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### Wheelin' 'Round Town: Pedicabs Are Here To Stay: A Report on the City of Chicago's Proposed Pedicab Ordinance (2013)

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# WHEELIN' 'ROUND TOWN: PEDICABS ARE HERE TO STAY

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## TABLE OF CONTENTS

<b>Introduction</b>	3
<b>Part I. History of Pedicabs</b>	4
<b>Part II. Pedicab Regulations</b>	5
A. Limit on the Number of Licenses and Decals	5
B. Geographical Restrictions	9
C. Passenger Restrictions	12
D. Disqualification to Obtain a License or Operator's Permit	13
E. Physician Certification	16
F. Fare Schedules	18
G. Advertising	20
H. Workers' Compensation Insurance	21
I. Liability Insurance	22
J. Minimum Standard of Knowledge	22
<b>Part III. Conclusion</b>	23

## Introduction

A ride in a pedicab through a city like Chicago can be an adventure that offers an alternative for tourists and people out for a night on the town who would otherwise use buses, taxis, trains, and cars. Pedicabs however present a challenge for municipalities, which must craft regulations that protect consumers and address public safety concerns, yet allow a young industry to grow. Each city contemplating this task faces its own challenges. Pedicabs are, after all, a mode of transportation, and one that is environmentally friendly and deserving of a balanced and thoughtful approach.<sup>1</sup>

Pedicabs are a human way of getting around and offer a guidance service that enhances any vibrant city experience. They provide operators with economic opportunity, exercise, and the ability to work outside; and they offer entrepreneurs the chance to develop a small business. Those with a little charm, hustle, and grasp on city folklore have a shot at success in a growing and competitive industry.

Due in part to low startup costs, pedicabs across the United States are increasingly popular. Integrating Chicago's growing pedicab fleet with the City's existing modes of transportation should benefit hotels, restaurants, theaters, and concert venues. Over the past few years, pedicabs have proliferated without regulatory controls in Chicago's streets. An earlier proposal for an ordinance was not adopted, due in part to objections from pedicab owners afraid that overly restrictive regulations might put them out of business. Chicago announced the current iteration of its proposed ordinance in July 2013, attached as Appendix 2.<sup>2</sup>

Since many American municipalities already regulate pedicabs, examples exist for comparison with Chicago's proposal. Thus the goal of this paper is to inform the City, pedicab owners, and the public of approaches taken elsewhere and of their similarity or otherwise with Chicago's. We review provisions that address: (a) limits on the number of licenses and decals; (b) geographical restrictions; (c) passenger restrictions; (d) disqualification to obtain a license or operator's permit; (e) physician certification; (f) fare schedules; (g) advertising; (h) workers' compensation insurance; (i) liability insurance; and (j) minimum standard of knowledge.



Pedicabs are a human way of getting around and offer a guidance service that enhances any **vibrant city** experience.

<sup>1</sup>Appendix 1, Chart of Pedicab Ordinances for Selected Cities.

<sup>2</sup>Appendix 2, Chicago's Proposed Ordinance, Title 9 of the Municipal Code of Chicago, amended by adding new Chapter 9-110 (2013).

Synonymous with “pedicab” is the term “rickshaw,” a shortened form of the Japanese word **jinrikisha**, which means “human-powered vehicle” and refers to the familiar hand-drawn two-wheeled cart.



- 1869**  
Jonathan Scobie, American missionary in Japan designs the first rickshaw
- 1880**  
40,000 rickshaws in use in Tokyo streets
- 20th century**  
Rickshaws evolve into pedicabs incorporating bicycle features attached to pole shafts
- 1962**  
Pedicabs first used in the U.S. at Seattle’s 1962 World’s Fair
- 1994**  
Pedicabs introduced in New York City
- Present Day-New York City**  
More than 700 Pedicabs registered and operating in New York City
- Present Day-Chicago**  
Operates outside Wrigley Field, Millennium Park and tourist destinations

### Part I. History of Pedicabs

Synonymous with “pedicab” is the term “rickshaw,” a shortened form of the Japanese word jinrikisha, which means “human-powered vehicle” and refers to the familiar hand-drawn two-wheeled cart.<sup>3</sup> There are conflicting stories about who gets credited for the invention of the pedicab—the most accepted is that of Jonathan Scobie, an American missionary in Japan who designed the first pedicab in 1869 to transport his invalid wife. There seems no question that Japan was the first country to use this human-powered mode extensively for transportation. By 1880, Tokyo boasted an estimated 40,000 rickshaws in use on its city streets.<sup>4</sup> Other Asian countries soon followed, and the rickshaw emerged as a means of employment for many rural peasants migrating to the cities. Historically, drivers rented rickshaws and barely earned a living from the fares they earned, often working 18-hour shifts and sleeping in their vehicles.<sup>5</sup>

With the introduction of the automobile in the 20th century, traditional human-powered rickshaws evolved into what we now know as pedicabs, incorporating bicycle features attached to the pole shafts. In the United States, pedicabs were first used commercially in Seattle at the 1962 World’s Fair.<sup>6</sup> In 1994, working with volunteers from Time’s Up! and space donated by Light Wheels, pedicabs were introduced in New York City.<sup>7</sup>

At first, New Yorkers took little notice. But, currently, there are more than 700 pedicabs registered and operating there.<sup>8</sup> Pedicabs also operate in many cities across the United States. In Chicago, they are outside Wrigley Field after a Chicago Cubs game, waiting for customers after a Millennium Park concert, and standing outside tourist destinations.

Modern-day pedicabs vary in design, appearance, and style, often reflecting the local culture. Most use bicycle pedals and are primarily three-wheeled, while some versions are assisted by small motors. Pedicabs can either be open-air, canopied, or in some instances, enclosed. Local influence is most notable in pedicab’s decoration: some are colorful, others adorned with handiwork of local artists, while still others are covered with paid advertisements.

<sup>3</sup>Chamberlain, Basil Hall (1891). Things Japanese: being notes on various subjects connected with Japan for use of travelers and others. K. Paul, Trench, Trubner & Co., Ltd., pp. 241–242.  
<sup>4</sup>Margaret Simpson, “Japanese Rickshaw,” *Object Of The Week*, November 19, 2012.  
<sup>5</sup>*Id.*  
<sup>6</sup>Jim Skinner Photograph Collection, Record Series 9974-01, Item 77828, Seattle Municipal Archives, available at: <http://www.flickr.com/photos/seattlemunicipalarchives/6220320737/>  
<sup>7</sup>Time’s Up, A New York City Direct Action Environmental Organization, [www.times-up.org/campaign/auto-free/pedicabs](http://www.times-up.org/campaign/auto-free/pedicabs).  
<sup>8</sup>Jennifer Peltz, “NYC Pedicab Rate Regulation: Bloomberg Signs Law Restricting Fares With New Rules,” *Huffington Post*, December 14, 2012, available at: [http://huffingtonpost.com/2012/12/14/nyc-pedicab-rate-regulation-bloomberg\\_n\\_2300543.html](http://huffingtonpost.com/2012/12/14/nyc-pedicab-rate-regulation-bloomberg_n_2300543.html).

### Part II. Pedicab Regulations

As pedicabs multiplied across the country, municipalities recognized an emerging industry that required ordinances to govern it. Most address commonsense concerns of public safety and consumer protection, but some provisions warrant closer examination.

We focus, therefore, on those we think essential to a balanced regulation of a significant new means of public transportation in our city. Pedicabs have become not just a permanent fixture in Chicago’s transportation scheme, but one consistent with the goals of the City’s Climate Action Plan.<sup>9</sup>

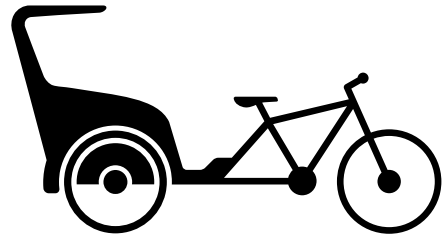
When New York, San Francisco, Honolulu, and New Orleans adopted pedicab ordinances, each decided to control the number of pedicabs authorized to operate by limiting the issuance of licenses and decals.<sup>10</sup> This reflected each municipality’s spectrum of concerns over public safety, traffic congestion, and the need for a period of adjustment by the public. Restricting the number of pedicab licenses or decals in any one owner’s hands further reflected the desire to foster competition in a growing industry.

#### A. Limits on the Number of Licenses and Decals

	New York City	Honolulu	New Orleans	Chicago’s Proposed Ordinance
Limit on number of licenses issued		X	X	
Limit on number of decals per licensee	X		X	X
Limit on number of decals issued	X	X	X	X
Authority to Increase Number of Decals	X	X	X	X
Pilot Period			X	

<sup>9</sup>Chicago Climate Action Plan, 2008, available at: <http://www.chicagoclimataction.org/filebin/pdf/finalreport/Ccapreportfinalv2.pdf>  
<sup>10</sup>We mention that licenses are issued to pedicab owners and decals are issued to pedicabs. The nomenclature differs in some cities. For example, in New Orleans, a “certificate of public convenience” is equivalent to a license. New Orleans Municipal Code §162-1656. In New York, the term “registration plate” is synonymous with the word “decal”. New York Admin Code §20-249(j).





