



POLICY REPORT  
LICENSING

Report Date: November 23, 2010  
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Meeting Date: December 16, 2010

TO: Standing Committee on Planning and Environment  
FROM: Chief Licence Inspector  
SUBJECT: Amendments to Limousine Regulations

**RECOMMENDATION**

- A. THAT Council approve an amendment to the Vehicles for Hire By-Law which reduces the carbon footprint of limousine services by eliminating the following requirements for limousine operators:
  - i. to own or operate at least one stretch limousine; and
  - ii. to maintain a ratio of one stretch limousine to every two smaller limousines.
- B. THAT Council approve certain amendments to limousine definitions in the Vehicles for Hire By-Law as outlined in this report which would make operators of all larger bus-style limousines subject to criminal record checks.
- C. THAT Council approve an amendment to the Vehicles for Hire By-Law which streamlines vehicle for hire regulations by eliminating the requirement for vehicles for hire operators, with the exception of taxicabs, to own at least one vehicle, as outlined in the report.
- D. THAT Council approve the following amendments to the Vehicles for Hire By-Law which would relax and standardize age requirements for sedan, sport utility and stretch limousines:
  - i. Increase maximum age for newly licensed sedan and sport utility limousines from two years to five years;
  - ii. Increase maximum age for sedan and sport utility limousine renewals from seven years to nine years; and
  - iii. Require annual inspections for all limousines.

- E. THAT Council approve the following amendments to the Vehicles for Hire By-Law which make wheelbase requirements consistent with the Passenger Transportation Board and provide incentive for eco-friendly limousines:
- i. Decrease minimum wheelbase for sedan limousines from 114.5 to 113 inches; and
  - ii. Allow eco-friendly sedan limousines as defined by the Passenger Transportation Board.
- F. FURTHER THAT Council instruct the Director of Legal Services to bring forward a by-law to amend the Vehicles for Hire By-Law, generally in accordance with Appendix A.

#### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Community Services RECOMMENDS approval of the above recommendations.

#### ***COUNCIL POLICY***

Vehicles for Hire By-Law No. 6066 ("Vehicles for Hire By-law") licenses and regulates the owners and drivers of vehicles for hire in the City of Vancouver. Section 14 of the Vehicles for Hire By-law specifically regulates limousines.

#### ***SUMMARY***

This report provides recommendations for amending the Vehicles for Hire By-law to improve the safety and sustainability of the City's limousine services, eliminate conflicts with Provincial limousine standards and simplify licensing requirements.

The proposed by-law amendments are outlined in the table below:

**Table - Summary of Recommended By-law Amendments**

Regulation	Recommendation	Purpose
Stretch limousine	Eliminate requirement for operators to: <ul style="list-style-type: none"> <li>▪ Own or operate at least one stretch limousine</li> <li>▪ Maintain a ratio of at least one stretch limousine to every two smaller limousines</li> </ul>	<ul style="list-style-type: none"> <li>▪ Streamline regulations</li> <li>▪ Reduce carbon footprint of limousine services</li> </ul>

Ownership	Eliminate requirement for vehicle for hire operators, with the exception of taxicabs, to own at least one vehicle.	Streamline regulations
Vehicle Age Restrictions	<p>Relax maximum age requirements:</p> <ul style="list-style-type: none"> <li>▪ From 2 years old to 5 years old for newly licensed sedan and sport utility limousines</li> <li>▪ From 5 to 9 years (with satisfactory inspection) for stretch and 7 years for sedan/SUV to 9 years for sedan, sport utility and stretch limousines.</li> <li>▪ Require annual inspections for all limousines.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Streamline regulations</li> <li>▪ Reflect current inspection practices</li> </ul>
Chauffeur's Permit	<ul style="list-style-type: none"> <li>▪ Require chauffeur's permits for all limousines, including "party bus" limos currently exempt from this requirement, by <ul style="list-style-type: none"> <li>▪ eliminating maximum seating capacity for stretch limousines; and</li> <li>▪ creating new bus limousine category</li> </ul> </li> </ul>	Increase public safety by ensuring all limousine vehicle operators are subject to criminal record checks
Wheelbase	<ul style="list-style-type: none"> <li>▪ Decrease minimum wheelbase for sedan limousines from 114.5 to 113 inches</li> <li>▪ Allow minimum wheelbase of 112 inches for eco-friendly vehicles as defined by Passenger Transportation Board regulations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Make regulations consistent with Passenger Transportation Board requirements</li> <li>▪ Provide incentive for eco-friendly vehicles in limousine fleets</li> </ul>

### **PURPOSE**

This report provides recommendations for amending limousine regulations to improve the safety and sustainability of the City's limousine services, eliminate conflicts with Provincial limousine standards and streamline licensing regulations.

