



Memorandum

To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Deputy City Manager/Director of Administrative Services

Subject: Ordinance 119-O-17, Creation of a Transportation Network Provider Tax

Date: November 14, 2017

Recommended Action:

Staff recommends that the City Council adopt Ordinance 119-O-17, amending City Code Section 3-2 by adding Section 3-2-19 "Transportation Network Company Tax", which would implement a .20 cent per ride tax on rides provided by transportation network providers (TNP's) in the City of Evanston effective January 1, 2018. This Ordinance was introduced at the November 20, 2017 City Council meeting.

Funding Source:

General Fund Revenue (Account 100.15.1560.51536)

Livability Benefit:

Innovation & Process: Support Local Government Best Practices and Processes

Summary:

As part of the 2018 Proposed Budget Staff is recommending the implementation of a transportation network provider tax. This .20 cent per ride fee would be charged to riders each time they take a ride with Uber, Lyft or any transportation network provider that may operate in Evanston in the future. The TNP's will remit the tax collected from riders on a quarterly basis to the City for all rides starting or ending in the Evanston city limits.

The ordinance also requires all TNP drivers to be licensed with the City of Chicago. This is the current practice for all drivers in the Chicago region at present. Rideshare companies would also be required to provide a log of all rides for reconciliation purposes.

Rides that start or end in Chicago and Evanston will have two taxes assessed requiring the rider to pay .72 cents per ride (.52 Chicago tax + .20 Evanston tax). On rides that start in Evanston and end in Evanston, or end in any other community besides Chicago, the rider would only be charged the .20 cents per ride.

Attachments

Ordinance 119-O-17

119-O-17

AN ORDINANCE

Amending Title 3, Chapter 2 of the Evanston City Code to Add Section 19, "Transportation Network Company Tax"

NOW BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: Title 3, Chapter 2 of the Evanston City Code of 2012, as amended, is hereby further amended to add Section 19, "Transportation Network Company Tax," which will read as follows:

3-2-19. – TRANSPORTATION NETWORK COMPANY TAX

3-2-19-1. – DEFINITIONS.

For the purposes of this Section, the following definitions apply:

<i>CITY MANAGER.</i>	The City of Evanston City Manager or his/her designee.
<i>RIDE ACCEPTED.</i>	Any ride during which transportation network company services are provided by a transportation network company driver in the City of Evanston.
<i>TRANSPORTATION NETWORK COMPANY.</i>	Has the meaning as defined in the Transportation Network Providers Act, 625 ILCS 57/et seq., as may be amended from time to time.
<i>TRANSPORTATION NETWORK VEHICLE.</i>	Has the meaning as defined in City Code Section 3-17-1 as may be amended from time to time.

<i>TRANSPORTATION NETWORK COMPANY DRIVER.</i>	Has the meaning as defined in the Transportation Network Providers Act, 625 ILCS 57/et seq., as may be amended from time to time.
<i>TRANSPORTATION NETWORK COMPANY SERVICES.</i>	Has the meaning as defined in the Transportation Network Providers Act, 625 ILCS 57/et seq., as may be amended from time to time.

3-2-19-2. – TRANSPORTATION NETWORK COMPANY TAX IMPOSED.

A tax is imposed and levied on all transportation network companies operating transportation network company services performed by transportation network company drivers in the City of Evanston at a rate of twenty cents (\$0.20) per transportation network vehicle per ride accepted. The incidence of the tax and the obligation to pay the tax are imposed upon the transportation network company operating services for any ride accepted originating or ending in the City of Evanston. This tax is in addition to any and all other taxes imposed.

3-2-19-3. – COLLECTION OF TAX.

- (A) Except as otherwise provided, the tax must be collected by each transportation network company operating transportation network company services in the City of Evanston. The transportation network company must remit the tax and file returns in accordance with this Section.
- (B) Each transportation network company must collect the tax from each transportation network company driver operating a transportation network vehicle in the City of Evanston.
- (C) If a transportation network company fails to collect the tax imposed by this Section from a transportation network company driver, then the transportation network company driver must file a return and pay the tax directly to the City on or before the date required by City Code Subsection 3-2-19-6(A).

3-2-19-4. – ADMINISTRATION AND ENFORCEMENT.

The City Manager will administer and enforce the tax imposed and levied by the City and will collect all amounts due to the City from the transportation network companies operating transportation network company services in the City of Evanston.

3-2-19-5. – BOOKS AND RECORDS.

Every transportation network company required to collect the tax imposed by this Section must keep accurate books and records of its business or activity, including original source documents, books of entry, and/or digital records, denoting the transaction that gave rise, or may have given rise, to the tax liability or any exemption that may be claimed. All such books and records must be legibly kept in the English language. All books and records regarding the tax imposed and levied are subject to, and must be available for inspection by, the City Manager.

3-2-19-6. – TRANSMITTAL OF TAX REVENUE.

- (A) A transportation network company must file tax returns with the City showing tax receipts received with respect to every transaction for every ride accepted during each and every quarterly calendar period. These returns will be on forms prescribed by the City Manager. The quarterly return for each completed period is due within twenty (20) days of the completion of the applicable calendar quarter period ending March 31, June 30, September 30, or December 31, as the case may be. At the time of filing such tax returns, the transportation network company must pay to the City all taxes due for the period to which the tax return applies.
- (B) If any tax is not timely paid when due, a penalty at the rate of ten percent (10%) per thirty (30) day period, or portion thereof, from the day of delinquency, will be added and collected. The City may file an action to enforce the payment and collection of the tax imposed by this Section, as well as any penalty that is added. The City may suspend or revoke the City registration of any transportation network company that refuses or fails to pay the tax imposed by this Section.

3-2-19-7. – REGISTRATION.

Every transportation network company must register with the City within thirty (30) days after the date of commencing transportation network company services in the City of Evanston. If a transportation network company is already operating transportation network company services in the City, any such company must register with the City on or before January 1, 2018. In addition, all transportation network companies operating in the City must maintain their current registration and licensure with the City of Chicago.

3-2-19-8. – PENALTY.

Any transportation network company, transportation network company driver, firm or corporation who violates any of the provisions of this Section 3-2-19 will be fined two hundred dollars (\$200.00) for each offense. A separate offense is deemed committed on each day on which a violation occurs or continues to exist.

3-2-19-9. – DEPOSIT OF FUNDS.

All proceeds resulting from the imposition of this tax, including; interest and penalties, will be deposited in the City of Evanston General Fund.

SECTION 2: The findings and recitals contained herein are declared to be prima facie evidence of the law of the City and shall be received in evidence as provided by the Illinois Compiled Statutes and the courts of the State of Illinois.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance will be in full force and effect on January 1, 2018.

SECTION 5: If any provision of this ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

Introduced: _____, 2017

Approved:

Adopted: _____, 2017

_____, 2017

Stephen H. Hagerty, Mayor

Attest:

Approved as to form:

Devon Reid, City Clerk

W. Grant Farrar, Corporation Counsel