## Part II. Pedicab Regulations (Cont'd)

### 1. New Orleans

New Orleans chose to establish a “pilot period”, not to exceed 24 months, during which the number of pedicabs allowed to operate was limited to forty-five (45). This phase was to “facilitate the public adaptation to the presence of pedicabs.”<sup>11</sup> Following that, the director of the ground transportation bureau was given discretion to “grow the industry to the maximum companies permissible or maintain the amount of companies at the pilot program levels.”<sup>12</sup>

To enhance competition, New Orleans’ ordinance prohibits: (a) an individual from having an ownership interest in more than one pedicab company; and (b) an owner or company from operating more than fifteen (15) pedicabs and from holding more than half the total of pedicab “certificates of public necessity and convenience.”<sup>13</sup>

### 2. New York City

Initially, New York City restricted pedicabs by issuing no more than three hundred twenty five (325) registration plates.<sup>14</sup> Currently, the maximum number of registration plates has risen to eight hundred fifty (850).<sup>15</sup> The New York ordinance addressed competition by limiting the issuance of registration plates to thirty (30) for any pedicab business, and a business was deemed to exceed that number if:

- (a) an owner has a direct or indirect beneficial interest in one or more pedicab business and the businesses together have more than thirty registration plates.
- (b) a family member of an owner of such business has a direct or indirect beneficial interest in one or more other pedicab businesses and the businesses together have more than thirty registration plates.
- (c) a person who has a direct or indirect beneficial interest in such pedicab business has a direct or indirect beneficial interest in one or more other pedicab businesses, and these businesses together have more than thirty registration plates.
- (d) a family member of a person having a direct or indirect beneficial interest in such pedicab business also has a direct or indirect beneficial interest in one or more other pedicab businesses and the businesses together have more than thirty registration plates.<sup>16</sup>

### 3. Honolulu

Honolulu has adopted an elastic approach to regulating the number of pedicabs. Its ordinance requires the city council to establish a limit on the number of pedicabs based on a finding of public convenience and necessity. This is predicated on the recommendation of the director of transportation services<sup>17</sup> who must annually submit a study to the city council focusing on, but not limited to, the following criteria:

- (a) The effect on the consumer;
- (b) The number of pedicabs for hire already in operation;
- (c) Whether existing transportation is adequate to meet the public needs;
- (d) The probable effect on traffic conditions of pedicabs for hire, especially in Waikiki resort areas;
- (e) The effect on revenues of existing taxi business license-holders;
- (f) The effect on the wages or compensation and working conditions of existing pedicab licensees;
- (g) Public convenience and necessity; and
- (h) Any other facts which the director deems relevant.<sup>18</sup>

### 4. Chicago

Chicago’s proposed ordinance sets the maximum number of pedicabs decals at 200, with no licensee being issued more than 20% of the total number.<sup>19</sup> The ordinance grants the commissioner of business affairs and consumer protection discretion to: (a) increase the total number of pedicab decals to be issued; and (b) determine the percentage of decals that may be issued to a licensee.<sup>20</sup>

In making such a determination, the commissioner must consider the impact additional pedicabs may have on the “safe and efficient flow of traffic in the city” and “consult with the superintendent of police and the commissioner of transportation...before raising the number of pedicab license decals issued.”<sup>21</sup> A lottery or other neutral process will be used to allocate decals if the commissioner determines there are more qualified applicants than decals available.<sup>22</sup>

Chicago’s proposed ordinance sets the maximum number of **pedicabs decals at 200**, with no licensee being issued more than 20% of the total number.



<sup>11</sup>New Orleans Municipal Code §162-1657.

<sup>12</sup>*Id.*

<sup>13</sup>New Orleans Municipal Code §162-1656.

<sup>14</sup>New York Admin Code §20-251. This initial limitation was repealed by amendment to the New York Administrative Code.

<sup>15</sup>New York Admin Code §20-251.

<sup>16</sup>*Id.*

<sup>17</sup>Honolulu Municipal Code §12-5.11.

<sup>18</sup>Honolulu Municipal Code §12-5.11(a).

<sup>19</sup>Chicago’s Proposed Pedicab Ordinance §9-110-090(d) (2013).

<sup>20</sup>*Id.*

<sup>21</sup>*Id.*

<sup>22</sup>*Id.*

The **City of Chicago** should consider an approach to increase competition by limiting or prohibiting owners from holding multiple licenses and from controlling more decals than allowed.

### Part II. Pedicab Regulations Chicago (Cont'd)



To limit the ability of an individual or company to control more than a specified number and percentage of City licenses and decals, the City should consider the approaches adopted by the cities of New Orleans (pilot period and limit on licenses and decals) and New York (limit on registration plates). Doing so should increase competition by limiting or prohibiting owners from holding multiple licenses and from decals than allowed.

Establishing a priority for applicants that provide proof of ownership and operation of pedicabs in Chicago prior to the date the ordinance is enacted or an earlier specified date recognizes the legitimacy of those businesses and their investment.<sup>23</sup>

The discretion given to the commissioner to vary the percentage of decals that may be “issued to a licensee” is too broad. Such a provision grants too much discretion to the commissioner. A more transparent, even-handed approach is through an amendment to the ordinance.

Pedicabs are now operating without regulatory controls. It would, therefore, be useful if the ordinance either provided a grace period or a delayed effective date so that pedicab owners can apply for licenses and operators for operator’s permits.

### B. Geographical Restrictions

	New York City	San Francisco	Fort Worth	New Orleans	Chicago’s Proposed Ordinance
Route Limitation	X	X	X		
Time Limitation			X		
Speed Limit				X	
Area Restriction			X	X	Deferred
Exception for Exigent Circumstances	X				
Exception for Exceptional Circumstances	X				

To address typical traffic congestion, safety concerns, and any special events (anticipated or otherwise), ordinances designate areas, routes, and time periods within which pedicabs can operate, and make exceptions for exigent and exceptional circumstances.

#### 1. New York City

New York’s ordinance addresses the issue of geographical restrictions in three ways.

- (a) Pedicabs are prohibited from operating on any bridge, in any tunnel, and within any bicycle lane or pedestrian plaza.<sup>24</sup>
- (b) Police officers or other authorized officers or employees of any city agency have discretion to direct a pedicab operator to move a pedicab from any street, avenue, or other location during exigent circumstances. Exigent circumstances are defined as including, but not limited to: unusually heavy pedestrian or vehicular traffic; existence of any obstructions in a public space; an accident, fire, or other emergency; parade, demonstration, or other event at or near such location.<sup>25</sup>
- (c) In exceptional circumstances the police commissioner in consultation with the commissioners of the departments of consumer affairs and transportation can restrict or prohibit a pedicab from operating on any street, avenue, or other location for a specified period of time.<sup>26</sup> Such periods cannot exceed fourteen (14) days except from November 12 to January 7 of the following year in and around the area of Manhattan within specified boundaries.<sup>27</sup>

The difference between restrictions based upon ‘exigent’ circumstance and those that are ‘exceptional’ is that the former allows officers to react to emergent conditions, whereas the latter requires a deliberative process to establish that exceptional circumstances exist.

<sup>23</sup>Rob Tipton, owner of Chicago Rickshaw and Mr. Rickshaw in New York City related that when New York accepted applications for the initial three hundred twenty-five (325) registration plates, speculators who did not previously own and operate pedicabs in New York City applied.

<sup>24</sup>New York Admin Code §20-259(b)(3).

<sup>25</sup>New York Admin Code §20-259(e).

<sup>26</sup>New York Admin Code §20-259(f).

<sup>27</sup>*Id.*



## 2. San Francisco

San Francisco delegates authority to the chief of police to allow the “route and/or routes or area” over which pedicabs may operate. Pedicab owners and lessees must submit the route(s) or area to the chief of police who must accept them unless, by exercising “sound and reasonable discretion” in consultation with the department of public works, the chief of police determines that the public interest and safety requires otherwise.<sup>28</sup>

## 3. Fort Worth

Fort Worth’s ordinance allows pedicabs to operate only in designated areas during specific periods of time. The ordinance defines the “Downtown Designated Area and Stockyard Designated Area” for use by pedicabs.<sup>29</sup> Pedicab operators desiring to provide pedicab service in other areas or times can request a “street use permit.”<sup>30</sup>

## 4. New Orleans

The New Orleans ordinance restricts the geographical operation of pedicabs in three ways:

- (a) Pedicabs can operate only within the boundaries of Orleans Parish and operators are prohibited from accepting a fare, or transporting a passenger, going to or coming from a parish outside of Orleans Parish (inter-parish operation is prohibited).<sup>31</sup>
- (b) Pedicabs cannot operate on any roads with a posted speed limit exceeding thirty-five (35) miles per hour unless, irrespective of the posted speed limit, such road has a clearly marked bicycle lane or corridor.<sup>32</sup>
- (c) The ordinance prohibits the grant to any pedicab company the exclusive right to operate in any “favored territory or zone” of the Parish of Orleans.<sup>33</sup>

**Chicago’s proposed ordinance** does not contain any specific area, route, time, or other geographic restriction for the operation of pedicabs.

## 5. Chicago

Chicago’s proposed ordinance does not contain any specific area, route, time, or other geographic restriction for the operation of pedicabs. Instead, it authorizes the Chicago City Council to “from time to time define areas, in the interest of preserving public health and safety or avoiding traffic congestion, in which no pedicabs shall be operated.”<sup>34</sup>

In 2011, an earlier version of the proposed ordinance deferred the question of route restrictions by delegating authority to the commissioner of business and consumer protection to promulgate rules and regulations restricting the operation of pedicabs. However, that version did delineate a geographic area where pedicabs are prohibited, subject to the commissioner conducting a pilot program to assess the impact of pedicabs operating within the designated restricted area.<sup>35</sup>

Under the proposed ordinance, pedicab owners, operators, and the public have a justified concern over the total lack of specificity about where pedicabs may or may not be able to operate that the ordinance should address. Underlying tension about pedicab’s effect on traffic congestion and safety warrants a discussion now about when and where pedicabs fit into Chicago’s traffic patterns. A decision on area, route, and time restrictions, if any, should be reflected in the ordinance rather than deferred again.



<sup>28</sup>San Francisco Municipal Code §3906(a).

<sup>29</sup>Fort Worth Municipal Code §34-332.

<sup>30</sup>Fort Worth Municipal Code §34-333.

<sup>31</sup>New Orleans Municipal Code §162-1637.

<sup>32</sup>New Orleans Municipal Code §162-1647.

<sup>33</sup>New Orleans Municipal Code §162-1656.

<sup>34</sup>Chicago’s Proposed Ordinance §9-110-190 (2013).

<sup>35</sup>Chicago’s Proposed Pedicab Ordinance §4-428-120(b)(4),(5) (2011).



