MEMORANDUM

TO: Honorable Detroit City Council
FROM: Ericka Savage Whitley
       Assistant Corporation Counsel
       City of Detroit Law Department
DATE: August 14, 2019
RE: Taxicab Surveillance Cameras

BACKGROUND

Your Honorable Body, through Council Member Scott Benson, has requested a memorandum on the feasibility of adopting an ordinance that requires surveillance cameras to be installed in all vehicles for hire, as a stipulation for receiving a license to operate in the City of Detroit. The memorandum was requested in response to various concerns related to violent and deadly situations involving taxicab drivers. We are now responding to your request.

SHORT ANSWER

The Limousine, Taxicab, and Transportation Network Company Act (Public Act 345 of 2019) expressly prohibits the City of Detroit from adopting an ordinance that requires a license from a limousine carrier, taxicab carrier, or transportation network company (e.g., Lyft, Uber). Additionally, the City may not enact or enforce an ordinance regulating a limousine carrier, taxicab carrier, limousine driver, taxicab driver, or transportation network company.

LAW & ANALYSIS

The Limousine, Taxicab, and Transportation Network Company Act¹ (“LTTNC Act”) provides for the regulation of taxicabs, certain limousines and transportation network companies (“TNCs”) such as Uber and Lyft. Specifically, MCL 257.2115 regulates local units of government and states in relevant part:

A local unit of government shall not impose a tax or fee upon or require a license for a limousine carrier, taxicab carrier, or transportation network company, a limousine driver, taxicab driver, or transportation network company driver, or a limousine,

¹ MCL 257.2101 et seq.
taxicab, or personal vehicle, if the tax, fee, or license is related to the provision of limousine service, taxicab service, or transportation network company prearranged rides.\(^2\)

_A local unit of government shall not enact or enforce an ordinance regulating a limousine carrier, taxicab carrier, limousine driver, taxicab driver, or transportation network company._\(^3\)

A local unit of government may issue a civil infraction to a limousine, taxicab, or transportation network company driver.\(^4\) (Emphasis added.)

The LTTCN Act has limited the City’s jurisdiction to issuing civil infractions to taxicab, limousine and TNC drivers for any the following reasons:

1) Improper signage or emblem;\(^5\)
2) Failure of a TNC driver to provide proof of insurance;\(^6\)
3) A TNC driver accepting a request for transportation outside of the TNC network;\(^7\) and
4) Failure to comply with nondiscrimination laws applicable to passengers and service animals.\(^8\)

Otherwise, the LTTCN Act does not allow local regulation of carriers or drivers. The Act also does not include cameras in the vehicle safety requirements for limousines, taxicabs or TNCs. For your reference, attached are the LTTCN statutes related to registration requirements for limousine, taxicab, and TNC carriers, as well as the required vehicle safety components.\(^9\)

**CONCLUSION**

The LTTCN Act expressly prohibits the City from regulating taxicab carriers and drivers, including taxes, fees, and licenses. Therefore, an ordinance requiring surveillance cameras to be installed in all vehicles for hire, as a stipulation for receiving a license to operate in the City of Detroit, would not be feasible under current Michigan law.

Attachments

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\(^2\) MCL 257.2115(1).
\(^3\) Id.
\(^4\) Id.
\(^5\) Id. See also MCL 257.2111.
\(^6\) Id. See also MCL 257.2123(8).
\(^7\) Id. See also MCL 257.2141.
\(^8\) Id. See also MCL 257.2145.
\(^9\) See MCL 257.2104 and MCL 257.2109.
257.2115 Imposition of tax, fee, or license by local unit of government; validity of existing article of incorporation; applicability of subsection.

Sec. 15. (1) A local unit of government shall not impose a tax or fee upon or require a license for a limousine carrier, taxicab carrier, or transportation network company, a limousine driver, taxicab driver, or transportation network company driver, or a limousine, taxicab, or personal vehicle, if the tax, fee, or license is related to the provision of limousine or taxicab service or transportation network company prearranged rides. Except as otherwise provided in this section, a local unit of government shall not enact or enforce an ordinance regulating a limousine carrier, taxicab carrier, limousine driver, taxicab driver, or transportation network company. A local unit of government may issue a civil infraction to a limousine, taxicab, or transportation network company driver for a violation of section 11, 23(8), 41, or 45.

(2) Notwithstanding any other provision of this act, an article of incorporation in existence upon passage of this act covering a transportation network company, limousine carrier, or taxicab carrier by an authority created to regulate limousines, taxicabs, or transportation network companies under the municipal partnership act, 2011 PA 258, MCL 124.111 to 124.123, or the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479, shall remain valid. This subsection does not apply after 4 years after the effective date of this act.

257.2104 Limousine carrier, taxicab carrier, or transportation network company; registration required; fees; application; expiration; renewal; records; audit; public record; exception; application as void; cessation of fees.

Sec. 4. (1) A limousine carrier, taxicab carrier, or transportation network company shall not operate in this state without first having registered with the department under this act.

(2) An application for registration shall be made on a form provided by the department and accompanied by a fee of $25.00 if the applicant registers 10 or fewer vehicles under this section, a fee of $50.00 if the applicant registers between 11 and 25 vehicles under this section, and a $100.00 application fee if the applicant registers more than 25 vehicles under this section.