## ***BACKGROUND***

The City regulates limousine service through the Vehicles for Hire By-Law. The by-law requires limousine operators to obtain a Vehicles for Hire business licence and drivers of limousines to obtain a chauffeur's permit. The by-law also sets standards for limousine vehicles and their operation. The by-law defines five classes of limousines, with varying wheelbases,<sup>1</sup> seating capacities,<sup>2</sup> and other physical characteristics. The three main limousine classes are Sedan Limousine, Sport Utility Limousine, and Stretch Limousine. The two other classes, Antique Limousine (vehicles 50 years or older), and Luxury Limousine (Rolls Royce or Bentley models only), are not specifically addressed in this report.

Limousine service is also regulated by the Province via the Passenger Transportation Act and Regulations, which are administered by the Passenger Transportation Branch (PT Branch) and adjudicated by the Passenger Transportation Board (PTB). Limousine service operators must first obtain approval from the PTB before applying for a City business licence.

City and PTB regulations are intended to ensure limousines serve a different market/need than taxis, generally a higher-end, pre-arranged service. This is accomplished through the establishment of a minimum hourly rate and wheelbase by the PTB and minimum age requirements, wheelbase and no flag pick-ups by the city.

A comparison of limousine regulations for other municipalities is found in Appendix B.

## ***DISCUSSION***

### **Limousine Industry Concerns**

Since 2002, members of the limousine industry have raised concerns about some of the City's regulations, including the requirement to operate stretch limousines, the various age thresholds, and the stipulation that limousine operators own at least one of their vehicles. At the same time, City staff have identified other concerns, including discrepancies with PTB policies and a regulatory loophole that allows operators of larger limousines (with seating capacities greater than 10 passengers) to sidestep the chauffeur's permit requirements.

In 2009, staff met with representatives of the limousine industry to discuss the City's licensing regulations. Representatives from 21 companies attended the meeting. The industry representatives suggested the following:

- Eliminate the requirement to have one stretch limousine for every two non-stretch limousines.
- Eliminate the requirement to own at least one vehicle, and allow all vehicles to be leased.

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<sup>1</sup> A wheelbase is the distance between the front and rear wheels of a vehicle.

<sup>2</sup> "Seating capacity" is defined in the Vehicles for Hire By-law as "the rated passenger load assigned to a motor vehicle by its manufacturer, but when used in combination with 'passengers' does not include the driver."

- Allow limousines to be older than 2 years old at time of licence application.

### Stretch to Sedan/SUV Limousine Ratio

Fuel economy and carbon emissions are two key sustainability factors for vehicle fleets. Traditionally, limousines have distinguished themselves by their large size and luxury service. This distinction has allowed them to occupy a different market niche than the taxi industry. More recently, however, limousine companies have sought to meet a growing demand for smaller, more discreet vehicles that provide luxury service while meeting a higher environmental standard. "Green limousine" companies can now be found in many North American cities, including Toronto, Seattle, San Francisco, Washington DC, New York City, Las Vegas, and Los Angeles. In addition, many companies include some hybrid or alternative fuel vehicles in their fleets. The challenge facing regulators is to maintain a clear distinction between taxis and limousines while allowing for smaller, greener limousines.

Prior to 2002, only stretch limousines were allowed in the city (outside of the highly specialized Antique and Luxury Limousine classes). In 2002, the Vehicles for Hire By-Law was amended to permit the use of sedan and sport utility vehicles as limousines on the condition that a ratio of at least one stretch limousine for every two smaller limousines was maintained. The stretch-sedan ratio requirement was included as a precautionary measure to address taxi industry concerns that the smaller vehicles would unfairly capture a high percentage of the taxi industry's ridership.