**C. Passenger Restrictions**

	Honolulu; New York City; San Antonio; San Francisco	Newport; Fort Worth	Grand Rapids; San Diego	Phoenix; New Orleans	Chicago Proposed Ordinance
Cap on Number of Passengers	X				X
Cap Related to Seating Capacity		X	X	X	
Cap Related to Number of Seatbelts			X		X
Exceptions for Young Passengers				X	

With passenger safety in mind, restrictions on the number of passengers a pedicab can transport is a common feature of pedicab ordinances. Restrictions are based on seating capacity, seatbelts, and/or number of passengers, with exceptions based on age.<sup>36</sup>

**1. Seating Capacity and Seatbelts**

Newport, Rhode Island, Phoenix, New Orleans, Grand Rapids, and San Diego prohibit pedicabs from carrying more people than the number of seats available.<sup>37</sup> Fort Worth limits seating capacity to “no more passengers than the designated seating allows.”<sup>38</sup> Grand Rapids’ ordinance requires passengers to be “seated in a seat<sup>39</sup> designed for that purpose and using the seatbelt provided for in that seat,” while the San Diego ordinance requires passengers to be “restrained by seatbelts.”<sup>40</sup>

**2. Number of Passengers**

Passenger limitations simply restrict the number of passengers that can ride in a pedicab at one time. Honolulu<sup>41</sup> prohibits more than two passengers to be carried at one time, while San Francisco<sup>42</sup> and New York<sup>43</sup> limit the number of passengers to three, and the San Antonio<sup>44</sup> limit is four, but requires that all passengers “fit in the seating area.”<sup>45</sup> Additionally, Honolulu and San Francisco require each passenger to remain seated throughout the pedicab ride.<sup>46</sup>

<sup>36</sup>Infra notes 37–39, 41–44.

<sup>37</sup>Newport Municipal Code §5.97.230; San Diego Municipal Code §83.0124; New Orleans Municipal Code §162-1644; Grand Rapids Municipal Code §7.603(10); Phoenix Municipal Code §23-128(B).

<sup>38</sup>Fort Worth Municipal Code §§34-223(b), 203(a)(2). The ordinance requires pedicab owner to list the seating capacity when applying for a permit.

<sup>39</sup>Grand Rapids Municipal Code §7.603(10).

<sup>40</sup>San Diego Municipal Code §83.0125(g).

<sup>41</sup>Honolulu Municipal Code §12-5.8(c).

<sup>42</sup>San Francisco Municipal Code §3910.

<sup>43</sup>New York Admin Code §20-254.

<sup>44</sup>San Antonio Municipal Code §33-632.

<sup>45</sup>*Id.*

<sup>46</sup>Honolulu: Municipal Code §12-5.8; San Francisco Municipal Code §3910.

**3. Exceptions**

Though it is unlawful in Phoenix to transport more passengers than the number of seats available, the limit applies only to passengers over five years of age. That is, passengers under five are exempted.<sup>47</sup> New Orleans exempts passengers under age two from its seating capacity limitation, allowing adults to carry child passengers under two in their arms.<sup>48</sup>

**4. Chicago**

Chicago’s proposed ordinance requires pedicabs to be equipped with “a seatbelt or seatbelts for every passenger that secure the passengers in a safe manner to prevent personal injuries,” and limits the number of passengers to no more than four.<sup>49</sup> One seatbelt, extending from one side of the pedicab to the other, securing up to four passengers satisfies the requirements of the proposed ordinance. This is consistent with the Grand Rapids and San Diego ordinances. Main Street Pedicab in Denver, a manufacturer of 60–70% of the pedicabs used in the United States provides one seatbelt per pedicab that extends from one side to the other.<sup>50</sup>

Exempting young children under a specified age from the ordinance’s passenger restrictions acknowledges the uniqueness of pedicabs as a mode of transportation and its attractiveness to families with young children. Families of more than four riding a pedicab with young children would not need to be separated in order to comply with the ordinance. It also removes the potential for conflict between families with young children taking a pedicab ride, pedicab operators, and the police responsible for enforcing the law.

**D. Disqualification to Obtain a License or Operator’s Permit**

Mindful of the responsibility to protect the public, Chicago’s proposed ordinance contains a blanket disqualification for anyone applying for a pedicab license or operator’s permit if he or she has been convicted of a felony as defined by Article 2 of the Illinois Criminal Code of 1961, as amended, within five years immediately preceding the date of the application. Felony, as defined in the statute, “means an offense for which a sentence to death or to a term of imprisonment in a penitentiary for one year or more is provided.”<sup>51</sup> The proposed ordinance further disqualifies individuals on parole or under non-custodial supervision.<sup>52</sup>

Commenting on the devastating effect of being branded a “felon”, Michelle Alexander, author of *The New Jim Crow*, writes:



Chicago's proposed ordinance limits the number of **passengers** to no more than four.

<sup>47</sup>Phoenix Municipal Code §23-128.

<sup>48</sup>New Orleans Municipal Code §162-1644.

<sup>49</sup>Chicago’s Proposed Ordinance §9-110-090(b)(2)(v),150(b)(8) (2013).

<sup>50</sup>Steve Meyer, president of Main Street Pedicab, Denver, Colorado, interview, August 26, 2013. In arriving at the estimate of the percentage of pedicabs his company manufactures, Mr. Meyer excludes ordinary bicycles that tow trailers with passengers.

<sup>51</sup>720 ILCS 5/2-7.

<sup>52</sup>Chicago’s Proposed Ordinance §§9-110-040(c), 130(b)(6) (2013).

Blanket disqualification of persons branded as felons, whose convictions were for most non-violent offenses, is a punitive restriction and should not automatically ban someone from **obtaining a license** to own or permit to operate a pedicab.

*Once a person is labeled a felon, he or she is ushered into a parallel universe in which discrimination, stigma, and exclusion are perfectly legal, and privileges of citizenship such as voting and jury service are off limits. It does not matter whether you have actually spent time in prison; your second class-citizenship begins the moment you are branded a felon. Most people branded felons, in fact, are not sentenced to prison.*<sup>53</sup>

A felon's "permanent second-class status" follows him or her for life.<sup>54</sup> As Ms. Alexander notes: "In cities such as Chicago, criminal courts are clogged with low-level drug cases. In one study, 72% of criminal cases in Cook County (Chicago) had a drug charge, and 70% were charged as class 4 felony possession (the lowest-level felony charge)."<sup>55</sup> Most felony convictions result from non-violent felony crimes.<sup>56</sup>

Under the proposed ordinance, the disqualifications from obtaining an operator's permit are broader than to obtain a license. In addition to the conviction of a felony, convictions for any crime involving "moral turpitude", "illegal sale or possession of any controlled substance", "indecent solicitation of a child or any criminal sexual abuse or similar crime" or "operating a motor vehicle under the influence of alcohol or narcotic drugs" are all treated the same and automatically disqualify anyone from obtaining an operator's permit if a conviction was within five years immediately preceding the date of the application.<sup>57</sup>

We submit that the blanket disqualification of persons branded as felons, whose convictions were for most non-violent offenses is a punitive restriction, and should not automatically ban someone from obtaining a license to own or permit to operate a pedicab. Rather than rendering a whole class of persons ineligible, the Chicago community is better served by requirements specifically crafted to protect it. For example:

- San Diego may deny an operating permit if the operator "has been convicted of...any felony involving force or violence."<sup>58</sup>
- Fort Worth disqualifies persons under indictment or convicted of a list of fourteen (14) criminal offenses, including homicide, kidnapping, sexual offense, and burglary or theft or fraud ("but only if these latter

categories of offenses were committed against a person with whom the applicant came into contact while engaged in a passenger transportation service").<sup>59</sup>

- San Francisco requires that each applicant for an operator's permit state "whether the applicant has ever been convicted of a felony or misdemeanor and, if so, the details thereof."<sup>60</sup> The chief of San Francisco's police department "shall, without unnecessary delay, hear each owner/lessee application and grant the same unless the chief finds...that the owner/lessee has committed crimes or has been convicted of offenses that render the applicant unfit to own pedicabs."<sup>61</sup>
- Grand Rapids may deny an operating permit if there has been a conviction of any "felony involving force or violence; any misdemeanor or felony reckless driving or driving under the influence offense; or any crime reasonably related to the qualifications, functions, or duties of the passenger transport business or the ability of the operator to safely transport passengers; unless five (5) years has elapsed from the successful completion of the sentence for any such conviction"<sup>62</sup> or "the operator has been convicted of a crime that requires...registration as a sex offender."<sup>63</sup>

The City should consider approaches to determining the eligibility of individuals to hold licenses and operator's permits that promote rehabilitation. One such approach would be to allow those individuals who have been convicted of most non-violent offenses to be eligible to obtain licenses and operator's permits. Another approach would, under special circumstances, provide authority to grant a waiver to individuals convicted of offenses that would otherwise disqualify them from being able to obtain licenses and operator's permits. Of note is the fact that the City's ordinances regulating horse-drawn carriages and public chauffeurs only disqualify an applicant for a horse-drawn carriage or public chauffeurs driver license if he or she has been either convicted, in custody, under parole or any other noncustodial supervision with the last five years resulting from "any forcible felony", indecent liberties with a child, indecent solicitation of a child or operating a vehicle while under the influence of alcohol or drugs.<sup>64</sup> The qualifications for a pedicab license or operator's permit should not be more stringent.



<sup>53</sup>Michelle Alexander, Associate Professor at the Moritz College of Law at The Ohio State University, *The New Jim Crow*, p. 94, published by The New Press, 2012.

<sup>54</sup>*Id.* at 102.

<sup>55</sup>*Id.*

<sup>56</sup>U.S. Department of Justice, Bureau of Judicial Statistics, report on Felony Sentences in State Courts, 2006-Statistical Tables states that sentences for conviction of violent crimes account for only 18% of all felony convictions, December 2009, NCJ 226846. In the federal system, only 7.9% of federal prisoners were convicted of violent crimes, Heather West and Theodore Sobol, "Prisoners in 2009", Bureau of Justice Statistics, December 2010. See: Michelle Alexander, *supra* note 53, at 101.

<sup>57</sup>Chicago's Proposed Ordinance 9-110-130(b)(6) (2013).

<sup>58</sup>San Diego Municipal Code §83.0127. Under the San Diego code an operator's permit may also be denied if an operator has been convicted of: "assault"; "resisting arrest"; "misdemeanor or felony of reckless driving or driving under the influence offense"; or "any crime reasonably related to the qualifications, functions, or duties of the passenger transport business or the ability of the operator to safely transport passengers..."

