local point of contact to violate any of the following:

1. An authorized signer or designated local point of contact shall not authorize any driver that has not passed a background check or is prohibited to operate pursuant to Section 4-68.

2. An authorized signer or designated local point of contact shall not authorize any vehicle that has not passed the inspection required in Section 4-68.

D. The FOLLOWING REMEDIES ARE CUMULATIVE. The City may proceed under one or more of these following remedies:

1. *Civil traffic violations; PENALTIES.*

a. A violation under subsections (A)(1) through (6) and (B)(1) and THROUGH (2) of this section ARE shall constitute a civil traffic violationS, subject to a civil sanction PENALTY as provided in Section 36-156.02.

b. A VIOLATION UNDER SUBSECTION (A)(7) THROUGH (18), (B)(3) THROUGH (13), AND C OF THIS SECTION ARE A CIVIL VIOLATION SUBJECT TO A PENALTY OF:

1. FOR THE FIRST VIOLATION, NOT LESS THAN \$100.00;

2. FOR THE SECOND VIOLATION WITHIN 36 MONTHS OF THE COMMISSION OF A PRIOR VIOLATION, NOT LESS THAN \$250.00;

3. FOR THE THIRD OR ANY SUBSEQUENT VIOLATION WITHIN 36 MONTHS OF THE COMMISSION OF A PRIOR VIOLATION, NOT LESS THAN \$500.00.

c. FOR THIS SECTION, THE 36-MONTH PERIOD, WILL BE DETERMINED BY THE DATES THE VIOLATIONS WERE COMMITTED. A PERSON SHALL BE ASSESSED THE ENHANCED CIVIL PENALTY UPON A FINDING OF RESPONSIBILITY FOR ANY VIOLATION COMMITTED WITHIN 36 MONTHS OF THE COMMISSION OF ANOTHER VIOLATION FOR WHICH THAT PERSON WAS CONVICTED OR FOUND RESPONSIBLE, IRRESPECTIVE OF THE ORDER IN WHICH THE VIOLATIONS OCCURRED OR WHETHER THE PRIOR VIOLATION WAS CIVIL OR CRIMINAL.

~~2. Civil sanctions.~~

~~a. A violation under subsection (A)(7) through (18), (B)(3) through (13), or C of this section is subject to a civil sanction of:~~

~~(1) For the first violation, not less than \$100.00;~~

~~(2) For the second violation within 36 months of the commission of a prior violation shall be subject to a civil sanction of not less than \$250.00;~~

~~(3) For the third violation within 36 months of the commission of a violation shall be subject to a civil sanction of not less than \$500.00.~~

~~b. The 36-month period, for this section, shall be calculated by the dates the violations were committed. Any person shall receive the enhanced civil sanction upon a finding of responsibility for any violation which was committed within 36 months of the commission of another violation for which that person was convicted or found responsible, irrespective of the order in which the violations occurred or whether the prior violation was civil or criminal.~~

~~23. Criminal VIOLATIONSsanctions. A violation of subsections (A)(9) through (18), (B)(3) through (13), and OR C of this section shallIS A CLASS 1 MISDEMEANOR be a criminal violation subject to the provisions of Section 4-80.~~

3. THE OWNER OF RECORD, ACCORDING TO THE ARIZONA DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE DIVISION, FOR A VEHICLE OBSERVED COMMITTING ANY OF THE ABOVE VIOLATIONS IS PRESUMED TO CONTROL THE VEHICLE AT THE TIME OF THE VIOLATION. IF MORE THAN ONE PERSON IS LISTED AS THE OWNER OF THE VEHICLE, THOSE PERSONS ARE JOINTLY AND SEVERALLY PRESUMED TO CONTROL THE VEHICLE.

E. Each day any violation of any provision of this article, or the failure to perform any act or duty required by this article, exists shall constitute a separate violation or offense.

SECTION 6. The Phoenix City Code, Chapter 4, Article IV, Section 4-78,

is amended to read:

**Sec. 4-78. Fees.**

A. *Trip fees.* Except for off-airport rental car companies, EFFECTIVE FEBRUARY 1, 2020, all authorized providers shall WILL pay the trip fees set forth below.

1. TRANSPORTATION NETWORK COMPANIES (TNC), ALL VEHICLE SIZES

EFFECTIVE DATE	DROP-OFF	PICK-UP
FEBRUARY 1, 2020	\$4.00	\$4.00
JANUARY 1, 2021	\$4.25	\$4.25
JANUARY 1, 2022	\$4.50	\$4.50
JANUARY 1, 2023	\$4.75	\$4.75
JANUARY 1, 2024	\$5.00	\$5.00

BEGINNING JANUARY 1, 2025, TRANSPORTATION NETWORK COMPANY TRIP FEES WILL AUTOMATICALLY INCREASE ANNUALLY AT THE GREATER RATE OF THREE PERCENT OR THE PERCENTAGE CHANGE IN THE MOST CURRENT CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), PHOENIX-MESA-SCOTTSDALE, PUBLISHED BY THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS (OR SIMILAR REVISED INDEX PUBLISHED BY THE BUREAU).