In general, stretch limousines have lower gas mileage ratings and a higher carbon footprint than sedan models. According to U.S. Environmental Protection Agency (EPA) estimates, a Lincoln Town Car produces 9.8 tonnes of CO<sub>2</sub> for every 15,000 miles driven, whereas a stretch limousine averaging 8 miles per gallon would produce nearly twice that amount under the same conditions. Eliminating the ratio requirement would allow the limousine industry to significantly reduce its carbon footprint.

Furthermore, sedan limousines are distinct from taxicabs in a number of ways, including vehicle specifications, which are subject to minimum wheelbase and quality standards; cost as regulated by the PTB; and the requirement to operate on an advanced reservation basis. These factors, and the necessity of preserving the distinction between taxi and limousine service, are considered by the PTB in its review of every new limousine service application.

Staff therefore recommends that Council eliminate the requirement that limousine companies operate stretch limousines and adopt Provincial standards for eco-friendly limousines. These proposed amendments are a step towards reducing the limousine industry's carbon footprint by allowing greater flexibility in determining their market and promoting eco-friendly alternatives to traditional limousine services.

### Wheelbase requirements

Presently, there is a discrepancy between the PTB and City regulations pertaining to limousine wheelbase requirements. The City requires a minimum 114.5 inch wheelbase for sedan limousines, while the Province establishes a minimum wheelbase of 113 inches. Both wheelbase standards allow use of the most popular sedan limousine models, such as the Lincoln Town Car, Crown Victoria, and Cadillac DTS. The 113-inch wheelbase standard allows a few additional vehicle models to be used as limousines, including the Cadillac CTS, but no

models that are commonly associated with taxi service. As the difference in wheelbase standards serves little purpose and creates unnecessary confusion, staff recommends that the minimum wheelbase for sedan limousines be reduced to 113 inches, consistent with Provincial regulations.

In addition, staff recommends that Council adopt PTB standards for eco-friendly sedan limousines, which allow a slightly smaller 112 inch wheelbase for vehicles that are either gas/electric hybrids or alternative fuel vehicles, have a price tag of \$50,000 or over and are not more than 24 months old at time of registration. These standards allow limousine operators to use luxury eco-friendly models such as the Lexus GS 450h, but prohibit use of a number of smaller hybrids found in taxi fleets, such as the Toyota Prius and Camry. The standards thus allow more eco-friendly options for limousine companies, while maintaining the necessary distinction between limousines and taxi fleet vehicles. Adopting PTB standards for both eco-friendly and regular sedan limousines would reduce confusion and provide more sustainable options for the limousine industry.

### Chauffeur's Permit

Public safety is a primary concern when licensing vehicles for hire. The Vehicles for Hire By-law requires all taxi and limousine drivers to obtain a chauffeur's permit from the Chief Constable, as per the process outlined in the Motor Vehicle Act. In order to obtain a chauffeur's permit, the driver must undergo a background security check. This requirement is important to help protect the safety of passengers, particularly those who are intoxicated or in an otherwise vulnerable state when in the driver's care. However, under the by-law, limousine regulations apply only to vehicles with a maximum seating capacity of 10 passengers or less.

In recent years, larger limousine style vehicles have grown in popularity. These vehicles include extended stretch SUVs with a maximum seating capacity greater than 10 passengers, and "party buses" which include vans and buses with limousine style seating and amenities, and seating capacities of up to 45 passengers. In the case of party buses, a club-like atmosphere with high powered stereo systems, video screens, club lights and dance poles is offered. These vehicles cater to young people celebrating graduations, birthdays, proms, and other events. After a night of partying, these patrons are particularly vulnerable to assault and other criminal behaviour.

Party buses exceed the maximum seating capacity of a stretch limousine as defined by the Vehicles for Hire By-law. Therefore, they are licensed under the "Charter Bus" definition for which chauffeur's permits are presently not required. Under Provincial regulations, vehicles with seating capacities greater than 11 seats do not require Passenger Transportation Board review, but are instead issued a General Authority permit. The relative ease and low cost of obtaining a General Authority permit serves as an incentive to operate larger vehicles. The result is that many of the limousines operating in Vancouver are larger vehicles that can be driven without a chauffeur's permit and its attendant background check.