<sup>59</sup>Fort Worth Municipal Code §34-215(f)(8)(a)(8). The Ft. Worth code contains other provisions, including that the applicant has not been convicted of three moving traffic violations arising out of separate occurrences, or in more than two automobile accidents in which it could be reasonably determined that the applicant was at fault, within any twelve month period during the preceding thirty-six months, §34-215(f)(7).

<sup>60</sup>San Francisco Municipal Code §3904.

<sup>61</sup>San Francisco Municipal Code §3906(a)1.

<sup>62</sup>Grand Rapids Municipal Code §7.609(1)(b).

<sup>63</sup>*Id.* at 7.609(1)(c).

<sup>64</sup>Chicago Municipal Code §9-108-150(b)6; §9-104-030(2)(f).



Chicago's proposed ordinance also requires that an applicant for an operator's permit must pass a test for the presence of illegal drugs.<sup>65</sup> Chicago's horse-drawn carriage ordinance does not require drug testing.<sup>66</sup> The proposed pedicab ordinance makes it unlawful to operate a pedicab "while under the influence of alcoholic beverages or controlled substances" other than medication<sup>67</sup> prescribed by a physician that does not contain a warning not to "operate machinery while taking the medication". Revocation of a permit to operate a pedicab for violating the prohibition against the use of intoxicants is an adequate penalty, and one generally consistent with Chicago's horse-drawn carriage ordinance.

### E. Physician Certification

As a condition to obtaining an operator's permit under Chicago's proposed ordinance, an applicant must be "certified by an Illinois-licensed physician that he has the capability to operate a pedicab."<sup>68</sup> One of the purposes of this provision must be to screen out individuals afflicted with unsuspected cardiovascular diseases and prevent sudden cardiovascular death. The goal is laudable, but the requirement is problematic for a number of reasons:<sup>69</sup>

- (a) For a physical examination meant only to certify applicants as "capable" of exerting the effort needed to tow a pedicab with passengers onboard, a doctor is unlikely to probe deeply enough to uncover cardiovascular, pulmonary, respiratory, or other problems;
- (b) Sophisticated tests, or even a lower cost exercise electrocardiogram, to detect cardiac abnormalities will not be done;
- (c) If the exam is an applicant's first encounter with a physician, the physician can do no more in a brief office visit than eye-ball the applicant for obvious warning signs;
- (d) Even if a doctor reads this provision, it is ambiguous and provides no guidance;
- (e) A doctor asked to make the certification the provision requires should be concerned about the extent of exposure to malpractice claims;
- (f) The provision's requirement is no more than asking a doctor to punch an applicant's ticket so he or she can pass "go." The exam has the potential to be a sham;

- (g) A screening exam is unlikely to uncover all but the most obvious symptoms;
- (h) The cost to some applicants may be prohibitive;
- (i) It would be simpler and less costly if an applicant is required to pass a physical test; and
- (j) The City's interest in requiring an examination for applicants who are not City employees is different from mandating that, for example, high school athletes pass a physical exam before being allowed to participate in school sponsored sports.

Systematic screening of all applicants for a pedicab operator's permit has the potential to identify some persons at risk and to reduce mortality, but studies of the effectiveness of pre-participation screening to identify athletes with life threatening abnormalities have engendered "significant debate among cardiologists in Europe and the U.S. about the efficacy, impact of false positive results, and cost effectiveness of routine pre-participation cardiovascular evaluation."<sup>70</sup>

### Other approaches to address an operator's physical condition include:

- (a) In Fort Worth, to qualify for a permit a person must "maintain physical and cognitive condition to exercise ordinary and reasonable control over a vehicle for hire or that is not likely to otherwise endanger public health or safety";<sup>71</sup>
- (b) New Orleans requires a "completed application determining whether the applicant...is physically qualified to drive a pedicab safely and the driver's hearing and eyesight are unimpaired";<sup>72</sup>
- (c) San Antonio places responsibility for an operator's fitness on the pedicab company: "Each holder operating a pedicab service in the city shall employ or contract, as drivers, only persons who are physically and mentally fit, and who have sufficient experience and training to operate a pedicab in a safe and proper manner";<sup>73</sup>
- (d) In San Francisco, the chief of police can deny an operator's permit if there is a determination "that the operator is not physically qualified to operate a pedicab safely or possesses defective eyesight or hearing".<sup>74</sup>

Physician's certification will not achieve the intended purpose of Chicago's proposed ordinance, and will cause applicants for an operator's permit needless expense.

Studies of pre-participation screening have engendered significant debate among cardiologists about the efficacy, impact of false positive results, and cost effectiveness of routine pre-participation cardiovascular evaluation.

<sup>65</sup>Chicago Proposed Ordinance §9-110-150(b)(5) (2013).

<sup>66</sup>Chicago Municipal Code, Chapter 9-108.

<sup>67</sup>*Id.* at §9-110-150(b)(2); See also, Chicago Municipal Code §9-112-380(6) that states as a grounds for license revocation if a licensee operates a taxicab while in the possession of, or under licensee's control, any illegal controlled substances, alcohol, drugs or deadly weapons; Chicago Municipal Code §9-108-220 of the horse-drawn carriage ordinance prohibits any person from drinking alcoholic liquor while such person is operating or being transported by horse-drawn carriage, and §9-108-160(b) that prohibits a horse-drawn carriage driver from possessing a deadly weapon while in charge of a carriage.

<sup>68</sup>Chicago's Proposed Ordinance §9-110-130(b)(3) (2013).

<sup>69</sup>Interview on August 28, 2013, with Jesse Russell Hall, MD, Professor of Medicine, Pritzker School of Medicine, Section Chief of Pulmonary and Critical Care Medicine at the University of Chicago.

<sup>70</sup>Risk of Sports: Do We Need a Pre-Participation Screening for Competitive and Leisure Athletes, Domenico Corrado, and others, *European Heart Journal* (2011).

<sup>71</sup>Fort Worth Municipal Code §34-215(g)(5).

<sup>72</sup>New Orleans Municipal Code §162-1666(c)(3).

<sup>73</sup>San Antonio Municipal Code §33-636(a).

<sup>74</sup>San Francisco Municipal Code §3906(c)3.

**F. Fare Schedules**

	Denver	New Orleans	New York City	San Francisco	Chicago's Proposed Ordinance
File fare schedule with city	X			X	
Fare rates set by ordinance		X			
Gratuity provision		X			
Fares must be posted		X	X	X	X

In the interaction between pedicab operators and the public, fare schedules matter greatly since they concern consumer protection. Ordinances requiring that fares be posted help to reassure the public of the basis on which they will be charged. Ordinances that set a maximum rate go further by providing a degree of certainty. Ordinances that allow pedicab owners to set their own fares, however, rely on competition, the marketplace, and informed consumers who think that fares are equitable.

**1. Denver**

Denver's ordinance simply requires operators to file a fee schedule with the director of transportation.<sup>75</sup>

**2. New Orleans**

Fares must be "posted and permanently affixed" to pedicabs in an area visible to passengers.<sup>76</sup> New Orleans' ordinance limits fares to no more than \$5.00 per passenger for the first six blocks of a ride, and an additional fare of up to \$1.00 per passenger per additional block. After a ride exceeds six blocks, and in the event that a portion equal to roughly one-half of one city block is traveled, an operator may charge an additional \$0.50.<sup>77</sup> This allows an operator and passenger to negotiate fares. If, for example, two passengers travel for six blocks, the maximum fare for that trip is \$10.00, but they can negotiate for a lesser fare.

The city's department of safety and permits is responsible for reviewing fare schedules every other year, and for submitting a report to the mayor and city council "in a national peer city comparative analysis format."<sup>78</sup>

**3. New York City**

New York City's ordinance does not specify or restrict rates, but requires fares to be calculated per minute per ride, the dollar amount for which must be posted conspicuously on both sides of the pedicab exterior. The ordinance makes it unlawful to charge a passenger more than the amount or rate posted. Operators must provide passengers with a receipt that includes the amount charged, the pedicab business license number, the telephone number where a customer can direct a complaint, the driver's pedicab license number, and the telephone number of the department where complaints can be reported.<sup>79</sup>

**4. San Francisco**

Pedicab owners are required to file fare schedules with the Board of Supervisors,<sup>80</sup> which may be adopted, modified or rejected.<sup>81</sup> Once approved, fare schedules must be permanently affixed on the outside of a pedicab in a visible location.<sup>82</sup>

**5. Chicago**

Chicago's proposed ordinance: (a) does not legislate the amount or rate that can be charged, but does require fare schedules to be posted and clearly visible; (b) prohibits operators from demanding a fare greater than the posted fare; and (c) allows operators to charge fares for special tours at an amount or rate other than the posted fare schedule. In the case of special tours, the passenger's and operator's agreement on the fare must be put in writing before the tour begins.<sup>83</sup>

The proposed ordinance allows the marketplace to determine the fare and protects the public by requiring that fare schedules be posted.

Chicago's proposed ordinance **does not legislate the amount or rate that can be charged**, but does require fare schedules to be posted and clearly visible.

<sup>79</sup>New York City Admin Code §20-260.

<sup>80</sup>The Board of Supervisors is the legislative body for the City and County of San Francisco; See [www.sfbos.org/index.aspx?page=3024](http://www.sfbos.org/index.aspx?page=3024).

<sup>81</sup>San Francisco Municipal Code §3909(a).

<sup>82</sup>San Francisco Municipal Code §3909.1.

<sup>83</sup>Chicago's Proposed Ordinance §9-110-160(c) (2013).

<sup>75</sup>Denver Municipal Code §55-384.

<sup>76</sup>New Orleans Municipal Code §162-1653.

<sup>77</sup>New Orleans Municipal Code §162-1655.

<sup>78</sup>New Orleans Municipal Code §162-1653(c).



## G. Advertising

Advertising revenue is a critical component in the pedicab business model. One pedicab owner, Manhattan Rickshaw, claims, “[our pedicabs move through a lot of market segments in a single day [and] impressions can approach the millions when you get involved with special events like parades.”<sup>84</sup> Another owner, Chicago Rickshaw, asserts that, “advertising is a large part of what we do” and “we are having good success giving companies an opportunity for ‘green’ advertising.”<sup>85</sup>

Advertising on pedicabs is appealing to advertisers for a number of reasons: (a) pedicabs travel all around a city; (b) ads on the outside of pedicabs reach a large audience; and (c) ads on the inside of the pedicab provide an extended opportunity for passengers to view ads.

