



## Legislation Text

File #: 20-1422, Version: 1

**AN ORDINANCE TO AMEND AND SUPPLEMENT TITLE XXXIV TRANSPORTATION OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY ADDING CHAPTER 4 FINANCIAL ACCESS AGREEMENT; TO ESTABLISH THE REQUIREMENT OF A FINANCIAL ACCESS AGREEMENT BETWEEN THE CITY OF NEWARK AND ANY TRANSPORTATION NETWORK COMPANY OPERATING WITHIN THE CITY OF NEWARK, PURSUANT TO N.J.S.A. 39:5H-26.**

**WHEREAS**, advances in smartphone technology and the development of ridesharing has led to the increased popularity, and reliance by consumers upon, digital network applications (Apps) that link consumers with drivers offering transportation in their own personal, non-commercial vehicle; and

**WHEREAS**, the New Jersey Legislature has approved the Transportation Network Company Safety and Regulatory Act (the "Act"); and

**WHEREAS**, in general, N.J.S.A. 39:5H-26 prohibits a municipality from assessing taxes or fees that only apply to Transportation Network Companies, with an exception for cities of first class with an international airport; and

**WHEREAS**, N.J.S.A. 39:5H-26 provides that "nothing in this section shall be construed to alter, supersede, or prohibit a financial access agreement between a Transportation Network Company and a city of first class with an international airport;" and

**WHEREAS**, pursuant to N.J.S.A. 40A:6-4(a) "cities having a population of more than 150,000" is classified as first class; and

**WHEREAS**, the City of Newark is both a city of first class, has an international airport; and

**WHEREAS**, the Mayor and the Municipal Council are desirous of establishing the requirement of a Financial Access Agreement between the City of Newark and Transportation Network Companies operating in the City of Newark.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

**Section 1.** Title XXXIV Transportation, of the General Ordinances of the City of Newark, New Jersey, 2000, as Amended and Supplemented, is amended by adding a new Chapter 4 as follows:

### **FINANCIAL ACCESS AGREEMENT**

#### **34:4-1. Definitions**

“City” shall mean the City of Newark.

“**Transportation Network Company (TNC)**” means a corporation, partnership, sole proprietorship, or other entity that is registered as a business in the State or operates in this State, and uses a digital network to connect a transportation network company rider to a transportation network company driver to provide a prearranged ride. A transportation network company shall not include an individual, corporation, partnership, sole proprietorship, or other entity arranging non-emergency medical transportation for individuals qualifying for Medicaid under P.L.1968, c.413 (C.30:4D-1 et seq.) or Medicare under Pub.L.89-97 (42 U.S.C. s.1395 et seq.) pursuant to a contract with the State or a managed care organization, whereby Medicaid or Medicare funding is used to pay for the non-emergency medical transportation services.

“**Transportation network company driver**” or “**driver**” means a person who receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company, and uses a personal vehicle to offer or provide a prearranged ride to a rider upon connection through a digital network controlled by a transportation network company in return for compensation or payment of fee.

“**Transportation network company rider**” or “**rider**” means a person who uses a transportation network company’s digital network to connect with a transportation network company driver to receive a prearranged ride from the driver using the driver’s personal vehicle.

#### **34:4-2. Financial Access Agreement Required**

- a. Any Transportation Network Company seeking to operate within the City of Newark must negotiate and execute a Financial Access Agreement with the City of Newark. Any Transportation Network Company already operating in the City of Newark shall negotiate and execute a Financial Agreement with the City of Newark within 30 days of the effective date of this Ordinance.
- b. A Transportation Network Company driver shall not knowingly operate in the City of Newark for a Transportation Network Company that has not negotiated and entered into a Financial Access Agreement with the City of Newark.
- c. The City of Newark reserves the right to negotiate and/or renegotiate any Financial Access Agreement with a Transportation Network Company that is in existence at the time of the Effective Date of this Ordinance.

#### **34:4-3. Penalty**

- a. A Transportation Network Company (TNC) that violates or permits, aids or abets the violation of any provision of this chapter shall, upon conviction thereof, be punished by a fine not less than One Hundred (\$100.00) Dollars nor exceeding Two Thousand (\$2000.00) Dollars or by imprisonment for a term not to exceed ninety (90) days, or both. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

- b. A Transportation Network Company driver who knowingly violates or permits, aids or abets the violation of this chapter shall, upon conviction thereof, be punished by a fine not less than One Hundred (\$100.00) Dollars nor exceeding One Thousand (\$1000.00) Dollars or by imprisonment for a term not to exceed ninety (90) days, or both. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

**Section 2.** If any provision of this Ordinance or application thereof to any person(s) or circumstance is adjudged invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of the Ordinance that can be given effect without the invalidated provision or application, and to this end, the provisions of this Ordinance are declared severable.

**Section 3.** This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

### **STATEMENT**

This Ordinance amends and supplements Title XXXIV Transportation of the Revised General Ordinances of the City of Newark, New Jersey, 2000, as Amended and Supplemented, by adding a new Chapter 4 Financial Access Agreement; to establish the requirement of a Financial Access Agreement between the City of Newark and any Transportation Network Company (TNC) operating within the City of Newark pursuant to N.J.S.A. 39:5H-26.