The need for additional screening of limousine drivers was reinforced recently by an incident in which a driver of a party bus sexually assaulted a passenger. The driver had been previously convicted of a similar assault in Alberta. Had the driver undergone the background check required to obtain a chauffeur's permit, this most recent assault may have been prevented.

Staff recommends that this licensing loophole be closed by amending the stretch limousine and charter bus definitions, and creating a new bus limousine class as follows:

- In the “Charter Bus” definition, require all seats to be forward-facing;
- In the “Stretch Limousine” definition, eliminate the maximum seating capacity;
- Create a new Bus Limousine class which includes a conventional bus, coach or truck redesigned with interior seating along the perimeter of the vehicle.

These changes would ensure that the drivers of all limousine-style vehicles, regardless of size, would undergo a background check in order to obtain a chauffeur’s permit.

### Vehicle Age Restrictions

Presently, existing age requirements add unnecessary complexity to limousine regulations. Sedan and SUV limousines must be less than two years old at the time of licensing, whereas stretch limousines may be five years old. Similarly, sedan and SUV limousines can be at most five years old, whereas stretch limousines can continue to operate up to nine years, provided they pass annual inspections starting at year six. This latter provision is unnecessary, as all limousines are inspected annually and must pass inspection to continue to operate. In addition, the differential age requirements for sedan, SUV, and stretch limousines are also unneeded, as sedan and SUV vehicles can be maintained at a high level of quality for as long as stretch limousines. Staff thus recommends that the age limit for newly licensed limousines be increased to five years for the sedan, SUV and stretch limo vehicle types, and the age limit for sedan, SUV and stretch limousine renewals be increased to nine years. Annual inspections will also be required for all limousines.

The new, proposed age restrictions would not apply to antique limousines, luxury limousines and bus limousines.

### Vehicle Ownership

Section 7 of the Vehicles for Hire By-law requires operators of all vehicles for hire, with the exception of driver instruction vehicles and school shuttle vans, to be the registered owner of their vehicles. However, persons in the business of operating a u-drive, motor stage, funeral cab, school cab, charter bus, limousine or airport transporter must own at least one vehicle and may lease other vehicles for use in connection with the business for a period of at least 30 days. These requirements are intended to discourage “fly by night” operations. With respect to limousines in particular, they can also discourage legitimate business people who wish to provide limousine service but lack the funds to purchase a luxury vehicle, as well as those faced with replacing limousines that exceed City age limits.

The PTB, and municipalities such as Richmond, Calgary, Edmonton, Montreal and Toronto, do not require limousine businesses to own at least one vehicle, and have encountered few problems with transient operators. Moreover, allowing vehicles to be leased encourages limousine services and the other vehicle classes currently subject to the same restriction to maintain higher quality, newer vehicles, and provides the flexibility to respond to changing market demands and experiment with new and more varied service offerings. Therefore, it is recommended that the requirement for persons in the business of operating all vehicles for

hire categories, with the exception of taxicabs, to own at least one vehicle and lease additional vehicles for a period of not less than 30 days be eliminated. Further consultation on the taxicab vehicle ownership requirement will be undertaken through the Taxi Roundtable process.

### **Industry Consultation**

Consultation with both the limousine industry and taxi industry was conducted via e-mail wherein a summary of the proposed recommendations was provided and comments on the proposed changes were solicited. In general, feedback was supportive with only a few requests for clarification received.

### ***FINANCIAL IMPLICATIONS***

The proposed amendments would classify all large limousines as either "Stretch Limousines" or "Bus Limousines", rather than "Charter Buses." For 2011, the annual licence fees are \$156.00 for a charter bus and \$195.00 for a limousine. The proposed amendments would thus result in a 25% higher licence fee for large limousines that have been licensed under the charter bus classification, and a small corresponding increase in licensing revenues.

### ***ENVIRONMENTAL IMPLICATIONS***

The removal of existing requirements to operate stretch limousines would eliminate an unnecessary and unsustainable burden on limousine operators. Similarly, incorporating PTB standards for eco-friendly limousines would allow limousine operators to add a greater variety of luxury hybrid vehicles to their fleets. Both of these proposed revisions support the development of a greener, more sustainable limousine industry.