### 1. New Orleans

New Orleans sets forth in its ordinance advertising regulations that prohibit: (a) lewd, crass, vulgar or sexually explicit content or images; (b) political slogans or propaganda; and (c) advertisements that are illuminated. The ordinance also prohibits bumper stickers and advertisements that obscure the visibility of a registration number or plate.<sup>86</sup>

### 2. New York City

New York allows advertisements anywhere on a pedicab provided they do not obscure signage required by the city, such as the rate charged and notices to passenger.<sup>87</sup>

### 3. Chicago

The earlier ordinance deferred the regulation of advertising.<sup>88</sup> Chicago’s proposed ordinance allows advertising on the exterior or interior of a pedicab subject to rules promulgated by the commissioner of business affairs and consumer protection.<sup>89</sup> The Chicago ordinance should follow New Orleans’ and New York’s example in giving greater guidance to pedicab owners, and to the department responsible for drafting advertising regulations.

## H. Workers’ Compensation Insurance

The purpose of workers’ compensation insurance is to provide medical care and other benefits to employees injured on the job, in exchange for forfeiting their right to sue their employer under a negligence or other theory. The earlier version of Chicago’s proposed ordinance required that “each applicant for a pedicab business license shall provide proof of workers’ compensation insurance to cover each operator engaged by him,” subject to an exception for an owner who is the sole operator of a pedicab.<sup>90</sup> While the Illinois Workers’ Compensation Act<sup>91</sup> limits the obligation of employers to provide such insurance coverage to “employees”, the provision in the earlier ordinance expanded the required coverage to “each operator” that would have included independent contractors and lessees of a pedicab.

The earlier version of the workers’ compensation provision met, however, with opposition from pedicab owners. They asserted that the cost of such insurance was prohibitive, would cripple the industry, and put pedicab owners out of business.<sup>92</sup> The current version of the proposed ordinance addresses the workers’ compensation issue by stating that “worker’s compensation coverage must be provided as required by state law.”<sup>93</sup>

Pedicab owners rarely hire people as employees to operate their pedicabs. Instead, owners lease pedicabs pursuant to a written lease, or engage independent contractors. In the first case, the lease establishes a lessor-lessee relationship in which the lessee-operator pays rent to the owner, collects fares from passengers, and retains the balance of the proceeds. In the second case, owners engage operators as independent contractors. Illinois courts have established that independent contractors are not covered under the Illinois Workers’ Compensation Act.<sup>94</sup> In the event of a claim, courts make a determination whether a claimant is an employee or independent contractor based on the facts of a case.<sup>95</sup>

Because Illinois employers must provide workers’ compensation insurance coverage to their employees, no purpose is served by restating it in the proposed ordinance; it is redundant. In addition, Section 9-110-080(a) addresses the general requirement that: “Every licensee must comply with all applicable insurance requirements mandated by Federal, State, and City laws.”

<sup>84</sup>Pedicab Advertising, Main Street Pedicabs, available at: <http://www.pedicab.com/pedicab-advertising-pedicabvertising.html>.

<sup>85</sup>Rob Tipton interview, July 17, 2013.

<sup>86</sup>New Orleans Municipal Code §162-1668.

<sup>87</sup>New York Admin. Code §2-424.

<sup>88</sup>Chicago’s Proposed Ordinance §4-428-120(d) (2011).

<sup>89</sup>Chicago’s Proposed Ordinance §9-110-150(d) (2013).

<sup>90</sup>Chicago’s Proposed Ordinance §4-248-050(b) (2011).

<sup>91</sup>820 ILCS 305, Illinois Workers’ Compensation Act.

<sup>92</sup>Robert Tipton Interview, July 17, 2013.

<sup>93</sup>Chicago Proposed Ordinance §9-110-040(b)(3), 080(c) (2013).

<sup>94</sup>See *Meredosia Levee & Drainage Dist. v. Industrial Com. of Illinois*, 285 Ill. 68 (Ill. 1918); *Alexander v. Industrial Com.*, 72 Ill. 2d 444 (Ill. 1978).

<sup>95</sup>*Alexander*, 72 Ill. 2d at 448.

Pedicabs have evolved into a **viable industry** and are here to stay.

### I. Liability Insurance

Liability insurance is a fundamental requirement for any vehicle operating as a common carrier. Requiring pedicab operators to maintain liability insurance protects the public, pedicab owners and operators, and municipalities.

Chicago's proposed pedicab ordinance requires owners to maintain public liability and property damage insurance for claims against pedicab owners, operators, employees, or lessees, and to name the City as additional-insured. The minimum coverage for each pedicab is: (a) \$50,000 for property damage; (b) \$100,000 for injuries to or death of any one person; and (c) \$300,000 for injuries to or death of more than one person in any one accident with a maximum of \$100,000 payable to any one person.<sup>96</sup>

The scope of the insurance requirements of Grand Rapids, New York, San Antonio, and San Francisco is essentially the same as the requirements found in Chicago's proposed ordinance, though the minimum coverage for injury or death varies.<sup>97</sup>

### J. Minimum Standard of Knowledge

Since pedicab operators interact with the public, an understanding of a city's geography, and the laws, ordinances, and regulations governing the operation of pedicabs would be beneficial.<sup>98</sup> Steve Meyer, president of Main Street Pedicabs, maintains that training of pedicab operators is essential in order that operators present themselves to the visiting public in a professional manner, and have a fundamental knowledge of city sites, architecture, nightlife, and places of interest.<sup>99 100</sup> We believe that the proposed pedicab ordinance would be improved if it included minimum standards of knowledge about the City of Chicago, and the laws, ordinances and regulations governing pedicabs.

We have analyzed selected provisions of pedicab ordinances from other cities in order to stimulate discussion, with the objective being that Chicago's pedicab ordinance satisfies the unique needs of our

city. Pedicabs have evolved into a viable industry and are here to stay. They create jobs and economic opportunity in an environmentally responsible way. Their presence adds value to the economy, enhances the vibrancy of the City, and gives visitors the chance to connect memorably with local color and personalities. Pedicabs have become fixtures at our tourist attractions, concert venues, transportation hubs, and nightlife destinations.

The City of Chicago is poised to consider an ordinance to regulate pedicabs. Its provisions should reflect thoughtful and balanced regulation that aims to address public safety concerns, protect consumers, and allow the industry to grow in a sustainable manner.

**Modifying the proposed ordinance will improve both its clarity and its guidance for pedicab owners and operators. We submit the final ordinance should:**

- (a) Include measures to increase competition by limiting or prohibiting individuals or members of their families from owning an interest in more than one pedicab company, and from controlling more decals than allowed (9-110-190(d));
- (b) Establish a priority for applicants that provide proof of ownership and operation of a pedicab prior to the date the ordinance is enacted or an earlier specified date;
- (c) Provide that an increase or decrease in the number of decals requires the Chicago City Council to amend the ordinance (9-110-090(d));
- (d) Provide either a grace period or delayed effective date of the ordinance so that pedicab owners can apply for licenses and operators for operator's permits;
- (e) If there are to be area, route, time or other geographic restrictions, state what those restrictions are (9-110-190);
- (f) Exempt young children from the restriction on the number of



<sup>96</sup>Chicago's Proposed Ordinance §9-110-080(c) (2013).

<sup>97</sup>Grand Rapids Municipal Code §7.604(5); NYC Admin Code §20-253; San Antonio Municipal Code §33-612; San Francisco Municipal Code §3905.

<sup>98</sup>Chicago Municipal Code §9-108-150(b)5, Horse-Drawn Carriages Ordinance requires an examination demonstrating a knowledge of the geography of the city and the laws, ordinances and regulations governing vehicle operation.

<sup>99</sup>Steve Meyer of Main Street Pedicab, Denver, Colorado interview on August 26, 2013.

<sup>100</sup>The City may want to consider establishing a website where passengers can post compliments, complaints, and make other comments. This should result in pedicab owners and operators being mindful of their reputations.



passengers (9-110-150(b)(8) and 9-110-090(b)(2)(v));

**(g)** Allow individuals who have been convicted of most non-violent offenses to be eligible to obtain licenses and operator's permits (9-110-040(c), 9-110-130(b)(6)).

**(h)** In special circumstances, provide authority to grant a waiver to individuals convicted of offenses that would otherwise disqualify them from being able to obtain licenses and operator's permits (9-110-040(c), 9-110-130(b)(6)).

**(i)** Eliminate the requirement that applicants for an operator's permit pass a drug test (9-110-130(b)(4)).

**(j)** Eliminate the physician certification requirement in section 9-110-130(b)(3);

**(k)** Provide greater guidance to pedicab owners and the department responsible for drafting advertising regulations (9-110-150(d)); and

**(l)** Eliminate any reference to workers' compensation insurance (9-110-040(b)(3), 9-110-080(c)).

**(m)** Require minimum standards of knowledge about the City of Chicago, and the laws, ordinances and regulations governing the operation of pedicabs.

### **Business Enterprise Law Clinic**

The Business Enterprise Law Clinic (BELAW) at The John Marshall Law School is a pro bono business and transactional legal clinic that represents people with limited financial resources, preferably from underserved low and moderate income communities, starting or growing businesses, and tax exempt organizations serving those

communities. By providing business and transactional legal services where they are needed most, BELAW augments the economic initiatives of community development organizations, chambers of commerce, city, county and municipal governments. BELAW promotes ethical values in the practice of business and transactional law with an emphasis on professionalism, and the virtues of integrity, consideration, civility and social contribution. It reinforces the link between the practice of business and transactional law, the creation of business opportunities, economic independence, economic growth, and job creation and retention—all vital to the economic revitalization of underserved communities.