(3) The department shall issue a registration to an applicant that meets the requirements of this act and pays the application fee described in subsection (2) and an annual registration fee of $100.00 for the first vehicle registered under this act and $50.00 per vehicle for the second through ninth vehicles registered under this act. If the applicant registers more than 9 vehicles under this act, the applicant shall pay a registration fee according to the following schedule:

- 10 vehicles .................. $ 550.00
- 11 to 25 vehicles ............ $ 1,000.00
- 26 to 100 vehicles .......... $ 2,500.00
- 101 to 500 vehicles .. $ 5,000.00
- 501 to 1,000 vehicles .... $ 10,000.00
- More than 1,000 vehicles .. $ 30,000.00

The department shall expend money received from registration fees under this subsection to defray the costs of enforcing and administering this act.

(4) Fees collected by the department under this act shall be retained by the department to enforce and administer this act, and shall not lapse to the general fund.

(5) To obtain a registration under this act, a limousine carrier, taxicab carrier, or transportation network company shall submit an application, on a form developed by the department, to the department that includes all of the following information:

(a) Proof that the applicant has satisfied the insurance requirements of this act.

(b) Whether the applicant is an individual, a sole proprietorship, a partnership, a corporation, a limited liability company, or other type of business entity. An applicant that is a sole proprietorship or a general partnership shall be registered at the county level and shall provide to the department a copy of its certificate of conducting business under an assumed name or certificate of co-partnership. If the applicant is a business entity, the applicant shall be a Michigan entity in good standing or a foreign entity that has a certificate of authority and is authorized to do business in this state, and shall provide to the department its full legal name, a copy of its articles of incorporation, articles of organization, or certificate of authority, and its federal employer identification number.

(c) The name, telephone number, mailing address, and electronic mail address of a designated contact person for the applicant.

(d) The number of vehicles the applicant operates, according to the following schedule:

(i) Zero to 10.
(ii) 11 to 25.
(iii) 26 to 100.
(iv) 101 to 500.
(v) 501 to 1,000.
(vi) More than 1,000.

(e) If applicable, proof that the applicant has satisfied any penalties or conditions imposed by disciplinary action in this state.

(6) A registration granted under this section expires on August 31 of each year. The department shall renew a registration granted under this section upon payment of the annual registration fee provided for in subsection (1) and receipt of a completed renewal form provided by the department. The department may request any additional information it deems necessary for the administration of this act at the time of renewal.

(7) The department may audit the records of a registrant under this act, including, but not limited to, conducting a random sample of the registrant's records related to drivers, subject to all of the following:

(a) The audit described in this subsection may be conducted no more than 2 times per year.

(b) The audit may take place at a third-party location agreed upon by the department and the registrant.
(8) Subject to subsection (9), records obtained by the department or filed under this act, including a record contained in or filed with an application or report, are public records and shall be made available for public examination.

(9) All of the following records are not public record and shall not be made available for public examination as provided in subsection (8):
   (a) A record obtained by the department in connection with an audit required under subsection (7).
   (b) Part of a report prepared in connection with an audit under subsection (7) that contains trade secrets or confidential information, if the registrant has asserted a claim of confidentiality or privilege that is authorized by law.
   (c) A record that is not required to be provided to the department or filed under this act and is provided to the department only on the condition that the record will not be subject to public examination or disclosure.

(10) Unless otherwise provided by this act or rules promulgated under this act, an applicant for registration under this act shall complete all requirements for registration within 1 year after receipt of the registration application by the department or mailing of a notice of an incomplete registration to the last known address on file with the department, whichever is later. If the applicant does not complete the requirements of this act within the time period provided in this subsection, any fees paid by the applicant are forfeited to the department and the application for registration is void. An applicant whose application is void under this subsection and who wishes to register under this act shall submit a new application and fees and shall meet the standards in effect on the date of receipt by the department of the new application for registration.

(11) Beginning 3 years after the effective date of this act, the department shall cease to impose the fees provided for in this section.

257.2109 Vehicle safety inspection.

Sec. 9. (1) A limousine carrier or taxicab carrier shall not operate a limousine or taxicab, and a transportation network company shall not allow a transportation network company driver to accept trip requests through that transportation network company's digital network, unless the limousine, taxicab, or personal vehicle has undergone a safety inspection conducted annually by a mechanic licensed by this state before being used to provide transportation services. Each limousine carrier and taxicab carrier shall maintain, and each transportation network company driver shall provide to the transportation network company, documentation of the inspection required by this section showing that all of the following vehicle components were inspected:

(a) Foot brakes.
(b) Parking brakes.
(c) Steering mechanism.
(d) Windshield.
(e) Rear window and other glass.
(f) Windshield wipers.
(g) Headlights.
(h) Taillights.
(i) Brake lights.
(j) Front seat adjustment mechanism.
(k) Doors.
(l) Turn signal lights.
(m) Horn.
(n) Speedometer.
(o) Bumpers.
(p) Muffler and exhaust system.
(q) Tires, including tread depth.
(r) Interior and exterior mirrors.
(s) Safety belts.
(t) Defrosting system.

(2) The vehicle inspections described in this section are subject to audit by the department at any time.

(3) The vehicle inspections described in this section only apply to vehicles that are 5 years old or older.