2. NON-TNC AUTHORIZED PROVIDERS

VEHICLE SIZE	DROP-OFF	PICK-UP
1-8 SEATS	\$1.75	\$1.75
9-23 SEATS	\$2.25	\$2.25
24+ SEATS	\$5.00	\$5.00

BEGINNING JANUARY 1, 2021, NON-TNC AUTHORIZED PROVIDER TRIP FEES WILL AUTOMATICALLY INCREASE ANNUALLY AT THE GREATER RATE OF THREE PERCENT OR THE PERCENTAGE CHANGE IN THE MOST CURRENT CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), PHOENIX-MESA-SCOTTSDALE, PUBLISHED BY THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS (OR SIMILAR REVISED INDEX PUBLISHED BY THE BUREAU).

1. ~~All authorized providers permitted prior to June 18, 2016, shall pay trip fees as follows:~~

Vehicle Size	Beginning January 1, 2017	Beginning January 1, 2018	Beginning January 1, 2019
1-8 Seats	\$2.25	\$2.75	\$3.25
9-23 Seats	\$2.75	\$3.20	\$4.25
24+ Seats	\$6.50	\$7.50	\$9.00

2. ~~Saving clause. From June 18, 2016, through December 31, 2016, all authorized providers permitted prior to June 18, 2016, shall pay all fees as existed in this section immediately prior to June 18, 2016.~~

3. ~~All authorized providers permitted on or after June 18, 2016, shall pay trip fees as follows:~~

Vehicle Size	Beginning June 18, 2016
1-8 Seats	\$3.25
9-23 Seats	\$4.25
24+ Seats	\$9.00

4. ~~The Aviation Department's estimated annual revenues pursuant to this subsection A are as follows:~~

~~2017 — \$7,012,687.00~~

~~2018 — \$7,842,608.00~~

2019—\$8,678,004.00

~~In January of calendar years 2018 and 2019, the Aviation Department will conduct a review of estimated revenue versus actual revenue. Based on the results of each calendar year review: (a) if total revenue in the preceding calendar year reviewed is less than or equal to total estimated revenue for that same calendar year reviewed, then the current calendar year fees will be as set forth in subsections (A)(1) and (3) of this section; or (b) if total revenue in the preceding calendar year reviewed exceeds total estimated revenue for that same calendar year, then the current year's rates will be proportionately adjusted to achieve the current year's estimated revenue using the preceding calendar year's actual trips.~~

~~5.—The Aviation Department will conduct a study by January 1, 2020, of comparable airports' trip fees. The Aviation Department will seek industry participation in the selection of the consultant and participation in the study.~~

~~6.—Beginning January 1, 2020, fees will increase annually at the lesser of three percent or the percent of change in the most current Consumer Price Index for Los Angeles-Riverside-Orange County, CA, All Urban Consumers, published by the U.S. Department of Labor, Bureau of Labor Statistics, or such revised index that may be subsequently published by the Bureau.~~

73. For authorized providers using global positioning system (GPS) trip tracking, trip fees apply ~~once~~ each time a driver enters a geofence, makes one or more stops, and completes a pick-up OR DROP-OFF of one or more passengers. For all other authorized providers, trip fees apply ~~once~~ each time a driver enters OR EXITS an airport and stops at one or more designated passenger pick-up OR DROP-OFF locations.

84. For authorized providers using GPS trip tracking, ~~IF in the event that~~ AN authorized provider's GPS trip tracking system fails (downtime), and the authorized provider is unable to account for trips during ~~THE such~~ downtime in the subsequent monthly report, the Aviation Director will determine that authorized provider's monthly fee for ~~THE such~~ downtime based upon the PROVIDER'S highest monthly number of passenger pick-ups OR DROP-OFFS in the last 12 months for the same amount of time, taking into account the time of day and day of week.

95. Authorized providers using GPS trip tracking, and all authorized providers using designated pick-up OR DROP-OFF locations where there is no automated vehicle identification (AVI) reader, shall report all trips for that month to the City no later than 15 calendar days after the last day of the month.

406. The Aviation Director WILL ~~may provide~~ a discount AN AUTHORIZED PROVIDER'S MONTHLY TRIP FEE INVOICE of BY ~~up to ten percent of an authorized provider's monthly trip fee invoice~~ for EACH trips MADE ~~conducted~~ by alternative-fuel-powered ~~ground transportation motor~~ vehicles OR FORTY PERCENT FOR EACH TRIP MADE BY ZERO-EMISSIONS VEHICLES. THE AVIATION DIRECTOR WILL ALSO DISCOUNT THE INVOICE THIRTY PERCENT FOR EACH TRIP THAT INITIATES OR TERMINATES AT THE 44<sup>TH</sup> STREET OR 24<sup>TH</sup> STREET PHX SKY TRAIN STATION, AS THOSE AREAS ARE FORMALLY IDENTIFIED BY THE AVIATION DIRECTOR.