### ***Acknowledgement***

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**Appendix 1**

**Chart of Pedicab Ordinances for Selected Cities**

City/State	Owner license required	Operator permit required	Decal/ registration plate for pedicab	Limit on number of licenses/ decals	Operator's permit/ identification affixed to pedicab & visible to passengers	Allocation of decals/ registration plates by lottery or other neutral procedure	Valid motor vehicle drivers license (from any state)	Valid motor vehicle drivers license (only from state in which the pedicab operates)	Operator medical examination	Operator fitness
Arlington, TX	X	X	X	X	X	X		X		X
Ashland, OR	X	X	X		X		X			
Austin, TX	X	X	X		X			X		
Boston, MA		X	X	X	X		X			
Denver, CO	X	X	X		X			X		
Detroit, MI	X	X	X		X			X		X
El Paso, TX	X	X	X		X			X		
Fort Worth, TX	X	X	X	X	X			X	X	X
Grand Rapids, MI		X	X		X			X		
Honolulu, HI	X	X	X	X	X			X		
Houston, TX	X	X	X		X			X		
Indianapolis, IN	X	X	X	X	X			X		X
Kansas City, MO	X	X								
Long Beach, CA	X	X	X	X	X					
Miami, FL	X	X	X	X	X			X		
Milwaukee, WI	X	X	X		X			X		
Minneapolis, MN	X	X	X		X		X			
New Orleans, LA	X	X	X	X	X		X			X
New York, NY	X	X	X	X	X	X	X			X
Newport, RI	X	X	X	X	X		X			X
Oklahoma City, OK	X	X	X		X			X	X	
Omaha, NE	X	X	X	X	X			X		
Philadelphia, PA	X		X		X		X			
Phoenix, AZ			X		X		X	X		
Portland, OR		X	X	X	X		X			
Sacramento, CA	X	X	X		X			X		X
San Antonio, TX	X	X	X	X	X	X		X	X	X
San Diego, CA		X	X	X	X			X		
San Francisco, CA	X	X	X		X			X		X

Drug screening	Denial/ revocation of permit/license based on criminal conviction	Owner provided training program	Liability insurance	Workers' compensation other than for employees	Geographic/ Route/ Time Restrictions	File fare schedule	Post fare schedule visible to passengers/ public	Fare ageeed upon in advance	Fare schedule specified in the ordinance	Advertising restrictions	Passenger restrictions
	X		X		X		X	X			X
			X		X						
	X		X		X	X	X	X		X	X
					X						
			X		X	X					
	X		X		X	X	X		X		X
X	X		X		X	X	X				X
	X	X	X		X	X	X	X			X
			X		X				X		X
	X		X		X	X	X				X
	X		X		X	X	X				X
			X		X					X	X
	X		X		X	X	X				X
			X		X					X	X
			X		X			X			X
	X	X	X		X						X
			X		X						X
	X		X		X	X	X				X
			X		X						X
	X		X		X						X
	X		X		X	X	X				X



## Appendix 2

### SUBSTITUTE ORDINANCE

#### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION I.** Title 9 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 9-110, as follows:

#### **Chapter 9-110 Pedicabs**

##### **9-110-010 Definitions.**

For purposes of this chapter the following definitions shall apply:

"Commissioner" means the commissioner of business affairs and consumer protection.

"Department" means the department of business affairs and consumer protection.

"Operator" means a person who operates a pedicab, including a person who in any manner controls the direction or steering of a pedicab in the city.

"Owner" means a person who owns a pedicab in the city.

"Pedicab" means a pedal-powered public passenger bicycle used to provide transport for hire upon which a person may ride, propelled by human power, and is constructed in such a manner as to allow the carrying of one or more passengers.

"Pedicab licensee" means a person with a license issued pursuant to this chapter.

"Principal place of business in the City of Chicago" means (1) a location where the City may send, and the pedicab licensee shall accept, notices of hearing or other notices from the City; and (2) a location where a pedicab licensee maintains its business and financial records relating to the licenses involved.

##### **9-110-020 Pedicab license – Required.**

No person shall operate a pedicab business without a pedicab license for each pedicab. The pedicab license shall be in addition to any other license or registration required by law.

##### **9-110-030 Pedicab license – Fee.**

(a) The license fee for the initial license period provided for in this chapter shall be \$250.00 for each pedicab. The annual license fee for every subsequent license period for each pedicab shall be \$250.00. The license fees shall be paid in advance when the license is issued or renewed and shall be prorated only for the initial license period.

(b) Nothing in this section shall affect the rights of the city to impose or collect any other applicable tax upon the use or operation of a pedicab in addition to the license fee.

(c) A pedicab license shall be valid for a maximum period of one year from the date of its issuance. A pedicab license shall be renewed as provided by rules and regulations promulgated by the commissioner.

(d) A pedicab license is non-transferable.

##### **9-110-040 Pedicab license - Qualifications for license.**

(a) In order to qualify for a license, whether upon initial application or upon application for renewal of a license:

(1) an applicant shall be in compliance with all applicable City, State of Illinois and Federal laws, and the provisions of this chapter;

(2) an individual applicant or officers of the applicant, as specified in Section 9-110-050, must be at least 18 years of age; and

(3) an applicant shall have its principal place of business in the City of Chicago:

(i) with respect to any corporate applicant, the corporation shall be organized or qualified to do business under the laws of the State of Illinois and have its principal place of business in the City of Chicago; or

(ii) with respect to a partnership applicant, the partnership shall have its principal place of business in the City of Chicago; or

(iii) with respect to any applicant other than a corporation or partnership, the applicant shall be a citizen or legal resident of the United States residing and domiciled in the City of Chicago.

(b) In determining whether an applicant is qualified for a license, or the renewal thereof, the commissioner shall take into consideration:

(1) The character and reputation of the applicant or its members, officers or directors, including, if applicable, the disciplinary record of the applicant in the operation of his pedicab and the disciplinary record of the applicant, or of any officer or director of a corporate applicant, as a city licensee;

(2) The applicant's financial ability to render lawful, safe, suitable and comfortable service and to maintain or replace the equipment for such service;

(3) The applicant's ability to maintain mandated insurance, including, but not limited to, liability insurance and worker's compensation insurance as required by state law for the payment of personal injury, death, property damage, or other insurable claims; and

(4) The applicant's financial ability to pay all judgments and awards which may be rendered for any cause arising out of the operation of a pedicab.

(c) No applicant is eligible for a license if any pedicab license held by the applicant, by any officer or director of a corporate applicant or partner of a partnership applicant has been revoked within the previous five years, or if the applicant, or any officer or director of a corporate applicant or partner in a partnership applicant, within the five years immediately preceding the date of his application, has been either convicted, or in custody, under parole or under any other noncustodial supervision resulting from a conviction in a court of any jurisdiction for the commission of any felony as defined by Article 2 of the Illinois Criminal Code of 1961, as amended, or its equivalent under federal or other jurisdictional law.

#### 9-110-050 Pedicab license – Application.

Application for the issuance or renewal of a pedicab license shall be made in writing to the department on a form provided by the department and signed and sworn to by the pedicab license applicant or, if the applicant is a corporation, by its authorized agent. Each application shall contain at a minimum:

- (1) If the license applicant is an individual:
  - (i) The individual's full name, social security number, residence address, business address, business e-mail address and business telephone number;
  - (ii) Proof that the applicant is at least 18 years of age;
- (2) If the license applicant is a corporation:
  - (i) The corporate name, business address and telephone number of the applicant;
  - (ii) The date and state of incorporation;
  - (iii) The full names, titles, social security numbers, residence addresses, e-mail addresses and residence telephone numbers of its corporate officers, and of those stockholders who own 25 percent or more of its voting shares, and of its registered agent;
  - (iv) Proof that all corporate officers are at least 18 years of age; and
  - (v) Proof that the corporation is in good standing under the laws of the State of Illinois.
- (3) If the license applicant is a partnership or limited liability company:
  - (i) The name, business address or principal office address and telephone number of the applicant;

- (ii) The full names, social security numbers, residence addresses, e-mail addresses and residence telephone numbers of the three members who own the highest percentage interests in such partnership or limited liability company and of any other member who owns a 25 percent or more interest therein;
- (iii) The full name, address, e-mail address and telephone number of a person authorized to receive notices issued pursuant to this chapter; and
- (iv) Proof that all persons, partners, managers, managing members and members, as applicable, are at least 18 years of age.

#### 9-110-060 Investigation and issuance of license.

(a) Upon receipt of an application for the issuance or renewal of a license, the commissioner may investigate the applicant for compliance with all applicable provisions of this code, including but not limited to (1) the character and reputation of the applicant; and (2) the ability of the applicant to render safe transportation service, to maintain or replace the equipment for such service, and to pay all fees, fines, taxes, judgments and awards which may be rendered for any cause arising out of the operation of a pedicab during the license period.

(b) Every applicant shall be required to submit to fingerprinting and shall provide photos of the applicant as required by the commissioner. Applicants shall be responsible for the costs of fingerprinting and photos.

(c) As part of the application process, fees sufficient to cover the costs of processing fingerprints and photos will be assessed in addition to the license fees set forth in this Code. The fingerprinting and photo fees will be assessed regardless of whether the license applied for is issued or denied. The amount of the fees shall be set forth by rules and regulations promulgated by the commissioner.

(d) The licensee shall provide a pedicab that is in safe and proper condition at the time the license is issued; and shall register the pedicab in applicant's name or, in the case of a leased pedicab, shall provide a copy of the lease, in a form acceptable to the commissioner, that must cover at least the duration of the license for that pedicab and must include an acknowledgment by the lessor of the pedicab that he has given his consent for the pedicab to be used as a licensed pedicab.

(e) All licenses shall expire on the date noted on the license unless renewed prior to the date of expiration as specified by rule.

#### 9-110-070 Pedicab license - rescission.

The commissioner shall have the power to rescind any pedicab license erroneously or illegally issued or renewed pursuant to this section. In order for such a rescission to be effective, the commissioner must notify the licensee of the date the rescission will take effect. The notice shall take place by certified mail or in-person notification. The commissioner must indicate in such notice the basis for the rescission and must also indicate a date and time, prior to the proposed rescission date, upon which the licensee may appear before the commissioner, or his or her designee, to contest the proposed rescission. The licensee shall also be informed that he or she shall be entitled to present to the commissioner or his or her designee any document, including affidavits, relating to the proposed rescission. Following the appearance of

the licensee before the commissioner, the commissioner may affirm or reverse his or her rescission decision. The commissioner's decision shall be in writing and shall be mailed to the licensee at least five days before a license rescission is effective. A licensee may appeal the commissioner's decision to any court of competent jurisdiction.

