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CLIENT BULLETIN

LEGISLATION TO ALLOW “RIDE-SHARING” PROPOSED BY BC LEGISLATURE

Local governments will likely be interested in proposed amendments to provincial legislation relating to online platform “ride-sharing” services such as Uber and Lyft. Bill 55 (2018) has been given first reading and contains amendments to the *Passenger Transportation Act* that, if adopted, are expected to allow such services to lawfully operate by 2020.

At present, persons wanting to provide fee-for-ride services in British Columbia are obliged to comply with a series of regulations that create exclusive classes of taxis and taxi drivers. In the case of taxis, these vehicles must meet provincial safety standards under the *Transportation Act* and be submitted to regular provincial inspections. The vehicle may also be subject to municipal business regulation bylaws that regulate taxi equipment and restrict the total number of vehicles that may be used as taxis within the municipality. A taxi driver must either be licensed by the Passenger Transportation Board or work for someone who is. The driver may also be obliged to comply with a municipal bylaw requiring the driver to obtain a “chauffeur’s permit” before driving a passenger directed vehicle within a municipality. These rules are regulatory barriers to the regular person who wants to use their regular vehicle to give people rides for a fee.

Bill 55 proposes to lower, but not eliminate, such regulatory barriers to allow for online-hailed “passenger directed” vehicles. The proposed changes notably include:

- Provincial regulations that will apply specifically to “transportation network services”, being online platforms such as Uber or Lyft, and will require companies providing such services to obtain a “transportation network services authorization” from the Passenger Transportation Board.
- Drivers who intend to rely solely on such online platforms for customers will be required to hold a “passenger directed vehicle authorization” issued under the *Passenger Transportation Act* and obtain the prescribed Provincial safety certificate and liability insurance for their vehicle.
- Municipal bylaws will not be able to restrict the number of online-only passenger directed vehicles operating within their boundaries.
- Municipalities will not be able to refuse to licence an online-only passenger directed vehicle driver solely on the basis that the driver is licensed in another jurisdiction.
- Municipal councils will not be able to require online-only drivers to obtain a municipal chauffeur’s permit.

Drivers of “passenger directed vehicles” that do not limit themselves to online platforms and solicit customers through roadside hailing and telephone bookings may continue to be subject to taxi-specific local government regulation, including a requirement to obtain chauffeur permits.

These proposed changes do not go so far as enabling a free-market model in which online platforms principally rely on passenger reviews and restrictions on the age of vehicles used as the means of enabling customers to find good drivers with good vehicles. Drivers and vehicles used in transportation network services will both be subject to additional scrutiny by the Province.

If adopted, Bill 55 will allow Uber-type drivers to avoid many of the municipal regulatory barriers imposed on taxi drivers. Drivers of passenger directed vehicles could still be required to obtain a municipal business licence and be required to comply with local business regulations—so long as those regulations relate to matters not otherwise covered by Provincial regulations and orders. There may, however, not be much left to regulate if the Province seeks to establish comprehensive and uniform rules for ride-sharing in British Columbia.

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