447. All fees assessed pursuant to this section shall be paid on a monthly basis on or before the thirtieth day from the billing date, and payment shall be made with forms prescribed by the Aviation Director for reporting, computing and remitting said fees.

428. An authorized provider may dispute the calculation of trip fees as provided in airport rules and regulations.

439. An authorized provider may request specific documents provided to the City be treated as confidential or proprietary (collectively confidential); provided, that the authorized provider clearly labels the documents "confidential." The City will notify the authorized provider in writing of any public records request to view the documents or any portion of the documents marked "confidential." Authorized provider will have seven calendar days from the date such notice is received to obtain a court order enjoining the release of the documents marked confidential. If the authorized provider does not provide the City with a court order enjoining release of the documents, the City will make the documents requested available for inspection as required under the public records law seven calendar days after the written notice to the authorized provider is received.

10. THE TNC CURB SHARE WILL BE THIRTY PERCENT BEGINNING JANUARY 1, 2020; FORTY PERCENT BEGINNING JANUARY 1, 2021; AND, FIFTY PERCENT BEGINNING JANUARY 1, 2022. BEGINNING JANUARY 1, 2023, AND ADJUSTED ANNUALLY THEREAFTER, THE TNC CURB SHARE

WILL BE EQUIVALENT TO THE PERCENTAGE OF ALL TNC  
TERMINAL TRIPS COMPARED TO ALL AUTHORIZED  
PROVIDER TERMINAL TRIPS DURING THE PRECEDING YEAR.

B. The Aviation Director may establish such other fees for temporary or daily use permits as the Aviation Director deems necessary for the safe, efficient and orderly operation of an airport.

C. *Books and records.*

1. Authorized provider agrees to maintain and make available to the Aviation Department during regular business hours accurate books and accounting records relating to its operations under this article. Authorized provider shall make available all records within Maricopa County. If authorized provider fails to make available all records within Maricopa County, authorized provider agrees to reimburse the Aviation Department for reasonable expenses involved in traveling to the records storage site. Authorized provider shall cooperate with the inspection and/or audit. In the event an inspection or audit shows that authorized provider has underpaid its monthly fees by more than three percent, the Aviation Department may require authorized provider to reimburse the Aviation Department for the costs of the inspection and/or audit. Authorized provider shall promptly remedy any noncompliance found through the inspection and/or audit. Authorized provider shall maintain the data and records in an accessible location and condition for a period of not less than five years from the expiration of its contract or permit, or the last date of operations on an airport, whichever is later.

2. The Aviation Director reserves the right to request any and all reports deemed necessary from authorized provider in its performance under this article, or for auditing purposes, at no cost to the Aviation Department. These reports shall be submitted within ten business days from the date the request was made unless instructed otherwise in writing by the Aviation Director.

D. Off-airport rental car companies and vehicle rental companies subleasing space from a fixed base operator shall pay, for the use of off-airport rental car company vehicles at the RCC, a fee of seven percent of the gross receipts received from that portion of the vehicle rental company's vehicle rental receipts derived from persons transported between the airport and such vehicle rental facility. The fees to be imposed at Phoenix Deer Valley Airport and Phoenix Goodyear Airport shall be commensurate in amount and application to identical fees



imposed at Phoenix Sky Harbor International Airport as set forth in subsection E of this section.

E. For purposes of computing gross receipts in this section Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and Phoenix Goodyear Airport shall each be considered an independent operation, and the rental receipts derived from each airport shall be reported in accordance with the following:

1. Gross receipts includes all amounts received, billed (whether collected or not), delivered or realized by the off-airport rental car company, without deduction or offset, whether by cash, credit or otherwise related to the off-airport rental car company's vehicle rental concession as authorized by this article. All amounts are included in the definition of gross receipts unless specifically excluded as provided in subsection (E)(2) of this section. In determining whether an amount is or is not included in gross receipts the burden of proof is on the off-airport rental car company and all exclusions in subsection (E)(2) of this section will be construed narrowly.

2. Gross receipts shall not include:

(A) Taxes—Any fee or other charge levied by Federal, State, County or municipal government that is explicitly identified by the taxing authority as a tax levied on the customer and required by law to be separately stated.

(B) Customer facility charge—As defined in Section 4-79 when collected and remitted to the City.