**9-110-080 Insurance – Required.**

(a) Every licensee must comply with all applicable insurance requirements mandated by Federal, State, and City laws.

(b) Each applicant for the issuance or renewal of a pedicab license shall provide proof that the applicant has public liability and property damage insurance, issued by an insurer authorized to insure in Illinois, to secure payment by the applicant of any final judgment or settlement of any claim against the applicant, operators, employees, or lessees of the applicant's pedicab business resulting from any occurrence arising out of or caused by the operation or use of any of the applicant's pedicab(s). Every insurance policy or contract for such insurance shall name the city as an additional insured.

(c) Such insurance policy shall provide at least the following minimum coverage for each pedicab: \$50,000.00 for property damage; \$100,000.00 for injuries to or death of any one person; and \$300,000.00 for injuries to or death of more than one person in any one accident with a maximum of \$100,000.00 payable to any one person. In addition, worker's compensation coverage must be provided as required by state law.

(d) Any insurance policy required by this section must be in a form satisfactory to the commissioner and must provide that the policy will not be cancelled and the amount of coverage will not be changed unless 60 days' prior written notice is given to the commissioner.

**9-110-090 Pedicab license decal – Required.**

(a) It is unlawful for any person to operate or cause to be operated a pedicab unless the pedicab has been licensed and issued a pedicab license decal by the commissioner pursuant to this section. The commissioner shall provide a pedicab license decal to a pedicab licensee once the licensee has obtained a pedicab license and met the requirements of this chapter. Each pedicab in operation must be licensed. The pedicab license decal shall be affixed in a manner prescribed by the commissioner by rule.

(b) Application for a pedicab decal shall be made in writing to the department on a form provided by the commissioner and signed and sworn to by the licensee and a qualified technician not employed by the licensee. A pedicab license decal will be issued only for a pedicab that meets all of the following requirements:

- (1) The pedicab must be no more than 55" wide and 120" long;
- (2) The pedicab shall be equipped with:
  - (i) a functioning headlight capable of projecting a beam of white light for a distance of 500 feet;
  - (ii) functioning taillights mounted on the right and the left, respectively, at the same level on the rear exterior of the passenger compartment. Taillights shall be red in color

and plainly visible from all distances within 500 feet to the rear of the pedicab;

- (iii) hydraulic or mechanical disc or drum brakes, which are unaffected by rain or wet conditions;
- (iv) spoke or wheel rim reflectors on each wheel and reflective tape showing the back and front width of the pedicab;
- (v) a seatbelt or seatbelts for every passenger that secure the passengers in a safe manner to prevent personal injuries;
- (vi) turn lights;
- (vii) a bell or another similar audible signaling device; and
- (viii) such other equipment as required by rules and regulations promulgated by the commissioner.

(c) The fee for the issuance or replacement of a pedicab license decal is \$25.00 per pedicab.

(d) The total number of initial pedicab license decals to be issued shall not exceed 200 (two hundred). No licensee shall be issued more than 20% of the total number of pedicab license decals issued. The commissioner may increase the total number of pedicab license decals to be issued and may determine the percentage of pedicab license decals to be issued to a licensee by rules and regulation promulgated pursuant to this chapter. In making such determination, the commissioner shall consider the impact that additional pedicabs may have on the safe and efficient flow of traffic in the city and shall consult with the superintendent of police and the commissioner of transportation, or their respective designees, before raising the number of pedicab license decals to be issued. If the commissioner determines that there are more qualified applicants for pedicab license decals than the maximum number of decals that the commissioner has set to issue at any given time, the commissioner shall conduct a lottery or other neutral process for allocating decals among qualified applicants as set forth by rules promulgated by the commissioner.

(e) A pedicab license decal is non-transferable. A pedicab license decal is valid for the duration of the pedicab license. If a pedicab license is not renewed on time, or the pedicab license is no longer valid, or the required insurance lapses, the pedicab license decal shall be void.

(f) Each pedicab license decal shall be numbered and the number of the pedicab license decal shall be painted or affixed on the side and back of each pedicab pursuant to rules and regulations promulgated by the commissioner. It shall be the responsibility of the licensee to paint or affix such number on the pedicab.

(g) To register a pedicab and secure a pedicab license decal, the pedicab licensee must provide a unique identification number associated with the pedicab, such as a manufacturer's stamp on the bottom bracket; or if there exists no stamp, the licensee must inscribe or engrave a unique identification number on the bottom bracket, and provide such unique identification number to the department.

(h) If the licensee decides to change a pedicab within the licensing period, the licensee must submit a written request to the commissioner and register the new pedicab. The commissioner shall provide a new pedicab license decal of the same number and remaining duration as the original pedicab license decal at a replacement fee of \$25.00.

**9-110-100 Records.**

Every licensee engaged in a pedicab business shall keep and provide accurate books and records of account of his operations at his place of business in the city for a minimum of three years. Such records must be submitted for inspection upon the request of the commissioner.

**9-110-110 Pedicab operator's permit – Required.**

No person shall engage in the occupation of a pedicab operator without having secured a pedicab operator's permit issued under this chapter.

**9-110-120 Pedicab operator's permit – Fee.**

The fee for a pedicab operator's permit shall be \$25.00 and shall not be prorated. A pedicab operator's permit shall be valid for a period of no more than one year from the date of its issuance. A pedicab operator's permit shall be renewed as provided by rules and regulations promulgated by the commissioner. A pedicab operator's permit is non-transferable.

**9-110-130 Pedicab operator's permit -- Application.**

(a) Application for a new or renewed pedicab operator's permit shall be made in writing to the department on a form provided by the commissioner and signed and sworn to by the person seeking a pedicab operator's permit. The application form shall require the following information:

- (1) The operator's full name and residence address;
- (2) The operator's date of birth;
- (3) The operator's driver's license number; and
- (4) Such other information as required by rules and regulations promulgated by the commissioner.

(b) An applicant is qualified to receive a new or renewed operator's permit if the applicant:

- (1) has possessed a valid Illinois State driver's license, or a valid driver's license of another state, district or territory of the United States, for at least two years prior to application for the issuance or renewal of a pedicab operator's permit;
- (2) is at least 18 years of age;
- (3) has been certified by an Illinois-licensed physician that he has the capability to operate a pedicab;

- (4) has taken and passed a test, conducted by authorities approved by the commissioner, for the presence of illegal drugs in the body;
- (5) is not indebted to the City of Chicago; and
- (6) has not, within the five years immediately preceding his application, been either found guilty by a court of any jurisdiction, in custody, on parole, or under any other non-custodial supervision resulting from a finding or determination of guilt by a court of any jurisdiction for (a) the commission of any felony as defined by Article 2 of the Illinois Criminal Code of 1961, as amended, (b) any crime involving moral turpitude, (c) for the illegal sale or possession of any controlled substance, (d) indecent solicitation of a child or any criminal sexual abuse or similar crime, or (e) operating a motor vehicle while under the influence of alcohol or narcotic drugs.

**9-110-140 Pedicab operator's identification badge.**

(a) The commissioner shall issue an identification badge to a pedicab operator who has received a pedicab operator's permit. A photograph shall be attached to the identification badge in such a manner as the photograph cannot be removed and another photograph substituted without detection.

(b) While a pedicab is in operation, the operator shall wear the identification badge at all times, in a manner clearly visible to the public.

**9-110-150 Operating regulations.**

(a) Every person operating a pedicab shall have the same rights and be subject to the same traffic rules and laws as bicyclists, as stated in Chapter 9-52 of this Code and in Article XV of the Illinois Vehicle Code, 625 ILCS 5/1, et seq., subject to those exceptions stated in this chapter or rules and regulations promulgated by the commissioner pursuant to the provisions of this chapter.

(b) It shall be unlawful for any person:

- (1) Who is under the age of eighteen years to operate a pedicab;
- (2) To operate a pedicab while under the influence of alcoholic beverages or controlled substances other than medication prescribed by a physician, provided that such prescribed medication does not warn that the user not operate machinery while taking the medication;
- (3) To operate a pedicab in any manner which impedes or blocks the normal or reasonable movement of pedestrian or vehicular traffic unless such operation is necessary for safe operation or is in compliance with the requirements of Section 9-52-040(c) of this Code or other applicable law;
- (4) To operate, or cause to be operated, a pedicab in any area where the operation of a pedicab is prohibited by applicable law;

- (5) To operate a pedicab within the city while not in possession of a valid driver's license issued by the state of Illinois, or a valid driver's license of another state, district or territory of the United States;
- (6) To operate, or cause to be operated, a pedicab within the city while not in possession of proof of insurance as outlined in Section 9-110-080 of this chapter;
- (7) To operate, or cause to be operated, a pedicab while there is attached thereto any additional trailer or any other passenger-carrying vehicle; or
- (8) To operate, or cause to be operated, a pedicab to transport more than four passengers; and
- (9) To operate a pedicab upon any sidewalk.

(c) The operator shall require that all passengers remain seated throughout the ride.

(d) Advertisements may be displayed on the exterior and the interior of a pedicab. The commissioner is authorized to promulgate rules and regulations regarding the placement of advertisements on a pedicab.

(e) No person may drink any alcoholic liquor as defined by law while such person is operating or being transported by a pedicab, nor may any person transport, carry, possess or have any alcoholic liquor while being transported by a pedicab, except in the original package with the seal unbroken.

#### **9-110-160 Fare schedule and signage**

(a) Pedicab licensees shall post a fare schedule on each pedicab that meets the size, format and location requirements provided in rules and regulations promulgated by the commissioner. This fare schedule shall be clearly visible to the public at all times.

(b) It is unlawful for a pedicab operator to demand from a passenger a fare greater than the fare contained in the posted fare schedule.

(c) Subsection (b) of this section does not apply to fares for special tours, provided that the fare for the special tour is agreed upon in writing between the passenger and the operator prior to the beginning of the tour.

(d) Pedicab licensees shall post on each pedicab signage identifying the licensee. This signage shall meet the size, format and location requirements provided in rules and regulations promulgated by the commissioner. This signage shall be clearly visible to the public at all times.