### ***CONCLUSION***

Staff recommends that Council approve amendments to the Vehicles for Hire by-law which reduce the carbon footprint of limousine services, make all limousine operators subject to criminal record checks, streamline limousine regulations by eliminating the requirement for all vehicle for hire categories, with the exception of taxicabs, to own at least one vehicle, standardize age requirements for stretch and smaller limousines, make limousine wheelbase requirements consistent with the Passenger Transportation Board and provide incentive for eco-friendly vehicles in limousine fleets. Altogether, the proposed amendments will result in a cleaner and greener regulatory framework for the City's limousine services and will maintain a distinction between the taxi and limousine industry.

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## Draft Amendments to Vehicles for Hire By-law No. 6066

### Section 2 - Definitions

1. Amend "Limousine" to include Bus Limousine.

2. Change the following definitions:

"Vehicle for Hire" - "Charter Bus":

- Add a provision requiring "all seats to be forward-facing."

"Vehicle for Hire" - "Sedan Limousine":

- Change the minimum required wheelbase to 287.02 cm (113 inches)
- Add an exception for eco-friendly sedan limousines, as defined by the Passenger Transportation Branch.

"Vehicle for Hire" - "Stretch Limousine":

- Delete maximum seating capacity

3. Create the following definition:

"Vehicle for Hire" - "Bus Limousine": "means a conventional bus, coach or truck which has been modified so that the seats in the passenger compartment are located along the perimeter of the vehicle, is not equipped with a meter and is hired only by prior reservation for an extended or special purpose."

### Section 7 - Vehicle for hire licence

1. Delete Subsection (3) (b).

### Section 14 - Limousine hires

1. Delete Subsection (14)(1)

2. Delete Subsections (14)(2) and (14)(3)

3. Change Subsection (14)(4) to apply to sedan, sport utility, and stretch limousines.

4. Simplify Subsection (14)(5) to allow operation of a sedan, sport utility, or stretch limousine for a maximum of nine years. (Delete the middle section that requires inspections only between the 6<sup>th</sup> and 9<sup>th</sup> years.)

5. Include new subsection requiring all limousines to be subject to annual city inspection.

## Limousine Regulation Comparison

Provision	PTB	Vancouver	Richmond	Surrey	North Vancouver	Calgary	Edmonton	Montreal	Toronto
Limousine Types	Sedan	Antique	Limousine	Antique Charter	Charter	Sedan	Modified	Sedan	Sedan
	Eco-Friendly Sedan	Luxury Sedan		Charter Sedan		Specialized	Sedan	Stretch	Stretch
	Large Passenger Directed Vehicle	Sport Utility Stretch				Stretch	Stretch		
Minimum Seating Capacity	Sedan: 3 LPDV: 6	Stretch: 6	6	Sedan and Charter: 6	6	--	--	--	--
Maximum Seating Capacity	Sedan: 5 LPDV: 11	Sedan: 5 SUV: 8 Stretch: 10	10	Sedan: 10	9	Sedan: 5	--	Sedan: 4 Stretch: 9	Sedan: 5 Stretch: 7
Minimum Wheelbase	Sedan: 287.02 cm (113 in) Eco-Friendly Sedan: 284.48 cm (112 in)	Sedan: 290.83 cm (114.5 in) SUV: 294.64 cm (116 in)	--	--	--	Sedan: 6 in longer than std. Lincoln or Cadillac Stretch - extended min 8 in	--	Sedan: min 280 cm (110.24 in) Stretch: min 340 cm (133.86 in)	Sedan - less than a stretch as defined Stretch: min 114 cm
Required Vehicle Ratio	--	Own min one stretch Max 2 sedan/SUV limos per stretch	--	--	--	--	--	--	Initially: Max 4 sedans per stretch Additional: Max 6 sedans per stretch
Maximum age of vehicle at registration	--	Sedan and SUV: 2 years Stretch: 5 years	--	--	--	--	--	2 yrs	2 yrs
Maximum age of vehicle in use	--	Sedan and SUV: 7 years Stretch: 5 years, or 6 - 9 years with inspection	--	--	7 years Max of two one-year extensions	Sedan: 8 years Stretch: 10 years	--	5 yrs	Sedan: 5 years Stretch: 8 years
Chauffeurs Permit Required	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Required: to own min. of one vehicle	No	Yes	No	Yes - all vehicles	Yes - all vehicles	No	No	No	No