(C) Sums received for loss, conversion, disposal or abandonment of the off-airport rental car company's vehicles; provided, that the off-airport rental car company retains documentation from a third party that establishes to the City's satisfaction that the loss, conversion, disposal or abandonment occurred, and that the sums received do not exceed the amount necessary to repair or replace the vehicle that was subject to the loss, conversion, disposal or abandonment.

F. No deductions shall be allowed from gross receipts for the payment of franchise fees or taxes levied on the off-airport rental car company's activities, facilities, equipment or real or personal property of the off-airport rental car company.

G. Each off-airport rental car company acknowledges that its payments to the City under this article are for the company use of the airport, and that those payments do not reflect a fee that is imposed by the City upon customers renting cars from the company. Each off-airport rental car company understands that the City does not support the practice of transferring the company obligation for payment of the fees due under this article to its customers. Except as provided under Section 4-79, each off-airport rental car company is prohibited from stating or implying, in writing or orally, that the City or airport imposes or approves of any direct charge to its customers, including any surcharge that the company passes on to its customers to recoup airport use fees. Each off-airport rental car company is prohibited from misrepresenting to the public its prices or the terms and provisions of its rental agreement or those of its competitors, either orally or in writing. If an off-airport rental car company separately states and imposes a fee recoupment charge, recovery fee, or surcharge on its customers, that charge shall be immediately adjacent to time and mileage charges on the customer's invoice and shall not be described as a tax.

H. Each off-airport rental car company shall report all income, both cash and credit, in its monthly gross receipts statement to the City.

I. All off-airport rental car companies shall keep true and accurate account records, books and data which shall, among other things, show all sales made and services performed for cash or credit or otherwise, without regard to whether paid or not, and also the gross sales of said business and the aggregate amount of all sales and services and orders, and of all of the off-airport rental car company's business conducted from the airport.

J. The City and its agents shall have the right, at all reasonable times and during all business hours, to inspect and examine such records, cash registers, books and other data as required to confirm the gross receipts as defined above.

K. Within 90 days after the end of each calendar year, the off-airport rental car company, at its sole expense, shall submit to the City a certified annual statement of gross receipts, prepared by an independent certified public accountant in accordance with the statement on auditing standards issued by the Standards Board of The American Institute of Certified Public Accountants ("AICPA Standards"), as the same may from time to time be amended or superseded:

Annual Gross Receipts	Annual Audit Statement
\$0.00—\$999,999.00	File a written audit statement based on a review which indicates that nothing in the

	inquiries or analytical testing has caused the reviewer to determine that the off-airport rental car company's payment of the concession privilege fee was inaccurate.
\$1,000,000.00—Up	File a written audit statement based upon an examination which contains an opinion that the concession privilege fees paid by the off-airport rental car company for the calendar year were made in accordance with the terms of this article. If the off-airport rental car company delivers a qualified opinion, an adverse opinion or a disclaimer of opinion as defined by the AICPA Standards, this shall constitute a failure to comply with the annual statement requirement.

L. In the event of an overpayment or underpayment by the off-airport rental car company, an amount equal to such payment shall be promptly paid by, or credited to, the off-airport rental car company. If, through an audited statement, it is established that the off-airport rental car company overpaid the City, reimbursement will be conditioned upon the off-airport rental car company providing reasonable justifications for the overpayment that are satisfactory to the City.

M. Off-airport rental car company vehicle fees shall be paid in accordance with the following schedule:

1. All fees assessed pursuant to this section shall be paid on a monthly basis on or before the twentieth day of the month next succeeding the month in which the fee accrues, and payment shall be made with forms prescribed by the Aviation Director for reporting, computing and remitting said fees.
2. Fees shall be deemed delinquent and assessed a delinquent account fee in accordance with Section 4-7.

N. Taxicab fees shall be assessed and collected in accordance with the current service contracts between each contracted taxicab owner and the City.

O. The Aviation Director may, in the Aviation Director's sole discretion, waive any or all of the fees assessed by this section at Phoenix Goodyear Airport or Phoenix Deer Valley Airport when the Aviation Director determines that it is not cost-effective to assess and collect such fees.

P. Failure to comply with the terms of this article or pay the fees as required may result in a nonrenewal of the commercial ground transportation permit as provided in Section 4-68, or a suspension or revocation of the permittee's permit as provided in Section 4-75.

SECTION 7. This Ordinance is effective February 1, 2020.

SECTION 8. All other provisions of Chapter 4, Article IV, of the Phoenix City Code, not specifically amended hereby, or renumbered as necessary, will remain in full force and effect.

PASSED by the Council of the City of Phoenix this 18th day of December 2019.

\_\_\_\_\_

MAYOR

ATTEST:

\_\_\_\_\_ City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_ Acting City Attorney

REVIEWED BY:

\_\_\_\_\_ City Manager

JEM:jr: LF 19-3067: 12/18/19: 2154905