#### **9-110-170 License – suspension or revocation.**

(a) Except as otherwise provided in this code, the commissioner may seek all applicable penalties, including but not limited to fines, license suspension, and license revocation in addition to restitution or other equitable relief against any licensee or permitted operator who violates any of the provisions of this chapter or any rules or regulations adopted pursuant to this chapter.

(b) The commissioner shall promulgate rules and regulations regarding the lengths of suspension and the amounts of fines to be imposed, and the types of equitable relief to be ordered, for specific violations or license types. Before any suspension or revocation or fine is imposed, or equitable relief is ordered, the licensee shall be notified of the specific charges against him and of his right to a hearing in accordance with Chapter 2-14 of the Code.

(c) Upon suspension or revocation of a license and/or imposition of any fine for cause under the provisions of this chapter, the commissioner shall remove the license decal from the licensee's pedicab. The commissioner shall notify the department of police of every suspension or revocation and of the termination of any suspension. The department shall charge the licensee for the costs to replace the license decal upon payment of fines and termination of suspension. These costs shall be set by the commissioner's rules.

(d) If the commissioner has information provided by a law enforcement agency or any court of law that a licensee or permitted operator has been charged with the commission of a felony, as defined in Article 2 of the Illinois Criminal Code of 1961, as amended, arising in connection with the provision of pedicab services, the commissioner shall immediately suspend all licenses and or permits of the licensee until final adjudication is made with respect to such charges.

(e) Any person whose license or operator's permit is revoked under this chapter shall be ineligible to receive another pedicab license or pedicab operator's permit under the same or a different name for a period of five years following revocation.

#### **9-110-180 Enforcement authority.**

(a) The commissioner, the comptroller, the commissioner of transportation, and the commissioner of streets and sanitation are authorized to enforce this chapter. The department of police is authorized to enforce the safety-related provisions of this chapter and all traffic laws, ordinances, rules and regulations as they apply to pedicab licensees and operators.

(b) The department of police and the department of streets and sanitation are authorized to impound pedicabs for such violations of rules and regulations promulgated hereunder which specify impoundment as a consequence of violation. When a pedicab is impounded, the city shall notify the owner or any person who is found to be in control of the pedicab at the time of the alleged violation, if there is such a person, of the fact of the impoundment and the pedicab owner's right to request a preliminary hearing to be conducted under Section 2-14-132 of this Code. If the owner or other person in control of the pedicab cannot be found, the City shall publish such notice one day a week for two consecutive weeks in a newspaper of general circulation. Except as otherwise provided in this section, the applicable provisions of Section 2-14-132 and Chapter 9-92 of this Code shall apply when a pedicab is impounded pursuant to this section. For purposes of applying Section 2-14-132 and Chapter 9-92 of this Code to this section, the term "vehicle" or "motor vehicle" as used in Section 2-14-132 or Chapter 9-92 shall instead be read to mean a pedicab, and the term "owner of record" shall instead be read to mean "owner."

#### **9-110-190 Restrictions on operation of pedicabs.**

The city council may from time to time define areas, in the interest of preserving public health and safety or avoiding traffic congestion, in which no pedicabs shall be operated. The city

clerk shall maintain for public inspection and copying a file of all ordinances defining such areas. In addition, any ordinance defining such areas shall be codified as an amendment to this section.

**9-110-200 Violation - Penalty.**

If any person violates any of the provisions of this chapter or any rule or regulation promulgated hereunder, such person shall be subject to a fine of not less than \$100.00 and not more than \$500.00 for each such violation. Each day that any violation shall continue shall be deemed a separate and distinct offense. A second or subsequent violation of this chapter committed within 12 months of a previous violation under this chapter shall be ground for a fine of not less than \$500.00 and not more than \$1,000.000 or community service, or any combination thereof for each violation.

If any person violates section 9-110-150(e), such person shall be subject to a fine of not less than \$1,000.00 and not more than \$5,000.00.

In addition to fines, penalties for any violation of this chapter may include license suspension, rescission or revocation.

**9-110-210 Rules and regulations**

The commissioner is authorized to adopt rules and regulations for the proper administration and enforcement of the provisions of this chapter.

Any fees imposed pursuant to rules authorized by this section shall be reasonably related to the City's cost of administration, and shall be effective, or amended, after a 10-day notice and comment period.

**SECTION II.** Section 2-14-132 of the Municipal Code of Chicago is amended by inserting the language underscored, as follows:

**2-14-132 Impoundment.**

(1) Whenever the owner of a vehicle seized and impounded pursuant to Sections 3-46-076, 3-56-155, 4-68-195, 9-80-220, 9-110-180(b), 9-112-640 or 9-114-420 of this Code (for purposes of this section, the "status-related offense sections"), or Sections 7-24-225, 7-24-226, 7-28-390, 7-28-440, 7-38-115(c-5), 8-4-130, 8-8-060, 8-20-070, 9-12-090, 9-76-145, 9-80-225, 9-80-240, 9-92-035, 11-4-1410, 11-4-1500 or 15-20-270 of this Code (for purposes of this section, the "use-related offense sections") requests a preliminary hearing in person and in writing at the department of administrative hearings, within 15 days after the vehicle is seized and impounded, an administrative law officer of the department of administrative hearings shall conduct such preliminary hearing within 48 hours of request, excluding Saturdays, Sundays and legal holidays, unless the vehicle was seized and impounded pursuant to Section 7-24-225 and the department of police determines that it must retain custody of the vehicle under the applicable state or federal forfeiture law. If, after the hearing, the administrative law officer determines that there is probable cause to believe that the vehicle was used in a violation of this Code for which seizure and impoundment applies, or, if the impoundment is pursuant to Section 9-92-035, that the subject vehicle is eligible for impoundment under that section, the

administrative law officer shall order the continued impoundment of the vehicle as provided in this section unless the owner of the vehicle pays to the city the amount of the administrative penalty prescribed for the code violation plus fees for towing and storing the vehicle. If the vehicle is also subject to immobilization for unpaid parking and/or compliance violations, the owner of the vehicle must also pay the amounts due for all such outstanding violations prior to the release of the vehicle. If the administrative law officer determines there is no such probable cause, or, if the impoundment is pursuant to Section 9-92-035, that the subject vehicle has previously been determined not to be eligible for impoundment under that section, the vehicle will be returned without penalty or other fees.

*(Omitted text is unaffected by this ordinance)*

**SECTION III.** Section 3-46 of the Municipal Code of Chicago is amended by inserting the language underscored, as follows:

**3-46-020 Definitions.**

*(Omitted text is unaffected by this ordinance)*

D. "Ground transportation vehicle" means any for-hire vehicle used to provide transportation for a charge or other consideration to passengers, regardless of whether the consideration is paid by the passengers or by any other person. This term includes, but is not limited to, water taxis, as defined in Section 4-250-010 of this Code, horse-drawn carriages, pedicabs and taxicabs and all automobiles, limousines, buses and other vehicles used to provide transportation to passengers for a charge, whether or not licensed by the city or registered or titled with the State of Illinois.

The term "ground transportation vehicle" does not include vehicles operated by a government transportation agency or on behalf of a government transportation agency pursuant to a contract or a grant, vehicles devoted exclusively to funeral use, or vehicles used as ambulances.

E. "License holder of a ground transportation vehicle" or "license holder" means any person holding a license issued by the city under Chapter 9-108, 9-110 or 9-112 of this Code, as amended, or any person who has registered or titled a vehicle with any state or the District of Columbia if the vehicle is used to provide ground transportation to passengers.

F. "Vehicle" means any vehicle that is self-propelled or horse-drawn and not operated on rails, but does not include motorized wheelchairs. For the purpose of this chapter, the term "vehicle" shall also include pedicabs.

*(Omitted text is unaffected by this ordinance)*

**3-46-030 Tax Imposed.**

*(Omitted text is unaffected by this ordinance)*

B. (1) The rate of the tax shall be in accordance with the following schedule:

(a) For ground transportation vehicles that are taxicabs:

(i) which are licensed or are required to be licensed pursuant to Chapter 9-112 of this Code, \$78.00 for each taxicab for each calendar month during which the taxicab is used in the city to provide ground transportation. This amount shall not be subject to proration;

(ii) which are not required to be licensed pursuant to Chapter 9-112 of this Code, \$3.00 for each taxicab for each day the taxicab is used in the city to provide ground transportation but in no event more than \$78.00 per calendar month.

(b) For ground transportation vehicles, other than taxicabs and pedicabs, with a seating capacity of ten or fewer passengers, \$3.50 for each vehicle for each day the vehicle is used in the city to provide ground transportation;

(c) For ground transportation vehicles with a seating capacity of 11 to 24 passengers, \$6.00 for each vehicle for each day the vehicle is used in the city to provide ground transportation;

(d) For ground transportation vehicles with a seating capacity of more than 24 passengers, \$9.00 for each vehicle for each day the vehicle is used in the city to provide ground transportation.

(e) For pedicabs, \$1.00 for each pedicab for each day the pedicab is used in the city to provide ground transportation.

(2) For purposes of this subsection (B), it shall be presumed (a) that a taxicab is used in the city during any calendar month in which the taxicab is licensed or required to be licensed pursuant to Chapter 9-112 of this Code, and (b) that the seating capacity of a ground transportation vehicle is the seating capacity designated by the vehicle's manufacturer.

*(Omitted text is unaffected by this ordinance)*

**SECTION IV.** Section 4-156-020 of the Municipal Code of Chicago is amended by inserting the language underscored, as follows:

**4-156-020 Tax imposed.**

*(Omitted text is unaffected by this ordinance)*

B. The tax imposed by subsection A shall not apply to the following persons or privileges:

(1) patrons of automatic amusement machines as defined in Article II of this chapter, or

(2) the privilege of witnessing or participating in any stock show or business show that is not open to the general public, or

(3) the privilege of hiring a horse-drawn carriage licensed under chapter 9-108 of this Code or a pedicab licensed under chapter 9-110 of this Code, or

*(Omitted text is unaffected by this ordinance)*

**SECTION V.** This ordinance shall take effect 10 days after passage and publication.

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Alderman Tom Tunney, 44<sup>th</sup> Ward