

SUBJECT: Authorizing municipal regulation of passenger limousines

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 6 ayes — Bailey, Murphy, Menendez, Cohen, Latham, Mallory Caraway
0 nays
1 absent — Martinez Fischer

WITNESSES: For — (*Registered, but did not testify:* Blanton Daniels, City of Houston)
Against — None

BACKGROUND: Local Government Code, sec. 215.004, requires municipalities by ordinance to license, control, and otherwise regulate taxicabs that provide transportation services for compensation. The ordinance may include regulation of the entry into the taxicab business, including controls or limits on the number of persons providing the service, regulation of rates, insurance requirements, and any other requirement adopted to ensure safe and reliable passenger transportation services.

DIGEST: HB 2338 would amend Local Government Code, sec. 215.004 to require municipalities by ordinance to license, control, and otherwise regulate limousines that provide transportation services for compensation. The regulations would apply to limousines carrying no more than 15 passengers.

The bill would take effect September 1, 2007.

SUPPORTERS SAY: HB 2338 would improve public safety by giving cities explicit authority to regulate passenger limousine services as well as taxicabs. In Houston alone, there are 282 limousine companies that transport passengers in 1,438 vehicles. These companies should be subject to regulations regarding liability insurance coverage, criminal background checks for drivers, and licensing of drivers.

Some limousine operators have questioned whether the city of Houston has the authority to regulate them. HB 2338 would provide clear statutory authority for the city to do so.

OPPONENTS
SAY:

HB 2338 is unnecessary because cities already have the authority to adopt local ordinances to regulate limousines. While there may be enough limousine services in Houston and other large cities to warrant regulation, the state does not need to adopt a law that would apply to all cities.

OTHER
OPPONENTS
SAY:

Subjecting an occupation to government regulation creates a mechanism to reduce competition among providers and could result in higher prices for consumers.

NOTES:

The companion bill, SB 1443 by Gallegos, has been referred to the Senate Intergovernmental Relations committee.